

SENATOR HABERMAN: Mr. President, members of the body, this is 607, Dick? This amendment, as well as the rest of them, are straightforward amendments. It comes as the result of a letter from Peat Marwick Main Company, to the ethanol board. In this letter Mr. Groshans, of Peat Marwick Main and Company stated that, "when capital injected is used primarily to fund current operating expenses and only minimal assets would be available upon liquidation." Now he raises this point, and as I understand it, he is an advisor to the board, and when capital is injected, it is to fund current operating expenses. That is the issue we are talking about. Now to assure that this does not happen to the invested money by the Ethanol Board, I propose this amendment to guarantee that funds invested by the Ethanol Board would not be used for operating expenses, so that if that company would undergo liquidation someday, the Ethanol Board would be able to recover some of the invested money through the assets of the corporation. Now this makes good investment sense, especially, particularly when the money invested could be classified as venture capital which is risky enough by itself. So this amendment states that when capital is injected to primarily fund current operating expenses, that only minimal assets would be available upon limitation. So this is what the amendment does. As I understand it, are now going to buy equipment, we are going to build the plant. Now we are going to go that step further and we are going to furnish the operating expenses. I think maybe we should put a halt on some of this somewhere. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. An amendment on the desk.

CLERK: Mr. President, Senator Schmit would move to amend Senator Haberman's amendment. Senator Schmit would move to amend by striking Section 4 of the amendment, Mr. President.

SPEAKER BARRETT: Senator Schmit.

SENATOR SCHMIT: Mr. President and members, I do not disagree with portions of what Senator Haberman is trying to do here. He has outlined in subsection 1, 2, and 3 that the funds shall be used for capital investment purposes, but subsection 4 refers to the grant or loan provisions of the bill, and there is in the bill provisions that will allow for a grant, which means the money is gone, or a loan to a city, county, village, or a postsecondary educational institution, which means that the money would probably go for research. And so research could