

SENATOR WARNER: First, Senator Cope, as far as I know, the two options have been in the statutes since 1967 and I can't honestly say why the two options are there because I never went back and checked, but I would assume that under some circumstances probably there is more red tape, more of a problem to have a exemption certificate everytime something is purchased and I assume that that was the reason for the two alternatives. It net outs the same as far as what is being done, and to use the 60% of the total cost as the cost for material was a rule of thumb as I understood it that was put in originally but the money comes back to the state in any event.

SENATOR COPE: It seem to me it would eliminate quite a lot of paper work this other way but I was just curious as to why. Thank you.

SENATOR WARNER: It is rules of precedence, it is the way it has always been, I guess, Senator Cope.

SPEAKER MARVEL: Senator Keyes, do you wish to be recognized?

SENATOR KEYES: Yes. I would like to ask Senator Warner a question. Senator Warner, that sales tax will be paid on 60% of the cost, won't it? That is basically what they used instead of giving the permit.

SENATOR WARNER: Yes, that is the option they have.

SENATOR KEYES: Now, then that money that is saved, twenty-five or thirty thousand dollars, that money comes back, what fund does that go into again now? The University's fund or where?

SENATOR WARNER: Previously, prior to last year when we put a prohibition in the appropriation bill they had the option of putting the refund and they did put it in their cash fund which meant it is unrestricted and they can use it for whatever purpose they want. Our position in recommending this bill is that money that, when general funds are appropriated for the construction, that any reduction in that cost by virtue of the sales tax exemption should be returned to the general fund....

SENATOR KEYES: That is good.

SENATOR WARNER: ...and not become available to the institution as a cash fund.

SENATOR KEYES: Then that still don't mean that the University or any entity that is building will be able to go into