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PRESIDENT: The Chair recognizes Senator Warner.

SENATOR WARNER: Mr. President, I have a question, I suppose for Senator Schmit or whoever could answer.

PRESIDENT: Senator Schmit, will you respond.

SENATOR WARNER: I am wondering, it is more a general question of bankruptcy which I wouldn't know, but if an SID went broke who, and a portion of the bonded indebtedness is governmental as opposed to private. There might be private indebtedness involved too. Who gets priority if anyone between the governmental subdivision and debts that an SID might hold that was to suppliers or something?

SENATOR SCHMIT: You would have to...maybe Senator Johnson could answer that question. I really don't know but it does, as I said before, probably SIDs will be one of the principal subdivisions which would be covered by this because there might be a few of them that might go broke and I don't know who would have the priority. I would believe the governmental subdivision would take priority.

SENATOR WARNER: I guess the only other question I would have is if anybody knows anything differently because I don't know but I would have a concern that we would be...if we would be...

SENATOR SCHMIT: I think the governmental indebtedness, the bonded indebtedness of the subdivision would be the first priority and again, that is just my offhand knowledge with my conversation, not as an authority on this, but people I have visited with indicated that that would be true.

PRESIDENT: The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. President, members of the body, with some reluctance I am going to rise in opposition to Senator Schmit's amendment. And the reason I say it is with reluctance is because I think that Senator Schmit has moved into an area about which I have so little personal knowledge and yet which I think is so important, that before I could support the amendment I really would want to know more about what it's full impact is. Under Senator Schmit's amendment, if passed, the State of Nebraska will permit all local governments to be able to use the provisions of the United States Bankruptcy Act when local government for one reason or another becomes insolvent. Now if we can scratch our collective heads and ask ourselves when that is likely to occur, but as Senator Warner has rightfully pointed out there is at least one SID in Omaha which is in financial distress and there may be more than one SID that is having similar difficulties. I think under existing law