

April 7, 1982

LB 928

SENATOR WARNER: I would assume the most that could happen is that the general fund wouldn't have to restore the fund more than just principal if we are going to speak in terms of borrowing money. The other thing, Senator Kahle, as you will recall, county government, we passed legislation, what three years ago, two years ago, that permitted counties to transfer in this same fashion between funds. In their case, of course, they could borrow money but they didn't...it was foolish I think most of us thought for them to have to go and issue warrants and borrow money when they had adequate cash in some fund... rich fund, whatever it was, and so the concept we talk here is an identical concept that county government has except we are not going outside, of course, to borrow.

SENATOR KAHLE: Do the counties pay interest? Do you know?

SENATOR WARNER: I am not aware that it is a prohibition for them to pay between funds. I have no idea if they do.

SENATOR KAHLE: Well I guess I thought I saw a little bit of flicker of a constitutional problem there because to transfer the funds is one thing and then pay interest. I am not against paying the interest. I think we owe it, but have we ever done this before, do you know? Has it ever been done before in the State of Nebraska?

SENATOR WARNER: Paid interest, or transferred funds?

SENATOR KAHLE: Paid interest or transferred funds.

SENATOR WARNER: Well, there was documentation. I don't have it right now or I would give it, but there was documentation made in 1976 in which funds were transferred from the revenue sharing fund, from the Nebraska capital construction fund, off the top of my head, and one or two others, and not in the dollar amounts we are talking now but for a short period of time for the same reason that we are authorizing it today. I think the report that was made in the Appropriations Committee and I was not on it at that time, I know it included the words without comment on the appropriateness of the transfer. It nevertheless was done.

SENATOR KAHLE: One other question about that interest. How would the rate be determined? Would it be the amount that you can get if you invest the money or the amount you get if you borrow the money?