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FLOOR DEBATE

April 10, 2006 LR 272

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Connealy, to open.

SENATOR CONNEALY: Thank you, Mr. President and members. LR 272CA would remove the stipulation of a project being blighted or substandard to receive the tool of tax increment financing. Problems have been shown in the TIF law, and it probably will continue as long as we have that requirement where a city has to declare a property blighted and substandard before it can be used as redevelopment. This area of law has been an area that I've looked at and seen problems with it all the eight years I've been here. Blighted and substandard will continue to be a problem as long as it's a bone of contention with public, and projects are used some places where they...maybe it's questionable, and also not used in some communities, because they don't want to use that contentious issue. In particular, rural communities end up paying \$8,000 to \$10,000 for a study that oftentimes really doesn't mean much. We've seen instances where relatively new buildings, and we've also seen cornfields that are declared blighted and substandard, and so when you look at this money that's being spent by the consultants, in reality it's really not a useful tool. And I'm not saying that these aren't good projects. Most of these are very good projects; they're projects that ought to happen. But I am concerned that we're using what could be a constitutionally suspect premise, and that it might be something that would be called into question in a lawsuit. So I'm asking that we remove that and then bring it back here to the Legislature. The Legislature will maybe set the same standards that are in place now, or it could change those. We've also seen at least anecdotal evidence in the Urban Affairs Committee where communities are charging back developers and then using those funds for other purposes. There's really not that much that the Legislature or the administration can do about that. It's a city power, and we haven't held within that power a way to regulate it, and by doing this constitutional amendment, we'd be able to do that. I'd ask that you support LR 272CA.

SENATOR CUDABACK: Thank you, Senator Connealy. You've heard the opening. There are committee amendments, as stated.