

THE NEBRASKA LEGISLATURE'S  
WEEKLY PUBLICATION

## UPDATE

## Tax cut package sent to second round

After two days of debate, senators voted April 18 to give first-round approval to a package of tax reductions.

Nickerson Sen. Ray Janssen, the introducer of **LB 367**, called the Revenue Committee's version of his bill a "responsive and balanced" approach to reducing taxes.

According to the committee, its proposal would result in a net tax cut of \$218.3 million in fiscal year 2007-08 and \$210.8 mil-

lion in FY2008-09.

Janssen said the decision to increase revenues during the budget crisis that affected the state earlier in the decade was a difficult one.

"The people in this state tightened their belts and stepped up to the plate," he said.

Now the state is in a position that it can afford to offer citizens tax relief, he said. The package assembled by the committee was designed to provide

broad tax relief and address pressing inequities in the current tax system, he said.

"It accomplishes a lot for \$400 million," he said.

**Tax package priorities**

The committee's recommended package includes changes to taxes on property, sales, estates and income.

The committee's proposal would provide state funding for a property tax

credit for all real property owners. For FY2007-08, the property tax credits would equal a levy reduction of 8 cents per \$100 of taxable valuation, or an \$80 reduction on a piece of property valued at \$100,000. The credit would be continued at a level equal to a 4 cent levy reduction in FY2008-09. The property tax credits would result in \$100 million of property tax relief in FY2007-08 and \$50

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Water policy  
bill advances

After adopting an amendment addressing several senators' concerns, the Legislature advanced a water policy proposal to final reading April 19.

The proposal is outlined in **LB 701**, originally introduced by Imperial Sen. Mark Christensen.

The state must comply with an interstate compact with Kansas and Colorado that allocates the water that flows through the Republican River basin. According to Christensen, Nebraska is approximately 136,000 acre feet of water short of compliance.

As previously amended, the bill would attempt to address the issue

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## CAPITOL SNAPSHOT



The ceiling of the observation deck on the 14th floor of the Capitol is an intricate tile mosaic.

## INSIDE:

• School breakfast bill advanced • Convention center funds debated • Meet Senator Wallman • Weekly Review

# ISSUES UPFRONT



## Education

### School breakfast reimbursements amended, advanced

A bill dealing with reimbursements to schools for school breakfasts served to students advanced to select file April 16.

Introduced by Lincoln Sen. Amanda McGill, **LB 73** originally would have removed language that allows payments for school breakfast programs to be prorated if the appropriation is insufficient to fund the full 5 cents per school breakfast served.



Sen. Amanda McGill

Five cents per breakfast had been allocated from the state to participating schools until 2003, when the program was cut due to a general fund shortage, McGill explained. Federal programs cover some of the cost of school food programs, but state funds are required to make up the difference.

State funds for the program were cut just as more schools were beginning to use the program, she said. Providing a predictable source of funding for the breakfast program would allow school nutritionists some stability in planning better and healthier food choices for students, she said.

Students perform better at school if they've eaten breakfast, McGill said. This bill would help provide "a

much needed meal in the morning" that students would otherwise not receive due to their parents' lack of money or time to prepare breakfast at home.

In fiscal year 2004-05, 624 schools participated in the program, reaching 50,000 students. The program for this school year is underfunded by \$170,000, McGill said. Nebraska is ranked 46th in the nation for participation in a breakfast program, partly due to the lack of guaranteed funding for the program, she said.

Lexington Sen. John Wightman said the state should support the program, because it would provide a great benefit for little cost.



Sen. John Wightman

The state spends \$6,000 to \$7,000 per year educating each student, but this program would provide breakfast to each student for only \$9 per student per school year, which Wightman said would be worth the investment.

Lincoln Sen. Ron Raikes offered an amendment that he said would make the procedure to fund this program more workable. His

amendment, adopted 26-15, reinstated the proration of funds for the program and would base annual funding on the previous year's program use.



Sen. Ron Raikes

Elk Creek Sen. Lavon Heidemann offered an amendment that would instead base the appropriation on the school year two years prior. He said relying on the previous year's expenses makes the budgeting process difficult because the timing of the budget would not allow senators to have a complete picture of the program's cost.



Sen. Lavon Heidemann

Senators adopted the Heidemann amendment 38-5 and voted 45-0 to advance the bill to select file.

### Special education services task force advances

Senators advanced a bill April 19 that would create a task force to complete a systematic and comprehensive review of the



# ISSUES UPFRONT.....

manner in which special education services are provided and financed in Nebraska.

The task force, created by Omaha Sen. Mike Friend's **LB 316**, would be charged with making recommendations for legislative and policy changes by the end of 2007.

Led by the chairperson of the Legislature's Education Committee, the task force would examine:

- existing federal and state laws;
- special education services in other states;
- application of the "least-restrictive-environment" doctrine;
- the availability of services across the state;
- the use of private providers by public school districts;
- the use of private providers by private citizens; and
- the provision of services for wards of the state or wards of the court.

The task force would be authorized to hold one or more public hearings to obtain input.

The Legislature's Education Committee, the fiscal analyst's office and the state Department of Education would provide staff support.

