

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

March 9, 2000

LB 1348

SENATOR CHAMBERS: And the grant would not go to any individual but to some entity that is organized for the purpose of bringing this cooperative together.

SENATOR WEHRBEIN: To get it started, yes.

SENATOR CHAMBERS: If they're going to make this kind of money, why can they not pay back that which they were given? In other words, why could not this kind of operation, which is going to produce profit at this level, be a loan instead of a grant?

SENATOR WEHRBEIN: That could always be possible, depending on the source of the loan. I don't know where you're headed with this. There would be a different explanation if it was a commercial loan versus a grant loan procedure, so I don't know which one you're after.

SENATOR CHAMBERS: No, I don't mean commercial. I'm keeping it in the context of something the state might do.

SENATOR WEHRBEIN: Okay.

SENATOR CHAMBERS: Why does this have to be an out-and-out giveaway program, as is envisioned here, instead of a loan program?

SENATOR WEHRBEIN: Well, probably doesn't have to be, except to say that many times it's difficult in any kind of start-up situation, let's call it entrepreneurial, for them to get any kind of money, even a loan, to get something started because of the risk and the uncertainty involved in terms of market plan, a business plan.

SENATOR CHAMBERS: But here's what I'm saying. Recognizing all of that and say you can persuade enough members to put together a program like this and enact it into law, why cannot this money that is going to be made available be made available in the form of a loan instead of an outright giveaway?

SENATOR WEHRBEIN: Well, it would be not impossible to do it that way.