

September 28, 1992 LB 9

PRESIDENT MOUL: Senator Moore.

SENATOR LINDSAY: Senator, I am a little lost in some of the appropriation stuff as we go along, so these may be elementary questions but bear with me. The bonding that we are proposing would, and I think as you suggested to Senator Wesely, would increase the cost of the project by about 3 million in interest cost, is that right?

SENATOR MOORE: Using, over the 6-year period, you are going to pay about \$3 million in interest at 5 1/2 percent interest rate.

SENATOR LINDSAY: Where would that interest...what fund would the interest be paid for over the course of that time? Is it General Fund type thing? Does it come out of a capital construction fund? Does it...or do we know?

SENATOR MOORE: Where will it be paid from or paid towards? It's being paid off \$2.9 million annually...

SENATOR LINDSAY: Right.

SENATOR MOORE: ...from cigarette tax income.

SENATOR LINDSAY: Right, the cigarette tax would be the source of this?

SENATOR MOORE: Yes.

SENATOR LINDSAY: Okay, now would that, and I guess this is probably a little bit asking you to guess in the future, but would the result of that be to lower the amount of funds available for other construction projects in the future, if we are increasing the cost of this project by the 3 million?

SENATOR MOORE: Well, the pure answer to your question is yes.

SENATOR LINDSAY: Okay. Do we have a history of bonding for projects at all?

SENATOR MOORE: Yes.

SENATOR LINDSAY: What? Can we have some examples?