Committee amendments, adopted 33-0, revised the membership of the task force. As amended, the 15 members would include:

- the chairperson and one other member of the Education Committee;
- one member of the Legislature who is not a member of the Education Committee;
- one parent who has a child



Sen. Mike Friend

receiving special education services in a private setting;

- two parents who have children receiving special education services in a school district;
- two educational service unit special education teachers;
- one public school special education teacher;
- one public school or ESU special education director;
- one private school principal or director;
- one school board member;
- one representative of the state Department of Education who has expertise in special education;
- one representative of the state Department of Health and Human Services who has expertise in the placement of state wards; and
- one representative of a private provider of special education services.

The members would be appointed by the governor, except the senators, who would be appointed by the Legislature's Executive Board.

Friend said the task force would be the first major effort to assess changes in special education since 1994.

"This study is needed to determine where we stand now and where we need to go to see that the parents and students who rely on these programs are fairly and equitably served," he said.

A technical amendment offered by Lincoln Sen. Ron Raikes was adopted 29-0.

LB 316 advanced to select file 33-0.

## Government, Military and Veterans Affairs

### Building Entrepreneurial Communities program expanded

The opportunity to participate in a program aimed at building community capacity for economic development is expanded under a proposal given final legislative approval April 19.

**LB 232**, introduced by Fullerton Sen. Annette Dubas, expands the types of entities that can participate in the Building Entrepreneurial Communities program.



The program was originally enacted to support economically depressed rural areas with grants that could create community capacity to build and sustain programs to generate and retain wealth. Under LB 232, establishing community initiatives to attract new residents will be added as a purpose of the program.

Currently, two or more municipalities, counties and unincorporated areas within a county are allowed to apply for grants under the program. The bill expands eligibility to include local units of government.

The bill also makes changes relating to the program's matching requirements. Currently, grant recipients must provide a dollar-for-dollar match to receive grant funds. LB 232 replaces the existing match requirement with a 50 percent match. In-kind matches will no

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longer be permitted.

Finally, the bill allows planning grants to be awarded to limited resource areas for the purpose of collaboration and the development of proposals. Limited resource areas include areas that have either a per capita income that is at least 20 percent below the statewide average or a population loss during the past 20 years of at least 20 percent. The match requirement for grants in limited resource areas will be 25 percent. However, there will be no match requirement for planning grants.

LB 232 was passed by a 41-0 vote.

## Judiciary

### Foster care review measure passed

Lawmakers passed a bill April 19 that deals with the participation of foster parents, preadoptive parents or relatives providing care for a child in a foster care court review hearing.

Under **LB 457**, sponsored by North Platte Sen. Tom Hansen, the Nebraska Supreme Court is required to design a caregiver information form to be sent to the foster parent, preadoptive parent, guardian or relative providing care for the child when they are given notice of a court review.

The form will allow the caregiver to report about the child's background, health, educational progress and needs. The judge will review the form and decide whether to interview the



Sen. Tom Hansen

caregiver in the foster care review hearing.

Current law merely allows the court to ask questions of caregivers.

LB 457 was passed by a 39-0 vote.

### Bill would restrict use of employees' Social Security numbers

Lawmakers gave first-round approval April 17 to a measure that would restrict employers' use of employees' Social Security numbers.

Omaha Sen. Steve Lathrop, the bill's introducer, said **LB 674** would help reduce identity theft. In 2006, nine million Americans were victims of identity theft, Lathrop said, and I.D. theft occurring in the workplace made up 90 percent of those cases.



Sen. Steve Lathrop

As amended by a committee amendment, adopted 35-0, the bill would prohibit employers from:

- posting more than the last four digits of a Social Security number;
- requiring an employee to transmit more than the last four digits of his or her Social Security number over the Internet unless encrypted or over a secure connection;
- requiring the use of more than the last four digits of a Social Security number to access an Internet site; and
- using more than the last four digits of a Social Security number as an employee number.

A violation would be a Class V misdemeanor, punishable by a maximum penalty of a \$100 fine.

"We're trying to get the attention

and change the practices of employers," Lathrop said.

The bill would not prohibit the use of Social Security numbers for administrative purposes such as retirement plans and insurance benefits.

Sen. Tom Hansen of North Platte said the legislation was necessary in light of recent identity thefts at a major Nebraska company. He said 26,000 names and personal information were stolen from the company last summer. The company used employees' Social Security numbers as passwords for applying to advanced seminars.

Papillion Sen. Tim Gay said he was concerned the bill would put undue restrictions on small businesses that may only have 10 to 15 employees.



Sen. Tim Gay

Lathrop said he believes most businesses are probably already dealing with Social Security numbers in an appropriate manner.

"I don't see that this is a big departure from common sense," he said. "For the most part it's an effort to draw attention to the problem."

LB 674 was advanced to select file on a 34-0 vote.

## Revenue

### Inheritance tax rate adjustments approved

Lawmakers passed a bill April 19 that adjusts inheritance tax rates and exemptions.

In Nebraska, inheritance tax is assessed by counties on the individuals who receive an

# ISSUES UPFRONT.....

inheritance. The inheritance tax is not the same as the estate tax, which is assessed against the real property of the deceased and is collected by the state.

Inheritance tax is assessed on three different classes of recipients: immediate family, remote family and all other recipients.

The changes in **LB 502**, offered by Blair Sen. Mick Mines, are intended to ease the burden on immediate family who inherit small amounts while making a minimal impact on county government.



Sen. Mick Mines

Immediate family members who inherit are currently taxed 1 percent of the inheritance, with the first \$10,000 being exempt. The bill increases the exempt amount to \$40,000.

