

April 9, 1990

LB 1124

Mr. Clerk, I hear you have a priority motion on your desk.

CLERK: I do, Mr. President. Senator Schmit would move to reconsider the vote on final passage of LB 1124.

PRESIDENT: Senator Schmit, please.

SENATOR SCHMIT: Mr. President, and members, LB 1124 moved off of Select File, I believe, with very few dissenting votes, and it had adopted at that time a substantial amendment which Senator Smith and I prepared and presented to you. We discussed it with many individuals prior to the time that we offered it on the floor and the bill, as I said, moved with very little difficulty. Since that time, there has been an extreme amount of concern from several quarters relative to the bill. There is upon your desk or has been for several days, mine is dated the 6th of April, a letter from the Nebraska Petroleum Council, and since that seems to be a very critical issue that many have spoken to me about the bill, I will address that, but first I would like to address the Attorney General's Opinion which questioned the feasibility as to whether or not we could make the direct tax, the direct production credit. I just want to say that the reason we offered that was because it is a feature of the language of a number of state statutes in surrounding territory. The State of Kansas, for example, does have a 20-cent credit. The producers of ethanol in Kansas can produce ethanol in that state, ship it across, and get the 20 cents credit, ship it across the border into Nebraska, and then get the 3-cent excise tax credit in this state which puts a Nebraska producer at a distinct disadvantage. There may be...there may well be a federal problem with the federal constitution relative to interstate commerce in this regard, but it has never been challenged on the federal constitutional level. The State of Nebraska's Constitution, if it should come into play, would not necessarily harm the rest of the bill because the bill carries the severability clause. Secondly, it is not going to happen for a time although we do have a plant at Hastings which we are trying to get into private hands and very frankly, if that would encourage the transfer of that institution from the FSLIC management to private ownership, I believe that would be a very strong plus for the passage of this bill. I do not believe that anyone needs to be reminded of the miserable record of the FSLIC in the past several years. We are now...we started out with a \$30 billion proposed loss in the FSLIC operation, then it went to 60, then to 30, then to 166, when the Congress passed their