

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 10, 1999 LB 141, 706

of the cost of the improvement could have been paid for by an interest-free loan from the Department of Aeronautics. The difference in cost to that local airport and to the property taxpayers that pay the bonded indebtedness levy of up to 3.5 cents is significant. So through the discussions with these airport authorities and the Department of Aeronautics, we introduced LB 706, which I indicated previously was received favorably by the Revenue Committee, which was reported to the floor and which I offer you as an amendment. This is one of those situations where we have an unintended consequence, I think, of our legislation. We just didn't...no one thought about being able to utilize this 3.5 cent levy for paying back interest-free loans. I don't know that any of us realized such a thing existed. I would like to have one of those, but it's only available to airports. So that's the gist of it. It doesn't expand the levy authority, it's still 3.5 cents. It just allows the flexibility to use that either to go ahead and pay off bonds or, if you're fortunate enough to get an interest-free loan, to use that levy to pay back the interest-free loan. If there are any questions, I'll be glad to try to answer them. I would hope that the body would see fit to adopt this amendment. Thank you.

SENATOR COORDSEN PRESIDING

SENATOR COORDSEN: Thank you, Senator Bromm. You've heard the opening on the Bromm amendment. To speak to the Bromm amendment, Senator Wickersham.

SENATOR WICKERSHAM: Thank you, Mr. President, members of the body. I rise in support of Senator Bromm's amendment. He has, I think, characterized it fully as it came out of the Revenue Committee and, as I recall, there were no dissenting votes in that committee. Airports are one of those local governmental subdivisions that has unusual authority for borrowing and what the current policies were forcing them to do was to engage in an expensive bonding process when an interest-free and inexpensive loan process was available through the Department of Aeronautics for certain projects. So I don't think that it creates any new property tax obligations and, in fact, I think arguably is an efficiency measure and hope that you will support Senator Bromm's amendment.