

March 4, 1976

Mr. President, I move we recess. Signed, Senator Burbach, till 1:30.

PRESIDENT: You've heard the motion. All in favor say aye, contrary say nay. We are in recess until 1:30. I will keep the lights on that were on so we'll keep the same order and commence with this debate right after lunch.

RECESS

(Machine not turned on immediately)

SENATOR GOODRICH: ... with IDA bond funding is to be determined not in this bill. This is a Constitutional amendment. What we can or can't do will depend on what we write into the legislation at future sessions. All we're asking to do in this bill ... all we're doing is asking the public for permission to go into that kind of legislation. The reason being that we need this bill. How do we create jobs in a time when the mortgage market is down and we just plain can't get mortgage financing? This is the only way that some of these companies can get financed. Now it's better to have a company sitting there with a building, paying real estate taxes to your local county, then it is to have the vacant ground sitting there. Once you've got a building sitting there operating as a business, be it commercial, industrial, or any other kind of business, at least you've created jobs. We've got 22,000 people in Omaha sitting, waiting for something to happen so they can go to work. That's the kind of problem we're trying to solve in this.

Now Senator Fowler indicates the credit of the state is going to be used. I assure you, these IDA bonds do not carry the credit of the state. The credit of the state is absolutely ... has absolutely nothing to do with these IDA bonds or any project funded with them. These bonds are just a different way of saying a mortgage ... which the mortgage must be justified ... or the bonds must be justified on the value of the real estate and the financial statement of the company or the credit rating of the company.

Apartments, office complexes, or recreational facilities, that Senator Fowler indicates, can be done by this, not by this bill. They can only be done if the Legislature gives them permission to be funded at a later date in statute. This bill doesn't give that kind of permission.

Also someone indicated that I had said on this floor that this was only for warehouses. I've referred to warehouses, but I also referred to computers, to personal property of the two major companies, Avis and Hertz, that moved out of ... excuse me ... did not move into this state. This is not just for warehouses, this is for commercial and business enterprises such as ... if a person wants to start a place like the steel works up at Norfolk, IDA bonds are an ideal way to fund that kind of a plant to put people to work in your community.