

AM3965, can be found on page 1377 of the Legislative Journal.)

SENATOR SCHELLPEPER: Thank you, Mr. Speaker and members. This amendment was brought to me by the counties. Counties, cities, and other governmental subdivisions use lease/purchase contracts for the acquisition of all types of equipment and capital improvements to real estate. Their ability to perform these contracts depends upon their ability to levy property taxes. This amendment will treat pre-existing lease/purchase contracts the same as bonded indebtedness, for example, if a county has acquired road maintenance equipment with a lease/purchase contract approved prior to July 1, 1998, the levy required to perform the county's obligation under that contract would be excluded from the levy limits. If these contracts are not exempted from the levy limits it could create some serious legal questions with respect to the impairment of the contracts when the levy limits come into effect in 1998. So all this amendment does is just states that on page 2, line 21, you insert "pre-existing lease/purchase contracts approved prior to July 1, 1998". It's very simple, that just treats these contracts the same as a levy limit. I think if you've ever been on a county board you know how that operates, how they operate. They just wanted to be treated like bonding. Be glad to answer any questions, Mr. Chairman.

SENATOR BERNARD-STEVENS PRESIDING

SENATOR BERNARD-STEVENS: Thank you, Senator Schellpeper. Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, as I understand the amendment it is, in effect, what Senator Schellpeper's description, the same as my...as I understand it. These are pre-existing contracts that would be treated. As a matter of fact, I'm not sure you could jeopardize a contract in any event but...I'm sure you couldn't. But it's the same as if it was a bond purchased over a longer period...over a period of time as well, and would be consistent with the way the bill is. I think it would be appropriate to adopt.

SENATOR BERNARD-STEVENS: Thank you, Senator Warner. Senator Schellpeper, there are no further lights.

SENATOR SCHELLPEPER: I would close, thank you.