

SENATOR CHAMBERS: ...but I just want to bring to your attention how this definition of substandard and blighted can be utilized and to show the huge corporations that do take advantage of it successfully.

SENATOR LAMB: Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I rise in opposition of Senator Beutler's motion to kill this bill. Senator Beutler's arguments in the main are arguments that ought to be addressed to Congress and not to the Nebraska Legislature. Senator Beutler says that this kind of private financing because the interest due on this type of financing in effect is tax exempt under laws of Congress and because this kind of financing crowds other borrowings, whether they be other public borrowings or nontax exempt private borrowings, it basically skews the investment market and it skews it in favor of this type of tax exempt financing. Senator Beutler says we ought not to increase opportunities in effect for businesses to be able to engage in this kind of tax exempt financing because we will continue to skew further and further and further investor decision making into this type of financing as opposed to other kind of nontax exempt financing. Now that argument is not without merit but that argument is not really addressable to the Nebraska Legislature nor to Nebraskans in general. The truth of the matter is it has been Congress that has established for us those kinds of financings that will be tax exempt financings. And if Nebraska decides in its purity not to take advantage of the congressional provisions then what will happen very simply is other states will adopt laws to take advantage of those provisions and other businesses in other areas will be able to walk through the congressionally established loopholes and take advantage of those provisions. So all that will happen in Nebraska is in our pristine integrity and purity we will continue to make unavailable to our borrowers monies that could be made available had we decided to take advantage of the congressional tax exempt financing mechanism. Now probably if I were in Congress I might well oppose the IDA bond legislation. I might well oppose the kind of tax exempt status that has come down the pike but I am not in Congress. I am on the floor of the Legislature nor am I a voter. I'm sorry, I am a voter, but I'm not in a position to be able to affect federal decision making. Now it seems to me that inasmuch as Congress has already set the ground rules which could be changed, we at least ought to take advantage of those ground rules for the benefit of our own borrowers and our own communities and that is exactly what this constitutional amendment does. This constitutional amendment does not set new tax policy in effect for the State of Nebraska. That tax policy was already set by Congress.