

to what we ran into back when we had the alcohol plant fund before us in 1979, which for some of you whose memory goes back that far, contrasting that to the case which found the mechanism proposed in the Nebraska Mortgage Finance Fund in 1978, that was found constitutional under the special fund doctrine. In 1979, the alcohol plant fund was not found to be constitutional, and I think this mechanism is closer to the alcohol plant fund than it is to the Nebraska Mortgage Finance Fund decision. So I think this puts the state in a different situation than we were before, and I think the arrangement, as I said, is similar to the alcohol plant fund, and the state, as I read this, is obligated to cover the repayment of NIFA deposits even if a municipality defaults on the underlying loan. And so the arrangement is different in that the money will be used to cover that repayment, even though it doesn't necessarily come from state appropriations, and that is an important distinction which we have tried to clarify, and that was Senator Landis's reasoning for bringing us that amendment. But as I understand, there will be money from several sources in this fund and some of them constitutionally may be used to cover defaults and others may not, and so I see a major policy question here in this new arrangement which has to do with the shift in the risk of loss. Previously, in all NIFA bonding situations, the risk of loss in case of a borrower default fell squarely and clearly on the shoulders of NIFA. There wasn't any separate pool of money from any government source guaranteeing the bonds, and I think this is a new arrangement where the risk of loss in the case of borrower default is shifted to the state because of where the state ends up in this whole flow chart mechanism. I think this is an important question and I think we should look at it. As I said, I have requested another Attorney General's Opinion to see if there is some reason why my conclusions on this are incorrect, but I think this is a serious policy question and should be examined in some detail, and as much as I appreciate Senator Landis's desire to move this bill today, given where we are, I think it is a serious enough policy question that we should examine it carefully. Thank you.

SPEAKER BARRETT: Thank you. There are no other lights on. Senator Landis, would you like to close on the motion to advance.

SENATOR LANDIS: I will be happy to close, Mr. Speaker. I will do it as succinctly as I can. Senator Scofield raises two issues, one of which is beyond our control, that is how the