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Floor Debate
February 21, 2007

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SENATOR LANGEMEIER PRESIDING []

SENATOR LANGEMEIER: Good morning, ladies and gentlemen. Welcome to the George Norris Legislative Chamber for this, the thirty-second day of the One Hundredth Legislature, First Session. Our chaplain for the day is Senator Heidemann. Please rise.
[]

SENATOR HEIDEMANN: (Prayer offered.) []

SENATOR LANGEMEIER: Thank you. I call to order the thirty-second day of the One Hundredth Legislature, First Session. Please record your presence. Mr. Clerk, please record. []

CLERK: I have a quorum present, Mr. President. []

SENATOR LANGEMEIER: Thank you, Mr. Clerk. Are there any corrections for the Journal? []

CLERK: I have no corrections, Mr. President. []

SENATOR LANGEMEIER: Thank you. Are there any messages, reports, or announcements? []

CLERK: Mr. President, Your Committee on Enrollment and Review reports LB307 as correctly engrossed. Banking, Commerce and Insurance, chaired by Senator Pahls, reports LB116 to General File. Government, Military and Veterans Affairs Committee, chaired by Senator Aguilar, reports on the following: LB396 to General File; LB464 to General File; LB5, LB198, LB256, LB388, LB471 all to General File with amendments attached. Confirmation report from the Government Committee to be dealt with on the floor. Gubernatorial appointments to the Nebraska Educational Telecommunications Commission and the Community Corrections Council. And finally, Mr. President, an Attorney General's Opinion (re LB39) to Senator Dubas. That's all that I have at this time. (Legislative Journal pages 609-617.) [LB307 LB116 LB396 LB464 LB5 LB198 LB256 LB388 LB471 LB39]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. We will now proceed to the first item on the agenda, LB124 on General File. [LB124]

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CLERK: Mr. President, LB124, introduced by the Banking, Commerce and Insurance Committee and signed by its members. (Read title.) Bill was introduced on January 8 of this year, at that time referred to the Banking, Commerce and Insurance Committee. Bill was advanced to General File. I do have committee amendments, Mr. President. (AM299, Legislative Journal page 566.) [LB124]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. Senator Pahls, as Chairman of the Banking, Commerce and Insurance Committee, you're recognized to open on LB124. [LB124]

SENATOR PAHLS: Good morning, Mr. President and members of the body. I will open on LB124, which was introduced by the Banking, Commerce and Insurance Committee at the request of the Director of Banking and Finance. And it is this year's version of the annual omnibus banking and finance bill. The committee amendments, AM299, would become the bill. The committee amendments contain the provisions of and, when applicable, the committee amendments of 13 bills. Again, the underlying bill, as well as seven other component parts, were originally introduced at the request of the Director of Banking and Finance. All of the components of this package has been advanced to General File so you can review the committee statements for them for an indication of their supporters and for section-by-section summaries of them. None of these bills had any opponents at their hearing and none of these bills had any dissenting committee votes when they were advanced to General File. If you have questions, we do have experts standing outside the glass who can answer some of your questions. Because the committee amendments become the bill, I will move directly to the explanation of these committee amendments. The provisions of LB122, which, again, was introduced at the request of the Director of Banking and Finance, would amend the statutes relating to assessments, examination costs, and fees collected by the Department of Banking and Finance. The amendments would update the laws relating to the Financial Institution Assessment Cash Fund to authorize the department to pay examination costs immediately after examination, to include fiduciary assets on off-balance sheet receivables as part of the total assessable assets, to address examination costs for out-of-state institutions and entities, to provide for prorating of assessments in certain situations, to allow for administrative actions if amounts owed are unpaid, and to authorize installment payments related...installment payments. The provisions of LB124, again this was introduced at the request of the director. This would be the annual reenactment of the legislation which provides state-chartered banks, savings and loans, and credit unions with the same rights, powers, and privileges as their federally chartered counterparts. Generally called the wildcard legislation, these provisions would be subject to the emergency clause. The provisions of LB125, again, introduced at the request of the Director of Banking and Finance, would amend the statutes which authorize state-chartered banks to make community development investments. The first amendment would increase the amount of a bank's investments from 10 to 15 percent of its capital and surplus. The second amendment would repeal the provisions that

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require banks to account for these investments as other assets. Depending on the amount of a bank investment, a community development project, that accounting designation is no longer always correct. LB126, the provisions of LB126, introduced at the request, again, of the director, would expand the list of financial institutions covered under the statutes which prohibit two or more financial institutions in the same city, village, or county in Nebraska from having identical or confusing similar names to include trust companies. The provisions of LB127, again, introduced at the request of the director, would update the loan broker statutes, require that in addition to current required information, the disclosure statement to be given to prospective borrowers must include the telephone number of the loan broker and the electronic mail and Internet address of the local broker, if any. Number two, the loan brokerage agreement to be signed by the loan broker and the borrower must include the telephone number and electronic mail, Internet address, if any. The provisions of LB128, introduced, again, by the request of the director, would amend the Nebraska Installment Sales Act to provide as a condition of new renewal licensing, that sales finance companies must have and maintain a minimum net capital requirement of \$100,000 and must provide a bond of \$50,000 to cover any losses from violations of law. The provisions of LB129 would amend the Mortgage Bankers Registration and Licensing Act. The first set of amendments would update the act by adding two prohibitions. The amendment to the act would prohibit a person with a felony conviction from being employed at, or as an agent of, a mortgage banker. Next amendment to the act would prohibit licensees, employees, and agents from obtaining a signature on a document to be notarized without obtaining a notarial attestation until sometime later and outside the presence of the signer. While current law prohibits a notary from such action, there is no penalty for the person causing such action to occur. The second amendment would update the act to authorize Nebraska's participation in a uniform system of electronic licensing of the entities that make residential mortgage loans. The rollout date is to be January 1, 2008, for new applications and December 31, 2008, for renewal applications. Related changes include licensing fees for branch offices, including new definitions of branches, and changes of control procedures. Further changes include definitions of breach of security of the system and multistate licensing and application system. The provisions of LB130, again, introduced at the director's behalf, would update the Nebraska Installment Loan Act to provide requirements for the relocation of a licensed office. The proposed requirements would include an application fee of \$150 and a publication of a notice in the county where the licensee wishes to relocate. The provisions of LB149 would amend banking laws which currently provide that no individual firm, company, corporation, or association, other than a bank, building and loan associations, savings and loans associations, or a savings bank, shall use the word "bank" or any derivative of any part of a title or description of any business activity. The bill would expand the lists of entities to which this section does not apply to include affiliates or subsidiaries of a bank, a building and loan association, savings and loan associations, or savings bank, or a bank holding company and organizations substantially owned by a bank, a building and loan association, savings and loan associations, or a savings bank, and a bank

