

is the old requirements that the bonds shall be sold at not less than par at public sale after notice. In other words, this statute contained a competitive bidding provision and now they are doing away with competitive bidding and simply letting the authority go out and issue the bonds by dealing privately with any particular bond company that they may be interested in. For four years in this Legislature I have avoided discussions and there have been a number of occasions for these discussions where bonds have been authorized to be sold at public or private sale. A number of states have gone the direction in recent years of requiring public sales, that is, requiring competitive bidding, requiring that each and every broker in the state get a shot at the bid. What tends to happen in this state and elsewhere is that a particular bond broker will develop a relationship with a certain individual on a certain board or with a certain board in a certain entity and so long as he is not caught doing something terribly unscrupulous he will continue to have that relationship for years and years and years and it is my opinion that that is not a particularly healthy situation, that what we really need is a little more competition in the industry and that if we should be going in any direction, it should be in the direction of requiring public sales. I have not advocated that to date because I feel I need to get some additional information but I think it would clearly be wrong to move in the opposite direction, that is, to move in the direction of private agreements and crony relationships as it has to do with the sale of bonds. Now there are some arguments to the effect that timing is essential in the sale of bonds and that you need that kind of flexibility but that kind of argument has its reply and the reply is that nobody can judge the bond market, not even the experts...

PRESIDENT: One minute, Senator Beutler.

SENATOR BEUTLER: ...and as likely or not it would work out to your advantage as to your disadvantage by having a public sale of those bonds, that is, that the advantage that you would get on the price would probably make up for any disadvantage that you would likely incur over the long run by virtue of the inflexibility of being able to move instantly at a particular moment in time. So those are the four items, dropping the provision that essentially moves it back to private sales; most importantly requiring that a majority of the board act on all decisions, not just the majority of those present; and then the two smaller items. So with that, Mr. Speaker, I would ask for the adoption of the amendment.

PRESIDENT: The Chair recognizes Senator Landis.