

we didn't have your microphone on. Sorry.

SENATOR BERNARD-STEVENS: The way the bill is worded now, Senator Schmit, is it would deal with any litigation, that they would be able to plan for that loss.

SENATOR SCHMIT: Well, then I guess I was watching Lieutenant Governor Nichol up there sort of smile and I asked him the question, being an old county commissioner, if this would provide a county board, for example, with an opportunity to anticipate that they might have an automobile accident, or they might have a tree limb fall on some unwary individual and therefore would have to set aside a percentage of money to handle that sort of an eventuality. And, if in fact they did so, and that anticipated event did not take place, then can they spend the money for something else.

SENATOR BERNARD-STEVENS: Thank you, Senator Schmit, for bringing that point up. I was concerned with that as well. The way the state laws are written it is my understanding, and I feel pretty comfortable with this statement, that if I budget for an item that is not used, then that money would then simply carry over into the next year. It could not be spent for something else, or could not be spent unless the actual litigation took place.

SENATOR SCHMIT: Okay. Well, then suppose that we had anticipated a car accident and instead we had a bridge collapse, that happened out in Saunders County, and the county board decided, well, I guess maybe if we can get someone to sue on that bridge, we can use the money to take care of the bridge. Is there anything to stop them from that?

SENATOR BERNARD-STEVENS: My understanding there would be no way, at that particular point, the way the bill is written right now, you go ahead and guesstimate whatever litigation you feel you need to guesstimate for, and that money would be used in that fund for that particular purpose. If the county board wanted to specify for which particular litigation they are doing so, I would suspect it would be good board policy to do so. If they wanted just to put in a fund for extended litigation, I'll be very brief, they would be able to do that as well.

SENATOR SCHMIT: All right. Again, on page 2, line 18, does the language "tax loss" mean tax receipts that will be used to pay a