

February 12, 1980

LB 507

SENATOR KREMER: Are you referring to a G.O. bond or a revenue bond?

SENATOR WARNER: Well, I presumed that these were revenue bonds. They are not general obligation bonds. Are they?

SENATOR KREMER: If it is a revenue bond there is no one going to purchase that bond unless they can be assured that there is revenue can be produced to service that bond, Senator Warner. If it is a G.O. bond, before they could tax the city, the county, whoever may be involved, they would have to go to a vote of the people. So if the people would be willing to say by a vote of the people, yes, I am willing to back this up whatever the taxation might be. If it is, for example, a local elevator, I would imagine their board of directors would have to go to their people and get permission to say yes, sir, we will tax ourselves, not through a levy, but through a contribution of some kind. We will have to prove to the state council, that is the overall council, in our plan that we can service those bonds and that plan would have to be scrutinized by the state. Now there is confusion there between the Regional Council and the State Council. The State Council is the umbrella authority. I don't know if I have answered your question or not. I know that the bonds have bothered quite a lot of people including myself but I have been satisfied that no bonds is going to be sold unless they can be serviced and if it is a taxation purpose it goes to a vote of the people.

SENATOR WARNER: Okay, thank you, Senator Kremer. I find myself in the position that we have a series of this kind of legislation in recent years where essentially we are using government to give support, financial support, financial guarantee, indirectly at least for funding of activities that historically and generally are contained in the private sector and I think that together with legislation that was passed a couple of years ago which has ran into some problems in terms of how it was implemented. There seems to me there is one or two other constitutional amendments proposed in this session which would expand the lending of the credit of the state for what is traditionally financing programs for the private sector and while I have every sympathy again to preserve branch lines for the shipment of goods throughout the state, I don't think that I can continue the support, the expansion of the authorization as proposed in this bill with the possible indebtedness being incurred by the taxpayers of the state for what is essentially a private operation. I think if we continue to do this too much...well, we have some experience in the case of the railroads going back to the 1800s of this seems to be very similar to the approach that was used