

noncompliance will become more and more severe than...

PRESIDENT: One minute.

SENATOR SCHMIT: ..they are at the present time and much of an impediment to local communities. And I hope, Senator Landis, that if this bill becomes law that it does not cause tremendous problems for cities in future years.

PRESIDENT: Thank you. Senator Scofield, please.

SENATOR SCOFIELD: Thank you, Mr. President and members. Senator Landis has explained his rationale for the bill and it is true that the federal source of funding for this is uncertain and, you know me, I'm always willing to try to find some other source in General Funds to do things if we can, but that really isn't the issue that I'm raising here. The other point I'd make before I address another question to Senator Landis, and I'll just give him the rest of my time to answer, Senator Schmit, I think this is a mechanism that could well be used for solid waste. There is no requirement that I know of that would require federal monies. Now, I think the policy questions being raised here are the more significant at this point. And, Senator Landis, here specifically is the context I'm raising this question in, and then I'll give you the specific question. I refer to the Attorney General's Opinion dated May 12th. We had raised the constitutional questions and then also asked our question about does this put the state in a different place? Here is the Attorney General's response. In reviewing LB 311 as amended, we are unable to determine whether financial institutions would be circumvented from participation and financial transactions which may be undertaken. The role local financial institutions would play would depend on the structuring of any bond underwriting and undertaken by NIFA. There is not sufficient information before us to conclude whether traditional roles of financial institutions would be supplanted by this state under the provisions of proposed LB 311. In any event, the role financial institutions would undertake under the auspices of a legislative enactment providing for a bond underwriting is a policy question to be decided by the Legislature. To me, it seems that the state might well be obligated to cover the repayment of the NIFA deposits if a municipality defaults on the underlying loan. The arrangement is different here in that the money that will be used to cover the repayment doesn't necessarily come from state