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holding company. This bill would further amend the existing list of entities which this section does not apply by providing that it does not apply to firms, companies, corporations, or associations as having been in existence and doing business under a name composed as part of the word "bank" or some derivative thereof prior to December 1, 1975, rather than for the period of 10 years or more prior to October 19, 1963. The provisions of LB156 would amend banking laws regarding boards of directors, bank premises, and accounting bonuses. The bill would delete requirements that a state-chartered board of directors shall select from among its members a secretary and cashier. The bill would provide that investments by a state-chartered bank in bank premises necessary for the transaction of business shall include premises that are owned and occupied, real estate for future expansion, parking facilities, and other properties for the use of offices, employees, or a customer. The bill would outright repeal provisions regarding account bonuses and premiums and with such provisions repealed, federal law on the subject would apply to state-chartered banks by the way of the wildcard statute. The provisions of LB114 would amend various sections of the Nebraska Uniform Trust Code to adopt clarifying updates in the Uniform Trust Code approved and recommended to the states by the National Conference of Commissioners on Uniform State Laws. The provisions of LB189 would amend the Nebraska Uniform Trust Code to rewrite current provisions in order to provide that the following transactions shall not be presumed to be affected by a conflict of interest between the personal and fiduciary interests of the trustee if the transaction and any investment made pursuant to it complies with the prudent investor rule and is in the best interest of beneficiaries. And number one, an investment by the trustee and securities of an investment company to which a trustee or its affiliates provide services in a capacity other than a trustee. And number two, the placing of securities by a trustee through a security broker that is part of the same company as the trustee or is affiliated with the trustee. This bill would provide that the trustee could only be reasonably compensated for such transaction. Final last provision is of LB346, which would amend Nebraska's... [LB124 LB122 LB125 LB126 LB127 LB128 LB129 LB130 LB149 LB156 LB114 LB189 LB346]

SENATOR LANGEMEIER: One minute. [LB124]

SENATOR PAHLS: ...central filing system law by relating to the filing of effective financial statements to better accommodate the electronic filing of an EFS and amendments and continuations statements, and provide an alternative to the current requirement to include the debtor's Social Security number or an IRS taxpayer identification number on an EFS and thereby protect the identity of the debtor. Thank you. [LB124]

SENATOR LANGEMEIER: Thank you, Senator Pahls. As the Clerk has stated, there are amendments from the Banking, Commerce and Insurance Committee. Senator Pahls, as Chair of the committee, you're recognized to open on the amendments.

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[LB124]

SENATOR PAHLS: I did, through my opening, I continued and finished the amendments. [LB124]

SENATOR LANGEMEIER: Okay. Thank you, Senator Pahls. The floor is now open for discussion on LB124. Anyone wishing to speak to the bill? Senator Fulton, you are recognized. [LB124]

SENATOR FULTON: Thank you, Mr. President. This is just a couple of quick questions. I did read through the bill and I probably have a lot more questions. But there...well, there's one specifically that I'm hoping that Senator Pahls would yield to a question on. [LB124]

SENATOR LANGEMEIER: Senator Pahls, would you yield to a question? [LB124]

SENATOR PAHLS: Yes. [LB124]

SENATOR FULTON: Okay. Page 15, line 25, this new cash fund that's being created, the State Treasurer is the custodian of the cash fund. Can...could you just explain a little bit more about that, why the State Treasurer is the custodian? I suppose that's the way it typically works for cash funds, or maybe not, I guess. That's my question, is why is the State Treasurer the custodian of the new cash fund, and explain a little bit about the cash fund if you would, please. [LB124]

SENATOR PAHLS: That has been the procedure for, like, forever. And also, the fees that are collected for all these transactions, that is how we serve the Banking and Finance Department. So those fees are given to the Treasurer to be in charge of. [LB124]

SENATOR FULTON: And that...just for my information, maybe others', the State Treasurer has been the custodian historically, this isn't anything new, right? [LB124]

SENATOR PAHLS: Yes. [LB124]

SENATOR FULTON: Okay, that's all I have. I'll yield the remainder of my time. [LB124]

SENATOR LANGEMEIER: Thank you, Senator Fulton. Is there anyone else that wishes to speak to LB124? Seeing no lights, Senator Pahls, you are recognized to close on the committee amendments. [LB124]

SENATOR PAHLS: Thank you. I would appreciate your support because the majority of these bills are functions that the department needs to have in place to make it even

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more effective. Thank you. [LB124]

SENATOR LANGEMEIER: Thank you, Senator Pahls. You have heard the closing on the committee amendments to LB124. The question is, shall the committee amendments to LB124 be adopted? All those in favor vote yea; all those opposed vote nay. Have all those that wish to vote done so? Record, Mr. Clerk. [LB124]

CLERK: 35 ayes, 0 nays, Mr. President, on the adoption of committee amendments. [LB124]

SENATOR LANGEMEIER: The committee amendments are adopted. [LB124]

CLERK: I have nothing further on the bill, Mr. President. [LB124]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. The floor is now open for discussion on LB124. Is there anyone that wishes to discuss LB124? Seeing no lights on, Senator Pahls, you are recognized to close on LB124. [LB124]

