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FLOOR DEBATE

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the situation that the state could be in at some point between now and next session where we might be looking at a 10 percent interest rate. And that's a complicated...much more complicated issue than just to assume that. The statute that speaks about that was put in place some years ago when interest rates were very, very high. And the state chose to put an interest rate in the statute of 10 percent for judgments against the state once there was a certification that we didn't have the money to pay a particular bill. So when that 10 percent kicks in, when that certification occurs is a question and it isn't clear. As I understand it, and I'm getting the federal regulation; federal regulation provides that as we speak we're at a 1 point something percent interest rate. And at some point the interest changes to the applicable state rate. Now we're doing some more research, but on the next bill, I'm going to...I intend to offer an amendment to the statute that speaks about the 10 percent rate. Why we would go through this session and go through this kind of an exercise and leave on our books with no other option, if it is applicable, a 10 percent interest rate is beyond me. Now I don't want to act in bad faith, but what business right now,...

SENATOR CUDABACK: One minute.

SPEAKER BROMM: ...if you had a provision in your loan documents or something that would trigger a completely out of whack interest rate, wouldn't move to change that document if you're in control of that language? So the main enticement for Senator Brashear's bill, in my opinion, is to get away from the 10 percent interest rate. I know there is more to this than the low-level Judgment Fund. There's another amount of money but I think we need to look at the language on our interest rate, and we're doing that, and on LB 1091, however this turns out, certainly if it's legal and possible and feasible, I'm certainly going to offer an amendment that would address that interest rate. I think that could become important at some point in time, whether it's this case or some case in the future. I don't see why we should be saddled...why should we saddle ourself with a 10 percent interest rate is totally out of tune with the times.