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LB 703

that they have to be sold without premium or discount. That is in line with the intent of the bill to remove the eight percent limit...the eight percent interest limit, and therefore the bill then allows Omaha to simply negotiate in the market and the interest rate for those bonds simply would be set by the market forces. I move the adoption of the committee amendments.

SPEAKER MARVEL: Senator Murphy.

SENATOR MURPHY: Yes, I have a question or two of Senator George, if I may.

SENATOR GEORGE: Yes.

SENATOR MURPHY: Senator, we are doing about three things to a municipal bond which is tax exempt. Is that correct? The bond is a tax exempt municipal.

SENATOR GEORGE: We are talking here about revenue bonds for parking facilities.

SENATOR MURPHY: Yes, but it would come under the classification, I think, of tax exempt.

SENATOR GEORGE: I guess...

SENATOR MURPHY: We are taking the eight percent interest rate ceiling off which would be today equivalent to sixteen percent on any other bond. We are eliminating the prohibition against a premium or discount pricing of that bond which has quite an impact on interest rate, and we are now also taking out of the restricted category of them being offered for public sale and saying they may be offered for private sale. How would that private sale be handled?

SENATOR GEORGE: Senator Murphy, I am no specialist for bond house procedures. I guess they could be privately sold in the Omaha market.

SENATOR MURPHY: Is that...do you see in that a possible danger of...let's say a bond house negotiating that with a favored customer with an almost unlimited restriction on rate and discount, and I am starting to get a nervous feeling.

SENATOR GEORGE: Well, Senator Murphy, the city of Omaha, of course, is the other partner for these negotiations and