SENATOR PAHLS: Again, just like to reiterate the amendments would be the bill right now. Thank you. [LB124]

SENATOR LANGEMEIER: Thank you, Senator Pahls. You have heard the closing on the advancement of LB124 to E&R Initial. All those in favor vote yea; all those opposed vote nay. Have all those that wish to cast a vote done so? Record, Mr. Clerk. [LB124]

CLERK: 39 ayes, 0 nays, Mr. President, on the advancement of LB124. [LB124]

SENATOR LANGEMEIER: Thank you, Mr. Clerk. The bill does advance. (Doctor of the day introduced.) [LB124]

PRESIDENT SHEEHY PRESIDING []

PRESIDENT SHEEHY: First item under Select File, Mr. Clerk. []

CLERK: Mr. President, the first bill, LB166. Senator McGill, I have Enrollment and Review amendments, first of all. (ER8013, Legislative Journal page 435.) [LB166]

PRESIDENT SHEEHY: Senator McGill, you're recognized. [LB166]

SENATOR MCGILL: Mr. President, I move the E&R amendments. [LB166]

PRESIDENT SHEEHY: The motion before the body is, shall the E&R amendments be adopted? All those in favor say aye. Opposed, nay. They are adopted. [LB166]

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CLERK: Mr. President, Senator Janssen would move to amend with AM387. (Legislative Journal page 588.) [LB166]

PRESIDENT SHEEHY: Senator Janssen. [LB166]

SENATOR JANSSEN: Thank you, Mr. Lieutenant Governor, members of the Legislature. This amendment clarifies the committee amendments and the Raikes amendment that was adopted on General File. There are a couple of things that it changes. It changes the percentage of assessed value for the sale of educational lands from 135 percent of the assessed value to 133 percent. The second thing it does, it repeats the Raikes amendment, stating that there would be no recapture if the reason for disqualification from the greenbelt was the change in the definition of the agricultural land in another section where it is appropriate. There is a third part of the amendment that the amendment that is following this one will strike. But I will go ahead and read it to you so you understand what we're going to do. Requires the forms for filing a protest to indicate whether the person filing is an owner, a person representing the owner, the person responsible for the property tax on the parcel, or someone else. This is a change required by counties so that they may determine the instance where the notice by certified mail must be sent. And that is the portion that will go away with the floor amendment that I do have filed. Thank you. [LB166]

PRESIDENT SHEEHY: Thank you, Senator Janssen. You've heard the opening of AM387. The floor is now open for discussion. Anyone wishing to speak on this item? Seeing none, Senator Janssen, you're recognized to close. [LB166]

SENATOR JANSSEN: Waive closing. [LB166]

PRESIDENT SHEEHY: Senator Janssen waives closing. The question before the body is, shall AM387 be adopted to LB166? All those in favor vote yea; opposed, nay. Have all voted who wish? Please record, Mr. Clerk. [LB166]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator Janssen's amendment. [LB166]

PRESIDENT SHEEHY: AM387 is adopted. You have a floor amendment filed, Mr. Clerk? [LB166]

CLERK: Mr. President, Senator Janssen would move to amend with FA27. (Legislative Journal page 618.) [LB166]

PRESIDENT SHEEHY: Senator Janssen, you're recognized to open on FA27. [LB166]

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SENATOR JANSSEN: Thank you, Mr. Lieutenant Governor, members of the Legislature. There has been some questions brought to us about the persons filing for protest and so on. And we need to have a little time to get that taken care of. So this amendment would strike Sections 10, 11, and 13 to take away that portion of the bill. Until we can come to an agreement on that, this is the best thing we can do is to eliminate those three subsections. That's the intent of the amendment, and I would like to have your favorable vote on this. Thank you. [LB166]

PRESIDENT SHEEHY: Thank you, Senator Janssen. You've heard the opening for FA27. The floor is now open for discussion. Senator Raikes. [LB166]

SENATOR RAIKES: Thank you, Mr. President, members of the Legislature. I support Senator Janssen's amendment here. The issue was discussed in the committee. Right now, under current law, it is possible for one person to protest, file a protest on another person's property. With this amendment, that would remain. Currently, that protest can go to the county level but not beyond. If this amendment doesn't happen, then that protest can go on past the county level to the TERC level. There I think the concern arises because there may be some unintended consequences. There may be motives that are other than to do with property tax assessment that may come to the surface. So really the agreement here is to hold fast where we are in current law at the moment. We are going to do an interim study on this and that will be a time where we can pursue a little bit more fully some of the implications of this kind of a move. I would also add that Senator White in the committee made, I think, a number of good points about the need for this sort of an opportunity for taxpayers. And I think he is in agreement that we do need though to make sure that we refine it to the point we're comfortable that the implications are going to be clear to us. So really, that's the gist of the Janssen amendment, and I urge your support. Thank you. [LB166]

PRESIDENT SHEEHY: Thank you, Senator Raikes. Further discussion on FA27? Seeing none, Senator Janssen, you're recognized to close. Senator Janssen waives closing. The question before the body is, shall FA27 be adopted to LB166? All those in favor vote yea; opposed, nay. Have all voted who wish? Please record, Mr. Clerk. [LB166]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator Janssen's amendment to the bill. [LB166]

PRESIDENT SHEEHY: FA27 is adopted. [LB166]

CLERK: Mr. President, Senator McGill, I have no further amendments to the bill. [LB166]

PRESIDENT SHEEHY: Senator McGill. [LB166]

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SENATOR MCGILL: Mr. President, I move LB166 to E&R for engrossing. [LB166]

PRESIDENT SHEEHY: The question before the...Speaker Flood? [LB166]

SPEAKER FLOOD: I'd request a record vote, roll call vote in regular order on the motion to advance LB166 to E&R for engrossing. [LB166]

PRESIDENT SHEEHY: A roll call vote has been requested. Mr. Clerk. [LB166]

