

RECESS

March 26, 1981

LB 384

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Record your presence please. Have you all recorded your presence? Okay, record.

CLERK: We do have a quorum, Mr. President. I don't have anything I would like to read in, Mr. President.

SPEAKER MARVEL: My notes show that we are on the Burrows amendment to the Sieck amendment to LB 384. If there is no comment to that, the Chair will recognize Senator Burrows. Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, this amendment would change the net worth limitation to \$600,000. Now this is a total limitation. It is not a goal or anything like that. We are going in inflationary times where land prices have soared and the person that has a clear \$600,000 net worth would not be eligible for it but I would like to give examples of people that have got net worths of three, four, five hundred thousand, some of them carrying short term credit at seventeen and eighteen percent on that approximately 150,000, 200,000, that by the time the interest bill is being paid today, they have absolutely no cash flow. This is the situation in agriculture. The national investment last year was \$821,000,000,000. The earnings from a couple of federal statistics range from the \$22, \$25 billion range, and at best you can get it, you can't cut above 3% average return for agriculture for the last year, and we have got thousands of farmers out here that have debt structures that are eating at them very close going into a dry year. The FHA does not have significant funds to deal with the problem that is confronting the State of Nebraska today for backup funds. The Federal Land Bank is not in the position to take a massive influx of new money there and cannot take those that are more marginally situated. Now a lot of these people, if you could drop the interest a little bit, you could make a viable loan on it but they do not have a viable loan at the higher interest rates. Now I would like to see this a start-up program for farmers, and if it is laid on the books, it has some real potential in a few years if commodity prices come up a little bit or the interest rates down. Presently the hope is rather slight on this. Iowa had a \$100,000 limitation or has it and they have got a situation where it is practically worthless for them to work within the state. If you can't accept a \$600,000 limit, please do not go to the \$100,000 like Iowa did. We discussed this in committee and the \$100,000 is not realistic in the Iowa situation, so let's forget about copying a mistake that another state made that