

April 8, 1983

LB 410

accelerate the renovation of these structures as well as acquire the land that has been a problem for a long time. I think that dedicating the \$2.2 million over the next ten years to get these projects underway at this point would be in the best interest of the state and in the long run will save us some money by getting these projects utilized.

PRESIDENT: Thank you. (Gavel) May we have order in the Chamber. The conversation level under the balcony is a bit strong at times. The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, I would ask Senator Warner a few questions because I need to understand this a little better. Senator Warner, I guess that what we are doing with LB 410 or at least the committee amendments is we are permitting the Board of Trustees of the State College System and also the Board of Regents for the University of Nebraska to issue revenue bonds, is that correct?

SENATOR WARNER: Well, they currently have that authority to contract with a nonprofit corporation. They themselves would not or do not have that power to issue but they already have the power and have used it for example for construction of dormitories, those kind of facilities in the past, parking lots, and so forth.

SENATOR V. JOHNSON: Now, I want to get to that. I knew that Peru State College, for example, had issued revenue bonds in the past through a nonprofit organization but the revenues that were committed on those bonds that Peru State issued were revenues generated from the dormitories themselves. Is this the first time that we, in a sense, will be committing state tax dollars to fund a revenue bond?

SENATOR WARNER: Senator Johnson, if I can be technically correct, we are not dedicating state funds to revenue bonds. What we are dedicating state funds to is contracts that the Board of Trustees or the Board of Regents will have with the private corporation for the construction of some facilities and it is the same concept that, for example, was used for the Devaney Sports Center, the same concept that was used for the Omaha Office Building, Lincoln Office Building. So the concept is not new even with the case of the University because of the Devaney Sports Center.

SENATOR V. JOHNSON: All right, so we have done this in the past. We have taken our cigarette tax money, we have allowed the construction to occur right away through the