CLERK: (Roll call vote taken, Legislative Journal page 618.) 36 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB166]

PRESIDENT SHEEHY: LB166 does advance. Next item, Mr. Clerk? [LB166]

CLERK: Mr. President, the next bill is LB211. Senator McGill, I have Enrollment and Review amendments, first of all. (ER8023, Legislative Journal page 496.) [LB211]

PRESIDENT SHEEHY: Senator McGill. [LB211]

SENATOR MCGILL: Mr. President, I move the E&R amendments. [LB211]

PRESIDENT SHEEHY: Thank you, Senator. The question before the body is, shall the E&R amendments be adopted? All those in favor say aye. Opposed, nay. Motion carries. [LB211]

CLERK: First amendment I have filed to the bill, Mr. President, Senator Erdman, AM253. [LB211]

PRESIDENT SHEEHY: Senator Erdman, you are recognized to open on AM253. [LB211]

SENATOR ERDMAN: Thank you, Mr. President. I'd request that that amendment be refiled below Senator Cornett's amendment, AM423, please. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Erdman. Mr. Clerk. [LB211]

CLERK: Mr. President, the next amendment, Senator Cornett, AM278. Senator, I had a note you wanted to withdraw AM278. [LB211]

SENATOR CORNETT: Yes. [LB211]

PRESIDENT SHEEHY: AM278 is withdrawn. [LB211]

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CLERK: Mr. President, Senator Cornett would move to amend with AM423. (Legislative Journal page 605.) [LB211]

PRESIDENT SHEEHY: Senator Cornett, you're recognized to open on AM423. [LB211]

SENATOR CORNETT: Thank you, Mr. President and members of the body. On behalf of the commissioners, I am introducing this amendment so we can establish in statute both a pay raise from \$250 per day to \$475 per day and tie their salaries to an annual cost of living raise. In previous discussions, there was some concern it might be inappropriate to tie the commissioners' salaries to that of the county judges' salaries since LB472 will likely change their titles to commissioner rather than judges. This amendment would ensure the commissioners would receive reasonable cost of living raises similar to other statutorily defined raises. AM423 would establish the daily per diem rate at \$475 per day beginning on June 30, 2008, and each June 30 thereafter, their compensation shall be increased by multiplying the current daily rate by the lesser of the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics or comparable successor index of the United States Department of Labor from the previous year, or 3 percent. I think this is an important amendment so that our commissioners do not have to wait another 16 years to receive a well-deserved raise. I'd like to also add, this amendment is a compromise between Senator Erdman's amendment and the original AM278. Thank you for your consideration. [LB211 LB472]

PRESIDENT SHEEHY: Thank you, Senator Cornett. You've heard the opening on AM423. The floor is now open for discussion. Senator Erdman. [LB211]

SENATOR ERDMAN: Thank you, Mr. President, members of the Legislature. AM423 does incorporate a provision out of my amendment that states the salary of the commissioners at an actual dollar amount as it is currently in statute. In other words, instead of tying it to another individual salary as a percent, this amendment restores the existing practice that the commissioners will receive a set salary for a per diem on the days in which they are conducting their responsibilities. The second part of Senator Cornett's amendment ties their future salaries to a CPI, as she has explained. I'm not aware of any other commission or elected office holder in the state that has this. And that doesn't mean that there isn't one, it's just that I'm not aware of it. And I have allowed Senator Cornett's amendment to be taken up first to whether or not we decide to adopt this policy that we would allow them to have an automatic increase based on the provisions in this amendment or if the existing practice, which is, in my opinion, more appropriate, that we would simply come back and set that rate as we currently are setting. The existing bill ties their salaries to judges. They are not judges. And in fact, as I understand the CPI provision, you may get to a circumstance where these individuals are receiving a higher pay than other people proportionally to the time that they spend,

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making it more attractive maybe. So that might be an advantage. But I'm not aware that the second provision is in statute for any other commission. We have other bills that are before the Legislature this year to try to raise salaries of other commission members. And I'm a little uncomfortable with the second part, but I do concur with the fact that the statute should reflect the actual amount as it currently does and not tie them to someone else's salary. And so for the first part of Senator Cornett's amendment, I can support, which is equivalent to the amendment that I had offered. I am a little uneasy about the second part with the CPI. Thank you, Mr. President. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Erdman. Senator Fulton. [LB211]

SENATOR FULTON: Thank you, Mr. President. Would Senator Cornett yield to a question? [LB211]

PRESIDENT SHEEHY: Senator Cornett, would you yield? [LB211]

SENATOR CORNETT: Yes. [LB211]

SENATOR FULTON: Senator, are there other...can you explain other examples of these automatic statutory raises that exist in government, elected or unelected, just for my information? [LB211]

SENATOR CORNETT: We looked at it from, one, a state employee perspective, and they are tied to a cost of living index. And then also another example of this where you would have increases based on cost of living would be benefits for retirement. [LB211]

SENATOR FULTON: Are there any elected or appointed positions where this is similarly the case? [LB211]

SENATOR CORNETT: That I don't know. We'd have to look into that. [LB211]

SENATOR FULTON: Okay, thank you, Senator. My concern here arises from experiential knowledge in the Appropriations Committee. Oftentimes, I don't know if it's understood by the body, oftentimes there aren't decisions that we're able to render in the Appropriations Committee because of statutory requirement. And in times where we're trying to be responsible custodians of the state's taxpayer dollars, we are required by statute to make expenditures that we oftentimes don't have input into, whether we agree with that expenditure or not. That's what this appears to be. Now I'll say that it probably is prudent to provide a pay raise, and I think I can support that. What I'm uncomfortable with is this automatic statutory requirement. That's what this appears to be. As this, as the Appropriation Committee's budget hits the floor, when we make our final recommendations and we're able to debate, we're going to learn a little bit more about statutorily required increases in state government. And this is another one. I