Remote family members who inherit are currently taxed 6 percent of the inheritance, with the first \$2,000 being exempt. The bill increases the tax rate to 13 percent with the first \$15,000 being exempt.

All other inheritances are currently taxed using a sliding scale with rates between 6 and 18 percent and various exempt amounts. Under the bill, these inheritances will all be taxed at 18 percent with the first \$10,000 being exempt.

Currently, delinquent taxpayers are assessed a 14 percent interest penalty for late payment. The bill adds an additional late penalty for delinquent inheritance tax payers of 5 percent monthly with a maximum additional penalty of 25 percent.

The bill takes effect beginning with the 2008 tax year.

LB 502 was passed by a 42-1 vote.

## Convention center funding debate begins

A proposal to address shortfalls in funding for constructing Omaha's convention center ran into opposition April 16.

In 1999, lawmakers passed a bill allowing local governments that construct convention center facilities to apply to the state for a return of sales tax proceeds generated by the presence of the convention center, also known as attributable revenue.

According to Norfolk Sen. Mike Flood, the sponsor of **LB 551**,

disruptions in convention activity following Sept. 11, 2001, and restrictive interpretations of the law have resulted in less than 35 percent of the anticipated "turnback" revenue being returned to the city of Omaha and other communities that built facilities through a similarly funded program. Omaha issued general obligation bonds for the construction of the Qwest Center through the turnback program.

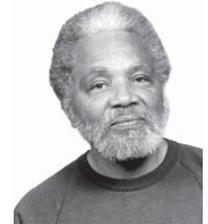
LB 551 would replace the attributable revenue formula with a simple division of those sales tax proceeds generated by the facility. Under the bill, sales tax collected by retailers doing business at the convention center, arena or hotel facility serving the complex would be certified to the state treasurer, with 70 percent for use in retiring Omaha's original convention center bond and 30 percent for use by cities other than Omaha.

Flood said the bill would simplify the funding process while benefiting both urban and rural

areas in the state.

"This is a chance to do something that's good for Omaha that's also good for the rest of Nebraska," he said.

Sen. Ernie Chambers of Omaha opposed the bill, reminding senators that he had suggested using revenue bonds rather than general obligation bonds when the original legislation was enacted. Revenue bonds are paid for using revenue generated by the project, while general obligation bonds become the responsibility of the taxpayers.



Sen. Ernie Chambers

Omaha Sen. Brad Ashford said the existing funding mechanism developed by the Legislature and the city of Omaha was "a best guess based on the conditions at that time."



Sen. Brad Ashford

Following the adoption of committee amendments that made technical changes in the bill, Chambers offered an amendment that would revise the funding split between Omaha and other municipalities seeking convention facility assistance. The Chambers amendment would direct 60 percent of the funding to help retire Omaha's bonds and 40 percent to other projects.

Senators adjourned for the week before reaching a first-round vote on LB 551.

# ISSUES UPFRONT.....

## Transportation and Telecommunications

### Bill bans cell phone use among youngest drivers

Lawmakers voted 32-5 April 19 to place additional restrictions on teenage drivers.

Introduced by Scottsbluff Sen. John Harms, **LB 415** prohibits those with a provisional learner's permit or school permit from using interactive wireless communication devices when driving. The bill's provisions will be enforced as a secondary offense.



Sen. John Harms

Examples of interactive wireless communication devices include cell phones, text messaging devices, digital assistants, audio or video players that send or receive messages and laptop computers.

The bill also limits provisional permit drivers to having only one passenger under age 19 in the car who is not an immediate family member for the first six months of use.

Under the bill, a person must have possessed a learner's permit for at least six months and have had no moving traffic violations within the previous six months before they could obtain a provisional operator's license.

LB 415 also extends the school permit's validity for three months to cover the gap between a person's 16th birthday and the time when a provisional license is issued. Currently, a school permit expires

on an individual's 16th birthday. The bill takes effect Jan. 1, 2008.

## Urban Affairs

### New economic development tool enacted

A bill providing a new tool for cities and towns to use in seeking economic development and redevelopment was approved by the Legislature April 19.

Introduced by York Sen. Greg Adams, **LB 562** will allow a developer to enter into an agreement with a city to develop property within an enhanced employment area defined by the city.



Sen. Greg Adams

An occupation tax may be imposed only on those businesses within the enhanced employment area.

Revenues generated by the occupation tax would be pledged to payments on revenue bonds issued by the city. The tax would end when the bonds are paid.

To qualify, the proposed development must meet employment and investment guidelines based on the Nebraska Rural Development Act and the Nebraska Advantage Act.

Under the bill, the qualifying number of new employees that must result from new investment are as follows:

- two new employees and \$125,000 of new investment in counties with a population of less than 15,000 inhabitants;
- five new employees and new investment of \$250,000 in counties

with a population between 15,000 and 25,000;

- 10 new employees and new investment of \$500,000 in counties with a population between 25,000 and 50,000;
- 15 new employees and new investment of \$1 million in counties with a population between 50,000 and 100,000;
- 20 new employees and new investment of \$1.5 million in counties with a population between 100,000 and 200,000;
- 25 new employees and new investment of \$2 million in counties with a population between 200,000 and 400,000; or
- 30 new employees and new investment of \$3 million in counties with more than 400,000 inhabitants.

