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FLOOR DEBATE

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is not cutting edge. The Highway Commission could issue bonds tomorrow with the full authority of the constitution and the Legislature having been fully granted previously. As I've pointed on the lime green handout, our political subdivisions and state entities issue bonds routinely as a part of doing business. We are not, contrary to popular mythology, sort of a we only do business in cash everywhere all the time. It's not true. Omaha has \$670 million worth of outstanding bonds. Lincoln had \$561 million worth of outstanding bonds. Nebraska Public Power District has \$1.1 billion of outstanding bonds. We know that must be prudent. That's public power. Omaha Public Power District has \$884 million worth of bonds. Our University of Nebraska, which except for its tuition fees and the like income, is wholly dependent upon our largess here through the appropriations process. They're engaged in...they have \$343 million outstanding in bonds. So it's usual to leverage money and leverage assets and particularly when we're at historic low rates of interest. It's the reason there is a mortgage refinancing boom in America today that's arguably helping the economy, because people are counseling people to preserve their rights with regard to record low interest rates. Let's talk about the repayment of the bonds. There is some degree of confusion about the repayment of these bonds. This is expressly covered already in our current statutes, the ones that would allow us, the Highway Commission, to issue \$50 million worth of bonds any day of the week, also provide for how these bonds would be repaid. Nebraska Revised Statute 66-4,144 provides that the Director of the Department of Roads shall set a motor fuel tax rate each year that provides sufficient money to provide for debt service on bonds. The section expressly states and I quote, "Such rate shall be in addition to the rate of excise tax set pursuant to subsection (2) of this section." Subsection (2) sets the variable motor fuels tax rate that provides for funding of the highway program as authorized by the Legislature. Therefore, whether we have \$10 or \$1 billion in bonds outstanding, the funding for the highway program is not reduced. To quote the fiscal note from the original bill carried by Senator Hartnett in 1988 that granted this authority, "Any necessary bond payments will not reduce the amount of ongoing revenue available to the Department of Roads." The language is not changed by AM3454. Yes, the issuance of bonds