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recognize that it's not a lot, but as a matter of principle, I don't like having statutory...having expenditures decided by statute rather than the prerogative of the Appropriations Committee. So I'm a little uneasy about the automatic pay increases here. And I'd be interested to hear some more debate on this. I'll yield the remainder of my time. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Fulton. Senator Carlson, followed by Senator Cornett. Senator Carlson. [LB211]

SENATOR CARLSON: Mr. President, members of the body, last couple of days, a phrase keeps coming to my mind. And that one is, after all is said and done, a lot gets said and how much gets done? But then I was revived a little bit this morning and thought about LB307. We had a lot of discussion on that. And I thought, it's not going anywhere. And we passed the bill. I'm disappointed that we're not talking about LB291 this morning. I think that was a worthy bill and I hope we can get back to some discussion on that because a lot was said and not much done. Yesterday, Senator Friend talked about that it's okay to slow down and it's okay to talk and it's okay if, from now on, we don't get anything passed. And so in that case, we'd have a whole lot said and not a whole lot done. And I don't think that's what we're here for. Reminds me, makes me think of a fellow from Franklin that told me a little while ago when I was campaigning, he said, I think the best thing for us to do would be to pay you guys at the beginning of the session and send you all home and we'd minimize the damages. But I'm still looking forward to some debate here today. And hopefully when all is said and done, we'll have some things said and we'll get some things done. On this amendment, I am against a cost of living increase that is a forever annual tax increase. I'd rather see that revisited every year or every year or two and make a request to bring the per diem up to something that's reasonable. But I'm against the annual tax increase. I'll yield the balance of my time. [LB211 LB307 LB291]

PRESIDENT SHEEHY: Thank you, Senator Carlson. Senator Cornett. [LB211]

SENATOR CORNETT: Yes. The reason that we introduced this amendment is the original bill tied the pay raises or salaries to that of the judges. With Senator Chambers' bill, changing them from judges to commissioners, we felt that this amendment was more appropriate at setting a rate of pay with an increase. I just wanted to point out why we felt that the increase was important. In 1947, under the original statute, the commissioners were paid \$50 a day. It was 24 years later in 1971 that they received a raise. They again received a raise in '76, '77, '79, and '81. But the next and final raise came 10 years later in 1991 and has not been revisited in 16 years. We were trying to find a fair and equitable way to increase their salaries with a cost of living since we are not tying them to the judge's salary. Senator Erdman's amendment, which follows this amendment, takes out the provision of cost of living raises and sets it at \$475 per day. Thank you. [LB211]

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PRESIDENT SHEEHY: Thank you, Senator Cornett. Further discussion on AM423? Senator Erdman. [LB211]

SENATOR ERDMAN: Thank you, Mr. President, members of the Legislature. Just to correct something, if the Cornett amendment is adopted and my amendment is adopted, the CPI is maintained. My amendment doesn't strike her provision of the CPI. Just so that you're aware of the process. My amendment is half a step of where Senator Cornett would like to go, and hers is the full step, and that is both the pay raise and tying it to CPI. If the Cornett amendment is adopted, that will put in statute the CPI. And if my amendment, obviously would be unnecessary, but in the event that we would even adopt that, then it wouldn't take out the CPI. I think that's a backwards way of doing process here. But as it is a bill that came out of the Business and Labor Committee and Senator Cornett had approached me about her idea, I felt it was appropriate to allow her to go first. I share some of your concerns. I feel that stating the value or the per diem in statute without the CPI is a more appropriate way. But in deference to the Chair of the committee, I wanted her to have the opportunity to amend the bill herself before my amendment. So just for the record, my amendment doesn't strike the CPI. It doesn't include it, but if her amendment gets adopted, it would be a part. And I would yield any remaining time to Senator Cornett if she needs it. [LB211]

PRESIDENT SHEEHY: Senator Cornett. [LB211]

SENATOR CORNETT: Thank you. I appreciate Senator Erdman's clarification of my amendment. If my amendment is adopted, then I believe it is Senator Erdman's intention to withdraw his amendment. If mine fails, then we will move on to Senator Erdman's amendment. Thank you. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Cornett. Senator Cornett, you're next in the queue. Further discussion on AM423? Seeing none, Senator Cornett, you're recognized to close. Senator Cornett waives closing. The question before the body is, shall AM423 be adopted to LB211? All those in favor vote yea; opposed, nay. Senator Cornett? [LB211]

SENATOR CORNETT: I request a call of the house. [LB211]

PRESIDENT SHEEHY: We've had a request for the call of the house. The question before the body is, shall the house be placed under call? All those in favor vote yea; opposed, nay. Have all voted who wish? Please record, Mr. Clerk. [LB211]

CLERK: 32 ayes, 1 nay, Mr. President, to place the house under call. [LB211]

PRESIDENT SHEEHY: The house is under call. All unexcused senators please report

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to the Legislative Chamber. All unauthorized personnel please step to the side. The house is under call. Senator Johnson, Senator Kruse, Senator Burling, the house is under call. Senator Cornett, how will you wish to proceed? [LB211]

SENATOR CORNETT: Roll call vote, normal order. [LB211]

PRESIDENT SHEEHY: Mr. Clerk. [LB211]

CLERK: (Roll call vote taken, Legislative Journal pages 618-619.) 2 ayes, 30 nays, Mr. President, on the amendment. [LB211]

PRESIDENT SHEEHY: AM423 is not adopted. The call is raised. But I would like to make a special announcement and have everyone take the opportunity to wish Senator Hudkins a very special birthday. Next item, Mr. Clerk? [LB211]

CLERK: Mr. President, Senator Erdman, AM253. (Legislative Journal page 501.) [LB211]

PRESIDENT SHEEHY: Senator Erdman, you're recognized to open on AM253. [LB211]