Additionally, any business occupying 130,000 sq. ft. or more of space and with annual gross sales of \$10 million or more will be required to offer an annual employer-provided health benefit of at least \$3,000 to all new employees working an average of at least 30 hours a week and who have been employed for at least six months.

LB 562 was passed 43-0.

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# A CLOSER LOOK.....

## Tax cut package sent to second round

(CONTINUED FROM FRONT PAGE)

million in FY2008-09.

Beginning in 2008, the maximum levy for school districts would be reduced from \$1.05 to \$1. The maximum levy reduction would result in \$59.6 million in reduced property taxes through additional state aid to schools.

The committee's proposal would repeal the sales tax on construction labor for commercial projects beginning Oct. 1. It would also grant a new sales tax exemption for community based wind-energy projects, increase the current tax credit for renewable energy projects and eliminate the one megawatt capacity requirement to make the credit available for more projects.

The exemption for the state estate tax would be increased from \$1 million to \$2 million, making it

consistent with the federal estate tax exemption.

The changes in sales and estate taxes would reduce state revenues by about \$6 million in FY2007-08 and \$11.3 million in FY2008-09.

The committee's proposal would address the "marriage penalty" by adjusting the brackets for married taxpayers filing jointly so they would be twice the amounts for single filers. Standard deductions also would be adjusted.

Also, the income tax rate for taxpayers in the top income bracket would be reduced from 6.84 percent to 6.65 percent.

Finally, a tax credit for businesses that provide employees with subsidized child care would be eliminated.

The income tax changes would result in a net reduction of \$112.3

million in FY2007-08 and \$89.9 million in FY2008-09.

### Property taxes are "number one complaint"

Janssen said the number one citizen complaint about taxes is about property taxes. More than half of the committee's recommended tax reductions would come in the form of lower property taxes, he said.

Senators generally agreed that the level of property taxes is one of the foremost issues for taxpayers. The debate, though, focused on the best method of delivering tax relief.

Omaha Sen. Tom White argued that the committee's proposal would benefit out-of-state taxpayers and companies more than Nebraska homeowners. He cited an example of a company that would receive an \$850,000 tax cut while a typical homeowner would receive a \$60 property tax credit.

White was critical of the committee's proposal, saying it represented a tax shift of state dollars to local government subdivisions. This, he said, was not making local government accountable to the taxpayers for their spending.

"The fun of spending is not connected with the pain of paying," he said.

However, Lincoln Sen. Ron Raikes said the state partners with local government to provide needed services. When the state has the opportunity to provide funding for local services in an efficient manner, it should do so, he said.

The committee's version of LB 367 would result in a lower property tax burden for taxpayers, while proposals to offer an income tax



Nickerson Sen. Ray Janssen introduced the Revenue Committee's tax cut proposal April 16.

# A CLOSER LOOK.....

credit would do nothing to lower property tax levies or control local spending, Raikes said.

Scottsbluff Sen. John Harms called the legislation a “band-aid” because the tax relief would be temporary.

The state has not undertaken a process of setting priorities, he said. If the state knew what it would like to become in the future, it could more aggressively pursue the issue of cutting taxes, he said.

## Other alternatives

White offered an alternative to the committee’s proposal that would have provided a \$500 income tax credit to homeowners while repealing the state estate tax. He estimated that his plan would reduce state revenues by approximately \$230 million.

White said his plan would improve competitiveness while providing meaningful tax relief to the middle class. Limiting the income tax credit to Nebraska homeowners would prevent benefits from flowing to companies and out-of-state landowners, such as Ted Turner, he said.

“Mr. Turner doesn’t need it. We need it here,” White said.

Omaha Sen. Gwen Howard said her constituents are demanding property tax relief, and that they would find the \$500 credit for homeowners more meaningful than seeing a credit on their property tax statements.

“My constituents have stopped believing that shifting funding to local governments and schools can provide meaningful tax relief,” she said.

But Sen. Arnie Stuthman of Platte Center said some primary

residences, such as mobile homes, have low property values. He cited an example of a mobile home valued at \$30,000 that could be taxed \$564 annually. A \$500 credit would almost completely wipe out their contribution to pay for local services, he said.

Lincoln Sen. Amanda McGill said \$500 would be a lot of money for senior homeowners on fixed incomes. Along the campaign trail, she was told of people who have left the state because of high property taxes, she said.

“We are losing the heart and soul of our state when we allow Nebraskans to leave over a tax like this,” McGill said.

However, Bayard Sen. Philip Erdman argued that the White amendment would not guarantee tax relief beyond the next two years.

“Who’s going to go to Sen. McGill’s constituents and hand them their \$500 check and tell them they will pay the full amount next time?” Erdman asked.

The White amendment was rejected by a 13-32 vote.

Omaha Sen. Ernie Chambers offered an amendment that would have replaced the committee’s recommended changes to income, sales and estate taxes with a reduction in the state sales tax rate from 5.5 to 5 percent. He estimated that the amendment would result in a tax reduction of approximately \$120 million annually.

Sales tax is the worst tax because of its regressivity, he said.

“The sales tax taxes Little Orphan Annie at the same rate as Daddy Warbucks,” Chambers said.

Sen. Carroll Burling of Kenesaw questioned whether a sales tax reduction should be the focus of the Legislature’s tax cut efforts



*Omaha Sen. Tom White offered an alternative to the committee’s proposal.*

because citizens generally have not complained about the state’s sales tax rate.

