

May 13, 1981

LB 412

the excessive interest rate is so significant that we are better off with no legislation at all than enact 412 as it now stands. Then Senator Newell or others who are having problems with Douglas County Commissioners can take their case to court and I think that they would probably find that what Senator Newell is objecting to is not the law but its implementation by the Douglas County Commissioners and there rests his solution for the problem. The solution is not the passage of this act.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President, members of the body, I can appreciate Senator Warner's unique interest in this legislation. I have in a better than good faith effort tried in every way to accommodate Senator Warner in this regard. I checked all the language with him and he was in agreement. We worked it out till we got it to where it would do what it needs to do. Basically we had no problem except the interest rate. Senator Warner has indicated that he could accept 8% but not 10% because that is an excessive interest rate. It is not excessive when we talk about other taxes and it is not excessive when we talk about borrowing money from a bank and it is not excessive in any other way except on this unique, very unique situation. I think that two things are highly probable in this regard. One of them I'm not going to mention but the other one is that Senator Warner is an extremely stubborn man, which I don't think he would disagree with. Would you, Jerry? The difference between eight and ten percent is a matter of great principle here and the difference between 14 and 8% and my willingness to go half way which I think is more than really what is right and just in this regard is also a very key sticking point. So we are really talking about 2% interest at a time, the difference between eight and ten percent, at a time when we are talking about a prime rate of 16-17-17½%. I think that that ought to speak for itself, that the issue is very clear. I think that this body has to recognize that we are not only dealing with the problems, clarifying the law, dealing with the attorney general's opinion, there's been a lot of time and effort to make this a workable piece of legislation, that it is a good bill. It is a necessary bill and it will resolve the problems but we have a point here where Senator Warner says where the 2% will kill the bill even though he needs, and it is appropriate for the language of the bill to be adopted. I urge this body not to kill this bill, to accept 10% as inadequate, not high enough but considering the personalities and the intensities