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FLOOR DEBATE

April 25, 2005      LB 40

Beutler. You've heard the opening on AM1263, which is an amendment to the committee amendments to LB 40. Discussion? Senator Redfield, followed by Senator Chambers and others. Senator Redfield.

SENATOR REDFIELD: Thank you, Senator Cudaback. Members of the body, I rise in opposition to the amendment that is before you. If you look at the second page of the amendment you see that transfers may be made from the General Fund to the Affordable Housing Trust Fund, the Homeless Shelter Assistance Trust Fund, and the Behavioral Health Services Fund at the direction of the Legislature. If we adopt the amendment, we would in fact be doing the exact opposite of what Senator Chambers was speaking of earlier. We would basically be putting this in the General Fund and leaving it at the discretion of the appropriations process whether in fact there was any money available at all for those in need of rental assistance or housing construction. My seatmate Senator Friend often stands up and talks about Economics 101, and one of the things he's often telling us is that in fact when you have an economic downturn you see a number of factors occur. One of the things you see is that people are out of work, and this is the time when the state most is in need of job creation. Construction projects create jobs. This is the time when we want our people to have the opportunity to build, whether it's affordable housing or indeed whether it's time to build a road, because it does keep our people working, and then feeding our General Fund with their taxes out of their salaries. Another thing occurs in an economic downturn. Generally, the interest rates decline. That's a good time to invest in infrastructure because money is cheaper. It's a good time to build homes. They don't cost as much. You can get more for your money. So I think in economics, when you look at the purposes of this fund, I think you would have to agree that it would be detrimental to our economy in the state in a downturn to in fact cut back on this purpose. You also have a greater need for housing at that time because, in fact, people who may lose a job or see a decline may struggle to maintain their housing. And so we would see, again, many more people who would qualify for these services. So I believe this is the opposite direction of the purpose of this bill. I certainly didn't offer a tax increase on the people purchasing real estate so that they