The Chambers amendment failed by an 18-26 vote.

Various amendments that offered other alternatives, such as delaying the reduction in the maximum school levy, funding part of the property tax credit from the state’s cash reserve fund, repealing the state estate tax, offering a tax credit on motor vehicle taxes and enhancing the earned income tax credit were all withdrawn for possible consideration during select file debate.

The property tax portion of the committee’s proposal was adopted on a 34-0 vote. The sales and estate tax portion of the committee’s proposal was adopted 41-2. After the adoption of a technical amendment, the income tax portion of the committee’s proposal was adopted 37-0.

LB 367 was advanced to select file by a 38-2 vote.

# A CLOSER LOOK.....

## Amended water policy proposal advances

(CONTINUED FROM FRONT PAGE)

in four ways: local funding, state funding, regulation and vegetation management.

The bill includes provisions that would:

- create a \$2 million vegetation removal program implemented by a task force along fully or over appropriated rivers, basins and sub basins to conserve water supplies;
- authorize natural resources districts in the Republican River basin to impose an additional 10-cent levy and a \$10 per acre occupation tax on irrigated lands;
- extend an existing additional levy authority of three cents per \$100 valuation in fully or over appropriated river basins through 2012;
- appropriate \$3 million to the state Department of Natural Resources to negotiate surface water rights in the Bostwick Irrigation District;
- create a Water Resources Cash Fund administered by the department to comply with interstate water compacts and conserve water in NRDs with over or fully appropriated river basins;
- transfer \$2.7 million annually from the state's general fund to the Water Resources Cash Fund through fiscal year 2018-19 with access granted to NRDs with a 40 percent match requirement;
- appropriate \$3 million in each of FY2007-08 and FY2008-09 to allow the department to expend the general fund transfers;

- require a transfer of unexpended funds from the Ethanol Production Incentive Cash Fund to the water fund at the end of 2012;

- impose a three-fifths cent per bushel or hundredweight excise tax on corn or grain sorghum sold between 2012 and 2019 that would be deposited into the Water Resources Cash Fund;



*Sen. Mike Flood of Omaha introduced an amendment to the water policy bill April 19.*

- allow NRDs to impose an immediate temporary stay on the construction of any new water wells or the addition of irrigated acres for 180 days without prior notice or a public hearing; and
- expand the definition of a water well to include any excavation made for any initial purpose that is used for irrigation.

Concerns addressed in a select file amendment offered by Norfolk Sen.

Mike Flood included accountability issues, anticipating the amount the state would pay for water and the irrigation requirements for farmers who sell surface water rights.

Flood's amendment, adopted 33-0, would clarify that LB 701 does not establish a legislative precedent regarding the purchasing of water. It also would place the vegetation management task force under the state Department of Agriculture. Flood's amendment would require the task force to prepare a report on the cost effectiveness of vegetation plans. It also would require any vegetation plan to use integrated vegetation management.

Under the amended bill, farmers who sell surface water rights would face ground water irrigation restrictions no greater than the total ground water allocation previously permitted by the NRD.

As amended, the bill would require the Natural Resources Department to determine the amount of funding that will be made available to NRDs from the Water Resources Cash Fund. The department also would be required to establish procedures that would explain how the funding will be used and how the planned activity will ensure compliance.

Finally, the amendment limits the bill to apply only to NRDs that are fully or overappropriated.

Omaha Sen. Ernie Chambers offered several technical amendments, all of which were adopted.

LB 701 was advanced to final reading on a voice vote.

# MEET THE SENATORS

## Wallman brings love of debate to Legislature

**N**orm Wallman has always enjoyed a good conversation.

He comes from a family that discussed politics regularly, from all angles.

“My uncles were all political, some Republicans, some Democrats. Holidays were always interesting,” he said, recalling that his grandfather would often have to step in to mediate the debate. The young Wallman enjoyed listening and learned a lot from these discussions.

“You always try to pick out the middle ground but sometimes there just isn’t one,” he said.

He said his campaign for office was built on similar discussions held in coffee shops in small towns throughout his district.

Wallman has lived in Cortland his whole life, where he farms with his two brothers. He served on the Norris school board for 16 years, as well as his church, elevator and township boards. He said his father’s service on the local hospital and township boards helped develop his interest in politics.

Wallman also served in the Nebraska National Guard and is a member of the American Legion. He is often asked to serve in the Color Guard at veterans’ funerals.

He and his wife Pat, raised two children: a daughter, Amy, who runs a social services business in Des Moines,

Iowa and who, with her husband Jason, has a nine-month-old daughter Laynie; and a son, David, who is in an assisted living facility with a brain injury from a motor vehicle accident.

Wallman said he met his wife on a blind date set up by a friend who thought they’d be a good fit. Pat was a city girl from Clinton, Iowa, he said, but she loved the country and quickly adapted to life as a farm wife and, eventually, his campaign manager.

He said he loves serving as a senator but misses the free time he had to connect with friends at home.

“I used to love to go to town to drink coffee with the boys, but that’s done for now.”

Wallman loves playing cards because it provides a chance to connect with people and learn different ideas. He was a member of a farmer’s group that played cards with other groups from surrounding towns.

“It’s a chance to visit with fellow farmers. We farmers like to talk. It’s because we sit alone in a tractor all day,” he said.

