

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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FLOOR DEBATE

March 10, 2005 LB 217

SENATOR WEHRBEIN: Thank you. I'm going to...Senator Flood, I'm going to do some work on this between now and Select, assuming that this bill goes, but I was interested in the 5 percent limitation on the debt. One of the things that bothers me, and I'm going to give a little time to respond, is the fact that we're allowing up to a \$5 million debt without a vote of the people, which we do have the 15 percent factor in there, I understand. But it looks like to me, if the debt load is not too heavy in NRDs, and I have no idea where it's at, they could do this annually, every year do a \$5 million, especially in conjunction with a larger city or so forth. And that's...the reason I'm talking about it on this bill is because it could be peculiar, if you will, to larger tax bases where \$5 million is not very much compared to another NRD. In some parts of the state, a \$5 million debt would be, obviously, a terrific load. Do you have any comments you could make on the size of debt and how often this could be done, as your understanding of the bill?

SENATOR CUDABACK: Senator Flood.

SENATOR FLOOD: Well, thank you, Senator Wehrbein. I guess it depends on the size of community you're in. One of the eligible participants is a...contemplates a city-county merger. So if Douglas County ever did want to merge the county and the city together, they would obviously have a number of projects that I could envision for the benefit of citizens just to agree with the idea of merger or coming together. Five percent of restricted funds is fairly difficult for a lot of smaller communities. A town the size of maybe Senator Langemeier's hometown of Schuyler may only have, you know, restricted funds of about \$1 million or \$800,000. That's not a lot of money for debt service throughout the entire year. My thought is the more people, the more tax dollars, the more restricted funds a political subdivision has, the more needs that may exist in that particular subdivision and the more opportunities for a city to work together with a county. And every time a political subdivision wants to use the bonded indebtedness under LB 217, they have to work together with another partner, and not another partner in name only, but another partner that's at least willing to accept 25 percent of the total indebtedness. So I