

SENATOR BEUTLER: Which fund will it come from?

SENATOR SIECK: The general fund.

SENATOR BEUTLER: Well, I think that is going to be one area of the bill that at the very least there's going to have to be some clarification because the Constitution prohibits it coming from the general fund and it has to come from a state revenue closely related to the use of the highways such as motor vehicle fuel taxes or motor vehicle license tax and fees.

SENATOR SIECK: We have a bond at the present time that is being paid off by the Highway Department. I stand corrected. This is correct. We have a bond. I think its got two or three years left to be paid, that is being paid off by funds created by the gas tax or whatever you have from the Highway Department fund.

SENATOR BEUTLER: Well maybe I am reading the bill wrong or overlooking something but I think as a minimum there's going to have to be something put into the bill designating which fund is going to be pledged to the payment of the bonds, otherwise you're never going to issue the bonds under this bill.

SENATOR SIECK: Does it say highway cash fund in the bill?

SENATOR BEUTLER: You are appropriating the money to the highway cash fund but it doesn't pledge the revenues of the highway cash fund in payment of the bonds. That's a technical problem and I think it does have to be cleared up but beyond that I do have some concern about why we are going the extraordinary route of creating state debts when this has not been our normal procedure in this state. We have normally gone on a cash and pay basis. I understand some of the arguments you have been making but I'm really not sure that it is good policy to begin this process. I guess I am making a comment rather than a question at this point, Senator Sieck. Thank you. But whereas it's true you can get good rates on construction at this particular point in time, it is also true that the interest rates on bonds are extremely high on this point in time and I think that before I would be inclined to support a bill of this nature I would certainly want to see some figures that would indicate that the savings as far as construction costs are concerned are more than the cost of the extremely high interest rate on bonds at this time. You know before there is any...there should be some showing I would think of savings in that regard. I have a number of other questions I think I will address to the introducers but I think