Wallman said he was encouraged to run for office by a mentor, a World War II veteran who recently passed away. Another friend who also is a veteran advised Wallman that if he was elected, he should work to make things fairer for everyone.

“Vets are tremendous individuals to know,” he said. “They want the country to go forward with a little fairness.”

Serving as a state senator provides yet another opportunity for Wallman to participate in discussions like the ones his family engaged in. He said he has enjoyed getting to know the other senators and learning from the veteran senators who have years of legislative experience.

“It’s exciting to be part of it and I love to listen to both sides. I’m proud to know these people. They have different ideas but they’re all good people trying to do the right thing.”



*Sen. Norm Wallman of Cortland enjoys time spent with his granddaughter Laynie, and daughter, Amy.*

# WEEKLY REVIEW

A REVIEW OF LEGISLATIVE ACTION TAKEN MONDAY, APRIL 16, 2007, THROUGH THURSDAY, APRIL 19, 2007

## Banking, Commerce and Insurance

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
368	Erdman	Adopt the Nebraska Limited Cooperative Association Act	Placed on Select File

## Education

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
316	Friend	Create the Special Education Services Task Force	Placed on Select File
73	McGill	Change school breakfast reimbursement provisions	Placed on Select File

## Government, Military, Veterans Affairs

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
232	Dubas	Change the Building Entrepreneurial Communities Act	Passed by Legislature

## Judiciary

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
457	Hansen	Require a caregiver information form for foster care proceedings	Passed by Legislature
674	Lathrop	Prohibit use of social security numbers by employers as prescribed and provide a penalty	Placed on Select File
623	Pirsch	Change provisions relating to speedy trial	Placed on General File

## Natural Resources

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
701	Christensen	Create a task force and fund and provide for bonds, taxes, and other funding for water and vegetation management projects	Advanced to Final Reading
629	Dierks	Adopt the Rural Community-Based Energy Development Act	Placed on General File

## Revenue

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
502	Mines	Change inheritance tax provisions	Passed by Legislature
367	Janssen	Change motor vehicle and sales tax rates and eliminate sales tax on construction services	Placed on Select File

## Transportation and Telecommunications

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
415	Harms	Change provisions relating to provisional operator's permits and other operator's licenses and permits	Passed by Legislature

## Urban Affairs

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
562	Adams	Change provisions relating to the Community Development Law	Passed by Legislature

# CAPITOL NEWS

## Legislature to host Project Citizen showcase

High school students from Johnson-Brock, Wilcox-Hildreth and Lincoln East high schools are scheduled to face off at the State Capitol May 7 by proposing public policy solutions they've researched this school year.

Project Citizen is a civic education lesson used in middle and high school classrooms to help students identify a local or state public policy they believe could be improved.

The students research alternative solutions, select the best option and take steps to enact their proposed policy. Then, they present their policy to a panel of judges for feedback.

Project Citizen is sponsored by the Nebraska Legisla-

ture and the national Center for Civic Education.

The Legislature recognizes that young people are an important voice in a representative government and has made the program part of its Warner Institute for Education in Democracy.

More than 500,000 students have participated in the Project Citizen program nationally.

The Nebraska Legislature is accepting registrations for schools to participate in the 2007-2008 showcases and is conducting a training at the Capitol Aug. 6. To participate or learn more about the program, contact Heidi Uhing in the Unicameral Information Office at (402) 471-0764 or [huhing@leg.ne.gov](mailto:huhing@leg.ne.gov), or go to [www.nebraskalegislature.gov/web/public/pc](http://www.nebraskalegislature.gov/web/public/pc).

### STATE CAPITOL SNAPSHOT



*Omaha Sen. Pete Pirsch hugs his mother, former Sen. Carol Pirsch, at Former Legislator's Day in the Norris Chamber April 18. Each session, former legislators are invited back to the Capitol for recognition of their service.*

# GUIDE TO LEGISLATIVE TERMS

**“A” Bill** - see Appropriation Bill.

**Amendment On File** - an amendment of 10 or more pages, not printed separately or in the Journal, that is available in the Clerk’s Office (Room 2018).

**Amendment Printed Separate** - an amendment of 10 or more pages, printed separately from the Journal, that is available in the Bill Room (Room 1102).

**Appropriation Bill (“A” Bill)** - a bill to appropriate funds to finance another bill bearing the same number.

**Attorney General’s Opinion** - a written analysis of a question of law prepared by the attorney general for the governor, the head of an executive department or any state senator.

**Bill** - see Legislative Bill.

**Bracket** - to delay consideration of a bill.

**Call of the House** - a procedure used to compel attendance of unexcused senators in the chamber.

**Carry-over Legislation** - bills and resolutions introduced during the regular session in an odd-numbered year and held over for consideration during the regular session in an even-numbered year.

**Chair** - the presiding officer.

**Cloture** - a parliamentary action to cease debate on a bill and vote immediately on its advancement. A motion for cloture may be made after eight hours of debate on most bills and after 12 hours on appropriation bills introduced by the Appropriations Committee.

**Constitutional Amendment Resolution** - a proposal to amend the state constitution, ratify or reject an amendment to the U.S. Constitution, or petition Congress about amending the U.S. Constitution. State CA resolutions have the suffix “CA” by the resolution number, and they must be approved by the voters as well as the Legislature.

