

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

February 2, 2006 LB 75

SENATOR ERDMAN: Thank you, Mr. President, members of the Legislature. I abstained from voting on the amendment, because I wasn't exactly sure where I stood. And as I analyzed the constitutional amendment before you and in listening to some of the comments of Senator Chambers, it strikes me as maybe the wrong argument for the issue before us. As I read the language in the proposed amendment that was adopted in AM2042, the question doesn't seem to be whether or not there are restrictions on where you can invest money, because we have the prudent investor rule, and it doesn't seem that the argument about investing in junk bonds or other similar items is a valid argument, either, because again, the Legislature has the authority to subject this law to such limitations as the Legislature may provide by statute. We could strictly limit this to whatever entity or area of investment we wanted. And so, I guess the question probably is, should we do this or should we not? The question is, are the things that Senator Beutler is telling us, the opportunities that are there, do they outweigh any of the possible problems that would come, the things that the Legislature couldn't restrict? Well, I think the answer to the second part is, the Legislature could restrict this to whatever we wanted to restrict it to. So we have already raised the bar, if you will, by the prudent investor rule, to maybe halfway up the ladder. Then you have the remaining half that the Legislature would still be able to raise that bar up to even higher. So I'm just interested, I guess, in the arguments about how this would wreak havoc and it would be so horrible and the sky would fall, when in reality this is not self-executing. This is something that we would propose to the voters, they would choose whether they would adopt it or not, which, obviously, is always in question, and then we as a Legislature would have to come back and figure out what the guidelines and parameters would be for this. So I don't know that the argument against the proposal is necessarily on point, and I think Senator Beutler and others have pointed this out. I'm probably still in the camp of wondering whether this is a good idea. I'm not concerned about whether or not we can place the proper restrictions, whether we can make sure that there are safeguards in place under current law and under the language in the constitution. But I thought that was important to bring up.