

May 4, 1979

LB 158

CLERK: 11 ayes, 14 nays, Mr. President.

SPEAKER MARVEL: Motion lost. Next amendment.

CLERK: Mr. President, Senator Murphy moves to amend LB 158 by striking all the new material on page 9 and in line 1 on page 10.

SPEAKER MARVEL: The Chair recognizes Senator Murphy.

SENATOR MURPHY: I am in the same category of objection, and this in particular, when we get to the matter of what we are going to do with this public money, and by way of explanation, I would like to have Senator Koch explain exactly what that provision in that section is. To me it is making a savings and loan out of a development authority and I don't believe that that is the intent of this Legislature either. Now if Senator Koch can justify the provisions set forth relating to mortgage loans and liens and the whole bit and financing them, the manner in which they will be refunded and the interest which will be paid, I would accept a good explanation but here again this was never discussed when we discussed this amendment.

SENATOR KOCH: Senator Murphy, members of the body, I will explain the reason for this section and why it should remain as is. These provisions which we are talking about now would permit redevelopment through the purchase of mortgages for the lending of money with the mortgage as security for the loan. It is somewhat uncertain at this time whether these provisions are constitutional. The reason that I insist they remain is that we must, I believe, test the constitutionality. It is necessary they be included in this law. There is a severability clause, and if we can test and we can find that they are indeed correct and this provision is correct, it remains. If not, it will be taken out. I ask for you to oppose Senator Murphy's amendment at this time.

SPEAKER MARVEL: Senator Johnson.

SENATOR JOHNSON: Mr. Speaker, members of the body, I concur with Senator Koch's remarks about this particular section. In the first place, if the redevelopment authority is to acquire all the property in the project, it has to be able to pick up all the property in the project and that includes property that is subject to a mortgage and the first provision here says simply that the development authority can acquire the mortgages plus the property that is the collat-