

SENATOR SCHMIT: Mr. President and members, a question of Senator Warner, please.

SPEAKER BARRETT: Senator Warner.

SENATOR SCHMIT: Senator Warner, using this system, is this anything we have ever done before?

SENATOR WARNER: Well, certainly we have...we have pledged...I do not recall a concept exactly like this where the state provided a source of revenue which a local government could pledge for debt service, with one exception and there is such authorization for the pledging of highway user revenue for local street improvements and that is a pledge in that case. But, other than that, I do not believe that we have done it before.

SENATOR SCHMIT: We have never ventured...

SENATOR WARNER: Except for state purposes we have some cigarette tax...(interruption)

SENATOR SCHMIT: Yes. We have never ventured into an area before where we are committing a certain supply of money to another entity of government and we are saying, in effect, we will promise that this will be forthcoming regardless of needs or regardless of expenditures or regardless of the economy or any other...any other nature. Is that right?

SENATOR WARNER: I do not recall any such incident and as I am thinking about highway funds I know local government has the authority to pledge them for debt service but I do not believe that also carries the pledge that the state would not reduce that revenue in the event of a change in formula or what have you. So it does not have the same...even with the fuel tax it does...conceptually it's the same but it's not the same guarantee that this is.

SENATOR SCHMIT: Suppose that the next Legislature comes in and makes some modifications in this bill, where does that leave us?

SENATOR WARNER: Obviously, any contracts that were...or bonds that were issued, you could not jeopardize those bonds. So to the extent that some community had issued bonds, you would...you could not change any provision of law relative to those. I assume you could make changes for the issuance of bonds