SENATOR ERDMAN: Thank you, Mr. President, members of the Legislature. AM253 accomplishes the immediate goal that LB211 does without actually creating the future benefit that we just voted down. AM253 strikes the language that ties the salaries to the judges and simply states in statute, as it is currently, the per diem that they will receive for their efforts. The number is \$475. That is approximately the amount that was determined by the committee to be appropriate and fair for the commission. I have not delved into that area to decide whether that's the right number. I have taken them at their word. The disagreement generally is over how the statute should be written. So this is the first half of the Cornett amendment that simply states that the salary for a commissioner on the Industrial Relations Commission would receive a per diem of \$475. It also would not incorporate the other provisions that were somewhat controversial to the body. And I would yield any of my remaining time to Senator Cornett if she would choose to use it. [LB211]

PRESIDENT SHEEHY: Senator Cornett. [LB211]

SENATOR CORNETT: Yes, I want to thank Senator Erdman for introducing this amendment and encourage everyone to support it. I imagine everyone wondered why I voted no on the last bill (sic). I sat down and was doing some math while we were up here and realized that one of the statements that Senator Fulton had made was very correct, that with the cost of living index they would be making more than where we originally wanted to place them after a period of a year. And that was not the intent with the amendment. So I fully support the body's voting down the last amendment and I

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encourage them to support the Erdman amendment. Thank you. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Cornett. Senator Johnson. [LB211]

SENATOR JOHNSON: Thank you, Mr. President. Could I ask a question of Senator Cornett, please? [LB211]

PRESIDENT SHEEHY: Senator Cornett. [LB211]

SENATOR CORNETT: Yes. [LB211]

SENATOR JOHNSON: The thing that came to mind to me--and I don't object to your numbers since they're virtually the same no matter which way you figure it, I think it was just within a few dollars. But it would seem to me just by casual looking at this, wouldn't it make sense that we tie things to other salaries and so on so that each session of the Legislature we don't have to come back and say, should we raise this small group of people, you know, \$25 this year or let it go ten years and finally say, should we redo this at this time? So is there a reason why we don't want to tie it to other salaries that then are automatic so that we don't encumber this Legislature with dealing with small salaries on very few people? [LB211]

SENATOR CORNETT: Senator Johnson, that is what our original intent was and the first amendment that we withdrew. This is a compromise between that because there was a number of objections to an annual increase in that salary. [LB211]

SENATOR JOHNSON: All right, so we do want to work it the same way as what we do with the Legislature and think about a new initiative to put on the ballot every so many years or so on rather than taking care of it automatically and coming back every few years and dealing with a small group of people? Is that my understanding? [LB211]

SENATOR CORNETT: Senator, I might be confused. This is not a ballot issue. [LB211]

SENATOR JOHNSON: I realize that it... [LB211]

SENATOR CORNETT: Okay. No, it was... [LB211]

SENATOR JOHNSON: What I'm getting at is that we're dealing with, I think, a relatively small number of people and now we're taking up the time of this body, as I see it, dealing with a rather mundane subject that will be back again next year or two years from now or whatever. Do we want to go this route rather than making, tying it to judges' salaries and so on? I'm asking the question. That's what it looks like to me. Am I wrong? [LB211]

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SENATOR CORNETT: No, you are not wrong. The original intent of the bill was to tie it so we did not have to come back to it every year. The amendment is a compromise between myself and some senators that felt that it needed to be revisited every year and that it should be an issue that was voted on when cost of living or when wages needed to be increased. [LB211]

SENATOR JOHNSON: One last comment. It seems to me that the small amount of money that we're talking about has been more than used up in the time that this legislation has been discussed here this morning. And I think it's the wrong way to go. Thank you. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Johnson. Senator Chambers. [LB211]

SENATOR CHAMBERS: Mr. President, members of the Legislature. Senator Johnson, Senator Johnson, Senator Johnson. This morning, we're not dealing with a specific amount of money. We're dealing with a principle. So whether the amount is one penny or one million dollars, the principle must be established independently of that. Then we can talk about what the implications are. Do you remember that old expression, millions of dollars for defense, not one cent for tribute? The Barbary pirates were going to make the United States and other countries pay tribute to allow their ships to move safely through certain waters. So that's when that statement was made. Millions for defense, not one cent for tribute. And by the way, Senator Fulton, I believe this is engineers week. I just wanted to let you know that I'm aware of some of those kinds of things also. I read everything, and useless bits of information hook on my brain. I don't know why, but they do. In this instance, the point being made is that these individuals no longer are referred to as judges. When they were referred to as judges, it was deemed wise to tie their salary in to the salaries of other judges. Since now we have truth in labeling and they will be called commissioners, since they serve on a commission, their salary no longer will be tied to that of judges. Since now they are people who work on and for a commission, their salary is established on the basis of what we deem appropriate for those people who are serving on this particular commission. Therefore, if the principle is that the Legislature should review these salaries on an annual, semiannual, biannual, or whatever basis, that is the principle that we're establishing here. Then the amount, whether it be large or small, can be hammered out at that time. But I would disagree with Senator Johnson's position, if I understand it correctly, that because we're not dealing with a large amount of money when we talk about increasing these salaries, therefore we ought to allow, by operation of statute, an automatic salary increase to take place. I voted against Senator Cornett's amendment because I also don't think that we ought to put that automatic increase by operation of law into the statutes. Senator Erdman's amendment places a dollar amount which everybody can understand. So I intend to support Senator Erdman's amendment. I had tried at one point, Senator Johnson, to say that constitutional officers would receive a regular yearly increase. And I forget what the formula was. But it was determined that such a move should not be

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made. So I was satisfied to succeed in getting them an outright salary increase, and I believe we put a dollar amount in for each constitutional office. In the same way that old Richard "I am not a crook" Nixon was the President who could thaw some of the cold relationships between the United States and so-called Communist China, it took somebody such as myself who had had disputes with practically every holder of a constitutional office to succeed in persuading the Legislature to give a salary increase to them. [LB211]

PRESIDENT SHEEHY: One minute. [LB211]