**Consent Calendar** - a portion of the agenda in which relatively noncontroversial bills are considered and quickly advanced to the next legislative stage. Usually, a bill on consent calendar can be debated for no more than 15 minutes.

**“E” Clause** - see Emergency Clause.

**E&R** - see Enrollment and Review.

**Emergency Clause (“E” Clause)** - a provision that allows a bill or a portion of a bill to take effect immediately after the governor signs it or after the Legislature overrides the governor’s veto.

**Engrossment** - the process of preparing a bill for Final Reading by incorporating all adopted amendments.

**Enrollment and Review (E&R)** - the process of incorporating adopted amendments into a bill and reviewing the bill for technical and grammatical accuracy.

**Executive Session** - a closed meeting of a committee to discuss and act on bills and resolutions. An executive session is open only to committee members, committee staff and the media.

**Final Reading** - the third and last stage at which a bill is considered by the entire Legislature. The clerk reads the entire bill aloud, unless final reading is waived, and senators vote without debate on whether to submit the bill to the governor.

**Fiscal Note** - a statement prepared by the Legislative Fiscal Office estimating the effect a bill would have on state and/or local expenditures and revenue.

**Floor** - the area of the legislative chamber where the senators sit. When a committee advances a bill “to the floor,” that means the bill is being sent to the full Legislature for consideration.

**General File** - the first stage at which a bill is considered by the full Legislature. Bills on General File may be amended, returned to committee, indefinitely postponed or advanced to Select File.

**Hearing** - a regularly scheduled committee meeting to receive public comment on proposed bills and resolutions.

**House Under Call** - the term used when all unexcused senators are required to be in their seats in the chamber and unauthorized personnel must leave the floor.

**Indefinitely Postpone (IPP)** - to kill a bill.

**Interim** - the period between regular legislative sessions.

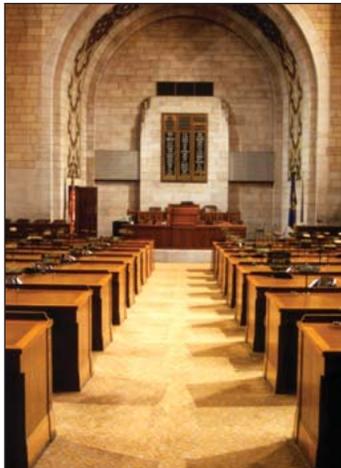
**Interim Study Resolution** - a resolution authorizing a committee to study an issue following adjournment of a legislative session.

**IPP** - see Indefinitely Postpone.

**Journal** - see Legislative Journal.

**Laws of Nebraska (Session Laws)** - bound compilation of all laws and constitutional amendment resolutions passed in a legislative session, the state Constitution, and subject and section indexes.

**Legislative Bill (LB)** - a proposal to create, change or delete one or more laws.



**Legislative History** - the committee and floor debate records for any bill. A history includes transcripts of the bill's hearing and all floor debate.

**Legislative Journal** - official record of legislative floor action, including all motions, the number of yeas and nays on each vote, etc.

**Legislative Resolution (LR)** - a proposal to make a formal expression of opinion, intent or recognition; amend the state or federal constitution; or authorize a study of an issue during the interim. See also Constitutional Amendment Resolution, Interim Study Resolution.

**Line-Item Veto** - the power of the governor to make specific reductions in any part of a budget bill passed by the Legislature.

**Machine Vote** - a vote taken by electronic voting system. The voting board shows how each senator voted, but only vote totals are entered in the Legislative Journal.

**Major Proposal** - a bill or constitutional amendment resolution that the speaker designates as important enough for scheduling priority. Each session, up to five bills may be chosen as major proposals, all of which must be senator priority bills and must get the approval of two-thirds of the Executive Board.

**One-liner** - a one-line description of a bill or resolution.

**Override a Veto** - see Veto Override.

**President of the Legislature** - the lieutenant governor. While senators address whomever is in the chair as Mr. or Madame President, the lieutenant governor alone holds that official title.

**Presiding Officer** - the senator currently presiding over legislative proceedings.

**Priority Bill** - a bill that has priority status and generally is considered ahead of other bills in debate. Each senator may select one priority bill, each committee may select two priority bills, and the speaker may select up to 25 priority bills.

**Record Vote** - a vote on which a record is kept of how each senator voted. The vote is taken by electronic voting system, and the senators' names and corresponding votes are then printed in the Legislative Journal.

**Regular Session** - the annual session that begins the first Wednesday after the first Monday in January.

**Resolution** - see Legislative Resolution.

**Revisor Bill** - a bill, prepared by the Office of the Revisor of Statutes, proposing a technical correction or the repeal of an obsolete statute.

**Roll Call Vote** - a vote during which the senators vote one at a time as the clerk reads their names. Senators cast their votes verbally, and their names and correspond-

ing votes may be printed in the Legislative Journal.

**Select Committee** - a permanent committee with a subject-matter jurisdiction related to the administration of the Legislature.

**Select File** - the second stage at which a bill is considered by the entire Legislature. Bills on Select File may be amended, returned to committee, indefinitely postponed or advanced to Final Reading.

**Session** - a period of time, usually a number of days, during which the Legislature meets and transacts business.

**Session Laws** - compilation of all laws and constitutional amendment resolutions passed in a session.

**Sine Die** - without setting a future date for reconvening. When the Legislature adjourns sine die, the legislative session is finished for the year.

