

March 27, 1981

LB 392

SENATOR NICHOL: Senator Landis, did you want to take the committee amendments?

SENATOR LANDIS: Mr. Speaker, members of the Legislature, this is a meritorious bill introduced by Senator Marvel and as we all know, interest rates have gone up tremendously. The purpose of the bill was to remove the interest ceiling now in effect on revenue bonds issued by municipalities under the Off Street Parking Act. The current statutory limit is 7%. The bill as drafted simply took off any mention of a maximum interest rate. The committee in what I believe was a reasonable compromise reinstated a maximum interest rate but that interest rate was 12%. To those people that appeared before us, the City of Norfolk, First MidAmerica and other bonds people as well as the letters that we could ascertain in context that we could ascertain, 12% would get them off the hook. They could easily float bonds at that rate and did not foresee any problem with that maximum. We did, however, want to impose a maximum since that is common statutorily that there be a maximum interest rate allowable on these kinds of bonds and, therefore, the committee raised from 7 to 12% by way of the committee amendments, the maximum interest rate on bonds used to provide the proceeds for off street parking under the Off Street Parking Act. I would move the adoption of the committee amendments.

SENATOR NICHOL: We are voting on the adoption of the committee amendments. All those in favor signify by voting aye, opposed nay. Record please.

CLERK: 25 ayes, 0 nays on adoption of committee amendments, Mr. President.

SENATOR NICHOL: Senator Marvel, did you wish to talk about the bill, please?

SENATOR MARVEL: As Senator Landis has indicated Hastings among other cities and as he indicated also, Kearney and Norfolk for example, are interested in off street parking facilities. It has been almost impossible to operate in this area with the present percentage. There was some discussion in the committee about what that percentage should be and I think the committee is to be commended for the way they have put the pieces together so it is a workable document and still allows some flexibility. So with those remarks I would move that the bill be advanced to E & R.

SENATOR NICHOL: The question is, shall LB 331 be advanced. All those in favor signify by voting aye, opposed nay. Excuse me, 392. Sorry.