SENATOR CHAMBERS: Efforts had been made unsuccessfully. The Governor routinely vetoed that bill, as always happens. Last session, we overrode that veto. So it is not uncommon to have a dollar amount placed in the statute but no automatic yearly increase built in at the same time. So I hope that helps Senator Johnson in the same way that when we deal with medical and surgical matters, I will perhaps give deference to his expertise, although I may not follow everything he suggests. Thank you, Mr. President. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Chambers. (Visitors introduced.) Senator Carlson, you're recognized to speak on AM253. [LB211]

SENATOR CARLSON: Mr. President, members of the body, I want to take this opportunity to also disagree with my good friend and one whom I respect very much, Senator Johnson. I agree with Senator Chambers. There's a principle involved here, and the principle is that I'm not for an annual tax increase. And whether we have it as a CPI or whether we tie it to changes in salary, it becomes automatic and it takes extra tax dollars to fund it. So I take issue with Senator Johnson on that matter and support the Erdman amendment. Thank you. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Carlson. Further discussion on AM253? Seeing none, Senator Erdman, you're recognized to close on AM253. [LB211]

SENATOR ERDMAN: Mr. President, the amendment before you simply states in statute the rate, the per diem that the commissioners will receive, which is \$475 a day. Currently statutory language sets that rate at \$250. So we are keeping an existing practice of statute in just stating the value. And if Senator Johnson wouldn't have spoke all of his five minutes, we would only have been on the bill 25 minutes instead of 30. Thank you, Mr. President. [LB211]

PRESIDENT SHEEHY: Thank you, Senator Erdman. The question before the body is, shall AM253 be adopted to LB211? All those in favor vote yea; opposed, nay. Have all voted who wish? Please record, Mr. Clerk. [LB211]

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CLERK: 36 ayes, 0 nays, Mr. President, on the adoption of Senator Erdman's amendment. [LB211]

PRESIDENT SHEEHY: AM253 is adopted. Next item? [LB211]

CLERK: Mr. President, Senator McGill, I have nothing further on the bill at this time. [LB211]

PRESIDENT SHEEHY: Senator McGill. [LB211]

SENATOR MCGILL: Mr. President, I move LB211 to E&R for engrossing. [LB211]

PRESIDENT SHEEHY: You have all heard the motion for LB211 to move to E&R for engrossing. All those in favor say aye. Opposed, nay. Motion is adopted. Next item, Mr. Clerk? [LB211]

CLERK: Senator McGill, LB211A. I have no amendments to the bill. [LB211A]

PRESIDENT SHEEHY: Senator McGill. [LB211A]

SENATOR MCGILL: Mr. President, I move LB211A to E&R for engrossing. [LB211A]

PRESIDENT SHEEHY: You've all heard the motion to move LB211A, be advanced to E&R for engrossing. All those in favor say aye. Opposed, nay. Motion is adopted. Next item, Mr. Clerk? [LB211A]

CLERK: Mr. President, the next bill, LB527. I have no Enrollment and Review but I do have other amendments. The first is by Senator Erdman. I have a motion, Senator, with respect to the bill that I understand you'd like to withdraw. [LB527]

SENATOR ERDMAN: That's correct. [LB527]

PRESIDENT SHEEHY: Amendment is withdrawn. [LB527]

CLERK: Mr. President, the next amendment I have, Senator Erdman, AM401. (Legislative Journal page 597.) [LB527]

PRESIDENT SHEEHY: Senator Erdman, you're recognized to open on AM401. [LB527]

SENATOR ERDMAN: Mr. President, members of the Legislature, AM401 takes us back to a discussion that we had on General File on the underlying bill. The bill, as is introduced and as been advanced by the Government Committee, would require an annual filing fee or an annual fee to be paid by all campaigns, whether you're a petition,

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legislative, or other campaign that you have in the state of Nebraska. Once you have reached that \$5,000 threshold of expenditures or receipts, that committee is required under this bill to pay a \$100 fee and will have to pay that fee annually thereafter as long as that committee is in operation. The language of the bill reflects a date due when the filing is perfected. I've had some discussions both with the Chairman of the Government Committee, Senator Aguilar, as well as Mr. Daley from Accountability and Disclosure. The amendment before you specifies or clarifies that the term "date due" refers back to three scenarios under the bill that that would track. And here's what happens. Once you reach that \$5,000 threshold under existing law, you have to file your campaign statements or you have to file your organizational statement. There is no fee, there is no process, and you have a grace period currently of ten days in order for you to get that filed. And you can continue on a normal course of operations as long as you have filed that organizational statement within the ten days of reaching that threshold. Under this bill, it further clarifies that if you haven't done that, that you have to cease receipts and expenditures after that ten-day grace period. The other example is, if you're on, say, a ballot committee and you create a committee within 30 days of the election, you have two days to file your organizational statement when you reach that threshold. And that is also one of the provisions that's referred to in my amendment. And then the third option would be if you are an annual filing campaign, there is a date that you have to meet with your filing fee in order to be able to maintain the operations of your campaign throughout that course of a year. My amendment simply clarifies that when we say the word "date due," that we refer back to those three examples. And in the event that you're a new campaign and you reach that \$5,000 threshold, that that cease and desist provision--that's not what it's actually called but that's how I think about it--where it says you cannot expend or receive dollars until you have perfected that, that grace period of that ten days applies to that time frame as well. So this is simply trying to clarify how the bill would be administered. It's my understanding that that's the intent of the underlying bill, from visiting with Mr. Daley and with the committee and their staff. And so AM401 simply clarifies that when we refer to the date in the section of law that we're amending, that it's either the ten-day grace period that you would have ordinarily if you were a new campaign and you'd reach \$5,000. If you're within the 30 days of an election, the two-day grace period that you would have would also follow, that you would be able to continue your operations. And finally, you would have the other reference, which would be the third date of the annual statement that you would have to meet in order to comply with the new provisions of the law. And with that, Mr. President, I would yield any time to Senator Aguilar if he would need to update the body on the status of the bill or to correct anything that I may have stated that was inaccurate. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Erdman. Senator Aguilar. [LB527]

