

State and local restrictions in most places which require a referendum and which are prohibited in many cases because such communities are at or near their constitutional and statutory debt limits.

I appreciated the opportunity of presenting our views, and I will be pleased to answer any questions that I may.

Mr. EDMONDSON. I would like to compliment you on a very fine statement. I do not blame you folks for fighting for this tax-exempt bond. I think it is very vital to local government.

I think you have made a very persuasive and effective argument for it.

I would yield further questions to our senior Republican member of the committee.

Mr. BASFORD. A man I admire very much.

Mr. CRAMER. Thank you very much, particularly for the latter comment.

Mr. BASFORD. That is from a Democrat, by the way.

Mr. CRAMER. Doubly thank you.

INTEREST RATE

I do think you have made a very interesting contribution. What limitations do you have in Duval on the interest rate to be charged for your bond issue?

Mr. BASFORD. We have not had any problems as far as limitation on the interest rate. The latest bonds that we issued were for this motor vehicle safety provision for our automobile inspections and the net bid that was awarded on that the other day was \$1.2 million and was 4.80069, which we thought was very favorable.

Mr. CRAMER. What statutory limitation do you have, if any?

Mr. BASFORD. I cannot tell you. I do not know. I do not recall.

DEBT LIMITATION

Mr. CRAMER. What is your debt limitation? You mentioned that on page 4.

Mr. BASFORD. I was speaking generally for the National Association of Counties there; because in some instances they have—other States are different from Florida. We have a constitutional prohibition against our full faith and credit behind our bonds. Ordinarily we are either provided for authority through statute or we get statute referendum, and it would be limited to whatever is provided there.

USER CHARGES

Mr. CRAMER. Generally your water user-type charges are to be repaid, right?

Mr. BASFORD. We have a problem in communities, I think, throughout. Some communities provide free services in sewers, particularly most time the water is paid for. We are encouraging at home, for instance our Jacksonville municipality has not been charging, and they keep telling people they have got free garbage and free sewer service. We know this is not true. You do not get your bread free in a grocery store. It is either going to come out of an ad valorem tax or another source of revenue.