

The Mortgage Finance Fund was granted through LB 954 passed last year, the authority to issue bonds which would be used to assist low and moderate income families to conserve energy in their homes and also to help small business people conserve energy in their businesses, clearly a very worthy step to take, and we have found through research that very necessary assistance is needed in the terms of the funding capability that these revenue bonds can provide. Without these changes in the law, however, the Congress has placed restrictions which make it impossible for such activities as these energy funds to ever become available because the bonding restrictions are too great and essentially there is no option for the future unless we would make these changes. Again this resolution is an attempt to recognize the impact of the Mortgage Finance Fund, the good that it has done for the State of Nebraska, and to encourage our Congressional delegation to make some changes in the law that were passed this last fall, rather than as I would believe, so that we can continue to have the benefits of the Mortgage Finance Fund and hopefully to expand that so that energy funding can be available and like attempts to assist the economy of the State of Nebraska.

PRESIDENT: The Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. President, members of the Legislature, I want to oppose this resolution. In my opinion instead of discouraging the federal government from doing what they are doing, we should be standing up and cheering right now. Let me tell you why. For the last twenty years in this country there has been spreading across the country a movement to issue more and more and more tax free, tax exempt bonds for this and for that, starting with Industrial Revenue Bonds, Tax Increment Financing. Many of these types of bonds are issued supposedly as industrial incentives to a particular state, but once all of the states adopt that kind of incentive, then there is no incentive left at all and what happens is the public ends up financing a number of operations that in my opinion should be either directly subsidized or should not be subsidized at all. If we think we are helping the average taxpayer by issuing these types of bonds, then we are just kidding ourselves. Let me tell you, let me remind you of the two effects that these kinds of bonds that we are talking about have. The first effect is that they are tax exempt and there is only a certain class of people in this country who have an interest in buying taxes in bonds and those are the very wealthy. So the more of these bonds you issue, the more you exempt the wealthiest classes from taxation and the more you put the burden of taxation on the middle class and on the lower class. That is the first