

March 9, 1979

LB 441

Have you all voted? We are voting on the committee amendments to LB 441. Have you all voted? Clerk, record the vote.

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

SPEAKER MARVEL: The motion is carried and the amendments are adopted. Senator Lewis, what do we do with LB 441 as amended?

SENATOR LEWIS: Mr. President, I'd ask you to send the bill across. The bill, basically, provides for hospitals to finance or refinance capital improvement programs at an interest rate which may be significantly lower by using the tax exempt bond issues which improve their credit ratings by using government securities. This bill is on behalf of St. Joe Hospital in Omaha, the new one. They have an attempt under some change in federal legislation to refinance some of their bonds at a savings which then is directly passed on in terms of hospital expense and I move advancement of the bill.

SPEAKER MARVEL: The motion is to advance LB 441 to E & R for review as amended. Senator Murphy.

SENATOR MURPHY: A question of Senator Lewis and I am sorry I was not present at the hearing to hear the discussion. Senator Lewis, are you now taking a private hospital and putting them under some kind of a development bond, a tax exempt bond, for schools and....

SENATOR LEWIS: The hospital authority act will not change and that was what the amendment was. The purpose of the amendment is to allow them to capitalize on...well, let me just read this. The adoption of this amendment would permit hospital authorities through the use of securities which are guaranteed or insured by the United States to obtain a Triple A rating on their bond issues from those rating agencies, and if the rating is lower, I mean if they get the Triple A rating, then obviously there financing dollars are in a much better position.

SENATOR MURPHY: I guess my question is, what is the guaranteed...it sounds like you are issuing hospital bonds that are, shall I say, guaranteed by possession of government bonds?

SENATOR LEWIS: Which are guaranteed or insured by the United