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LB 1065

plant which currently is producing 33 percent more than the limit would be encouraged to produce even more than that when they actually don't have to in order to get an additional 10 percent?

SENATOR BAKER: No, I would not think they'd...that would not be a factor. They may increase their production just on the market but, no, that would have no bearing on it.

SENATOR CHAMBERS: So if I would change my amendment and didn't just eliminate this altogether, we could raise the limit for receiving these credits without actually having to pay any more. Or would we have to pay that 10 percent more, even though it would not result in additional production?

SENATOR BAKER: The contracts they have signed with the Department of Revenue stipulate the maximum amount. We'd be modifying a contract, and I don't think we can do that.

SENATOR CHAMBERS: Well, no. We could put it in the law but they just couldn't change their contract unless there was a mutual agreement, but we could change the law that would raise the amount of the credits, couldn't we?

SENATOR BAKER: We could, and I'm sure that if we did that, they'd come in and amend their contract.

SENATOR CHAMBERS: Well, a contract exists only when there's a meeting of the minds. They couldn't amend their contract on their own. They would have to get an agreement from the state to amend it, wouldn't you agree with that?

SENATOR BAKER: That is correct. If we change the statute to 20 million gallons on an annual basis though and we...it was in statute, why then those people, I'm sure, would come in and try and amend their contract and, of course, you have both parties have to agree to it.

SENATOR CHAMBERS: But the state would not obliged to amend any existing contracts, would it?