

SENATOR SCHMIT: I want to say this, that the bill is not, as Senator Dworak has outlined, a special interest bill. The banks are going to pay a rate of interest that is comparable to the rate that will be received on other investments outside of the state. Now it makes more sense to me that that money be invested within the state. The money belongs to the citizens of this state. It is temporarily in surplus insofar as the needs of the state are concerned. Therefore, the investment officer has in the past been sending this money out of the state. We have heard the description many times that the state is in a very serious credit crunch, while at the same time tens of millions of dollars have been shipped out of the state. Now if we need money within the state, if the citizens of this state need money to borrow to conduct their businesses, to operate their farms, for their own personal needs, and the banks and S & L's do not have those funds available, they cannot make those loans. These funds are available. They ought to be invested within the state. The banks, the S & L's are going to make some money on that investment. That's right. That's the normal course of business and Senator Dworak understands that course of business, but the individual who will principally benefit is the individual who borrows the money, who needs the money, who needs to make the investment, but I think the most important factor of all has been overlooked and that is the multiplier effect of having these funds invested within the state to provide the jobs, to pay the sales tax, to provide the necessary incentive for individuals to go out and buy a home, which in turn is going to again, bring in additional revenue into the state. This is the thing that's going to have the major effect upon the income of the State of Nebraska. I think the bill is a good bill. The bill is for the people of the State of Nebraska. Anytime that the State Treasurer, the investment officer thinks the bill is causing jeopardy to the funds, I am sure the Director of Banking is going to be most interested. You can be very, very, sure the Director of Banking is keeping a close eye as are our national banking examiners on the fiscal soundness of those institutions. That's what it's all about and I think that the straw man proposal here, about the risk that has been entailed by not having pledging is not a valid one. I would hope that you would advance the bill and then it become law.

SPEAKER LUEDTKE: All right, the motion is to advance LB 258 to E & R Final and machine vote has been requested so I'll call the question for a machine vote. All those in favor of advancing LB 258 vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 27 ayes, 1 nay on the advancement, Mr. President.

SPEAKER LUEDTKE: LB 258 is advanced to E & R Final. LB 258A.

CLERK: Mr. President, LB 258A. There are E & R amendments pending.

SPEAKER LUEDTKE: The Chair recognizes Senator Cullan.

SENATOR CULLAN: Mr. President, members of the Legislature, I move the E & R amendments to LB 258A be adopted.

SPEAKER LUEDTKE: The motion is to adopt the E & R amendments to LB 258A. Is there any discussion? All those in favor to adopt the E & R amendments to LB 258A say aye, opposed nay. The E & R amendments to LB 258 A are adopted.