

March 25, 1981

LB 384

SENATOR DeCAMP: Mr. President and members of the Legislature, I'll try to be very brief because the hour is late and maybe I can best explain the bill and all of its aspects by reading two or three paragraphs from a speech. I did not give the speech. The speech was given by a guy named Charles Thone on the 14th of January, 1981 to the Legislature of the State of Nebraska. Here is what the Governor said. "I urge the Legislature to give favorable consideration to legislation to provide a new source of credit for hard pressed farmers and ranchers." The proposed tax exempt agricultural development bonds could do a great deal to help preserve the family farm faced with unstable farm prices and record inflation. Nebraska's agricultural sector is more heavily dependent than ever on the availability of farm credit at affordable rates. Agricultural development bonds, revenue bonds, have demonstrated their effectiveness in Louisiana, Oklahoma and Alabama and the Iowa legislature recently authorized their use. The bonds are secured by, and this is an explanation of the bill really in its utter simplicity, the bonds are secured by and payable from a portfolio of farm loans which are used to purchase land, buildings, equipment, machinery, possibly livestock. They are issued by the state as mortgage revenue bonds now are, agricultural development revenue bonds are repaid from program revenues. No funds or revenues of the state are required to repay the bonds or to defray the expenses of issuance or servicing. So what it is is simply a lower interest financing scheme program family farms, this type of thing and it is no cost to the state and of course you will hear the objections but yes this takes the money out of the federal treasury. Indeed it may take some money out of the federal treasury for the benefit of Nebraskans and I'm willing to do that. There may be some objections, we may need to have some more identifiable standards in their as to just who can qualify, I'd certainly be willing to listen to any suggestions maybe between here and the next time it would come up on Select File, if it moves today, or we could find some standards that satisfy people.

SPEAKER MARVEL: Okay, Senator Wesely.

CLERK: Mr. President, Senator Wesely moves to return LB 384 to the Ag and Environment Committee.

SENATOR WESELY: Mr. Speaker and members of the Legislature, I thought that there were some other amendments coming up before that but I guess it is appropriate that this be the first one to be considered. I passed out on your desk a