

be 2.91 percent if everything is enacted, both tax reductions and spending, that has been advanced and so we are not even at the minimum now.

SENATOR LAMB: Okay, then that leads me to the next question, if there is not a concern that we may exceed the 7 percent reserve, then I guess I don't see the reason for this part of this bill because we can keep, if there is an extra \$50,000 kicking around, we can just keep it in the reserve and it would serve...would it not serve the same purpose as putting it in a special fund as suggested here?

SENATOR WARNER: Well, there was one thing different and that was that, or excuse me, under this proposal it was presumed that it would flow back over a period of five years or less if there was an emergency, but, obviously, if it stays in the General Fund, it always is there on the sheet to be spent. If it is in a separate fund, it is not as tempting I guess, Senator Lamb.

SENATOR LAMB: Well, thank you, Senator Warner. While I can understand the thinking here, although the fact that there is not the concern that the 7 percent reserve would be exceeded says to me that there is not a real reason for this special fund, that this \$50,000 can be a part of the reserve, whatever it is, whether it is 3 percent or 5 or 6 1/2 or whatever, and so then it is available for the uses of the Legislature at any time rather than being distributed along on a year by year, dribble by dribble basis. It seems to me that this Legislature should and could, should have the opportunity to make that decision as the issues come up as to whether or not there is an immediate need, an immediate good purpose for that money, rather than having it tied up where it is relatively inaccessible.

SPEAKER BARRETT: Senator Warner, followed by Senators Hannibal and Korshoj.

SENATOR WARNER: Mr. President, members of the Legislature, as I recall a number of you making the comment early in the session of hearing constituents make the remark, as I did, and that is just because we had some funds on hand, we didn't have to spend it, keep it, and sometimes we use that argument with as a reason not to reduce some taxes, keep it. Sometimes we used it for a variety of things. Conceptually, that is still a valid argument. Actually, the way it works, if we did not spend on the sheet here about 68 or 70 million dollars that is proposed