**Slip Law** - a bill or constitutional amendment resolution printed individually in its approved form after being enacted into law or submitted to voters.

**Speaker of the Legislature** - the officer of the Legislature, elected from among the senators, who prepares the daily agenda and the session calendar and who presides in the absence of the lieutenant governor.

**Special Committee** - a committee created by law for a specific reason. Except for the Executive Board, special committees have no jurisdiction over bills or resolutions.

**Special Session** - a limited legislative session called for a specific purpose by the governor or two-thirds (33 members) of the Legislature.

**Standing Committee** - a permanent committee with a subject-matter jurisdiction related to an area of public policy. Almost all bills and resolutions are referred to one of the 14 standing committees.

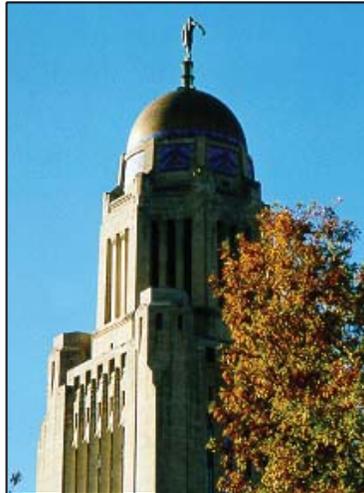
**Summary Sheet** - a daily list of all legislative activity that has taken place in one legislative day, including action taken on bills and resolutions.

**Veto** - the power of the governor to reject bills passed by the Legislature. The governor has five days, excluding Sundays, to either sign or veto a bill. The Legislature then has an opportunity to override the veto.

**Veto Override** - the power of the Legislature to pass a bill over the governor's veto. A veto override requires the approval of three-fifths (30 members) of the Legislature.

**Voice Vote** - a vote in which senators cast their votes orally and no totals are recorded.

**Worksheet** - a list, prepared daily, that indicates the status of all bills and resolutions at the end of that legislative day.



## IF I COULD MAKE A LAW



Laree Painter, age 10, Keya Paha County School, Springview. "My law would give kids the right to vote."

## STUDENT ART SERIES

To commemorate the 100th Nebraska Legislature, fourth- through sixth-grade students throughout the state were invited to submit artwork depicting a law they would propose if they were a senator.

Selected entries will be published in each edition of this session's *Unicameral Update* and also will be posted on the Legislature's website at [nebraskalegislature.gov/web/public/learning/makealaw](http://nebraskalegislature.gov/web/public/learning/makealaw).

Published entries were selected by Larry Starr, director of social science education at the state Department of Education, Karen Janovy, curator of education for the University of Nebraska-Lincoln's Sheldon Memorial Art Gallery and Heidi Uhing, civic learning coordinator for the Nebraska Legislature. The top three entries will be published in the last three issues this session.

## UNICAMERAL UPDATE

The Unicameral Update is a free, weekly newsletter offered during the legislative session covering actions taken in committees and on the floor of the Legislature.

The Unicameral Update is produced by the Clerk of the Legislature's Office through the Unicameral Information Office.

To subscribe, you may contact the Unicameral Information Office, P.O. Box 94604, Lincoln, NE 68509, (402) 471-2788.

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THE NEBRASKA LEGISLATURE'S  
WEEKLY PUBLICATION

## UPDATE

## Tax cut package sent to second round

After two days of debate, senators voted April 18 to give first-round approval to a package of tax reductions.

Nickerson Sen. Ray Janssen, the introducer of **LB 367**, called the Revenue Committee's version of his bill a "responsive and balanced" approach to reducing taxes.

According to the committee, its proposal would result in a net tax cut of \$218.3 million in fiscal year 2007-08 and \$210.8 mil-

lion in FY2008-09.

Janssen said the decision to increase revenues during the budget crisis that affected the state earlier in the decade was a difficult one.

"The people in this state tightened their belts and stepped up to the plate," he said.

Now the state is in a position that it can afford to offer citizens tax relief, he said. The package assembled by the committee was designed to provide

broad tax relief and address pressing inequities in the current tax system, he said.

"It accomplishes a lot for \$400 million," he said.

**Tax package priorities**

The committee's recommended package includes changes to taxes on property, sales, estates and income.

The committee's proposal would provide state funding for a property tax

credit for all real property owners. For FY2007-08, the property tax credits would equal a levy reduction of 8 cents per \$100 of taxable valuation, or an \$80 reduction on a piece of property valued at \$100,000. The credit would be continued at a level equal to a 4 cent levy reduction in FY2008-09. The property tax credits would result in \$100 million of property tax relief in FY2007-08 and \$50

(CONTINUED ON PAGE 7)

Water policy  
bill advances

After adopting an amendment addressing several senators' concerns, the Legislature advanced a water policy proposal to final reading April 19.

The proposal is outlined in **LB 701**, originally introduced by Imperial Sen. Mark Christensen.

The state must comply with an interstate compact with Kansas and Colorado that allocates the water that flows through the Republican River basin. According to Christensen, Nebraska is approximately 136,000 acre feet of water short of compliance.

As previously amended, the bill would attempt to address the issue

(CONTINUED ON PAGE 9)

## CAPITOL SNAPSHOT



The ceiling of the observation deck on the 14th floor of the Capitol is an intricate tile mosaic.

## INSIDE:

• School breakfast bill advanced • Convention center funds debated • Meet Senator Wallman • Weekly Review