SENATOR AGUILAR: Thank you, Mr. President. Thank you, Senator Erdman. Just to touch on the fact that what the bill actually does was very well explained by Senator Erdman. And I do remind the body that, you know, what it does is it allows, this money

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allows for funding of this agency in another manner other than General Fund dollars. So we'll be saving some General Fund dollars. As far as the amendment is concerned, I do believe that it adds clarity and simplifies the process, especially for statewide candidates, and I do support the amendment. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Aguilar. Further discussion on AM401? Seeing none, Senator Erdman, you're recognized to close. Senator Erdman waives closing. The question before the body is, shall AM401 be adopted to LB527? All those in favor vote yea; opposed, nay. Have all voted who wish? Please record, Mr. Clerk. [LB527]

CLERK: 30 ayes, 0 nays, Mr. President, on the adoption of Senator Erdman's amendment. [LB527]

PRESIDENT SHEEHY: AM401 is adopted. [LB527]

CLERK: Mr. President, Senator Erdman, I now have AM404. (Legislative Journal page 605.) [LB527]

PRESIDENT SHEEHY: Senator Erdman, you're recognized to open on AM404. [LB527]

SENATOR ERDMAN: Mr. President, members of the Legislature, that last amendment was a spoonful of sugar and this is a little bit more medicine. And we've tried to work out somewhat of an agreement and I think we're there. This amendment, I think, clarifies for most of the people...there are different filing dates, but it clarifies the date that you would be required to file your annual fee in order to keep your campaign in operation for that next year. The current law, or the current bill states that date at December 31 and you have up until that date to file that fee for the preceding year. This amendment would make it January 30. The reason that is a magical date that we have chosen is that's the same date that you have to file your annual campaign statement as an officeholder unless you are running for office, and then you have the January 16 deadline. But a majority of folks that will be subject to this act can simply pay the fee when they make their annual filing, which is what a lot of us have already had to do this year, and other statewide officeholders as well, that they would then just simply be able to make that fee payment of \$100 to bring your campaign in compliance for that year by January 30. It's not a calendar year provision either; it's a year. So it would be from January 30 to January 30. And so it's simply designed to try to make it easier for a majority, in my humble opinion, of those that would be subject to this new provision, that you would simply allow the \$100 fee to be paid at the same time that you're required to make your annual campaign statement. So it would amend the section that states that that date is December 31 and makes it a calendar year provision. This simply changes that to make it a January 30 deadline and that it's an annual basis beginning on that date and continuing until that date of the next year. I'd be happy to answer any questions. Again, I

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believe it's just simply an attempt to make it easier for the application of a majority of us who are subject to this law, recognizing that there are going to be other officeholders that don't follow our same filing deadlines that will be subject to this regardless of which date that we set. But it's my humble opinion that this is more consistent with a majority of the folks who are subject to annual filings and it would make sense that you would simply just file that at the same time that you're filing your annual statement. Again, Mr. President, I would yield any time to Senator Aguilar if he would care to comment. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Erdman. Senator Aguilar. [LB527]

SENATOR AGUILAR: Thank you, Mr. President, Senator Erdman. Simply to say that easier is better, I support the amendment. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Aguilar. Senator White. [LB527]

SENATOR WHITE: Thank you, Mr. President. Senator Aguilar, will you yield to a question, sir? [LB527]

PRESIDENT SHEEHY: Senator Aguilar, would you yield? [LB527]

SENATOR AGUILAR: I will. Yes, I will. [LB527]

SENATOR WHITE: Thank you, sir. Senator Aguilar, when this bill was initially proposed, wasn't it a one-time fee of \$100 when you registered the committee? [LB527]

SENATOR AGUILAR: No, it's an annual... [LB527]

SENATOR WHITE: It's always been an annual and contemplated as being an annual fee? [LB527]

SENATOR AGUILAR: Yes. [LB527]

SENATOR WHITE: And, Senator, can you explain to me the rationale for an annual fee of \$100? I have concerns about taxing free speech and I guess I'm just now catching up that it will be every year we will get to tax it at \$100 per statement, and wondered why the need for this particular amount of money and this funding source. [LB527]

SENATOR AGUILAR: Quite simply, you know, the whole purpose of the bill and why it's come into existence is to allow for it to become a funding mechanism for Accountability and Disclosure. Right now, that funding is brought about from General Fund money. We're trying to eliminate more money going out of General Fund, and this is an opportunity for candidates to, you know, be paying for the services that A&D does on

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their own rather than taking it out of General Fund money. [LB527]

SENATOR WHITE: Thank you, Senator Aguilar. I have a concern that what we are doing, in effect then, is taxing the political process and free speech in order to...not provide services, Senator Aguilar, because though they're very kind at Accountability and Disclosure, I don't think any candidate would really feel as though they were getting services like dry cleaning or something. They are watchdogs. We are paying the police. And what concerns me in this one is the bill originally said you can file and start one of these, as I understood it, start one of these committees, and until you raise \$5,000 you don't have to register. But once you've raised \$5,000, you have to pay that annual fee whether you're broke inside of the committee because you expended all money or not. And it concerns me that what we are doing is putting on a tax that is really the opposite of the last conversation we had. While I accept the arguments that perhaps we should not spend without consciously voting, I have a concern that in this particular area, political speech, we are going to set a long-term permanent revolving finance system that will go to, earmark to the agency that basically is governing the speech. It does not seem to me to be a wise idea that we raise funds in this particular area. Thank you for your time. I'll return the rest to the Chair. [LB527]

PRESIDENT SHEEHY: Thank you, Senator White. Senator Friend, followed by Senator Lathrop. Senator Friend. [LB527]

SENATOR FRIEND: Thank you, Mr. Lieutenant Governor and members of the Legislature. Yesterday...and Senator Carlson brought up some good points this morning, as everybody is, on this particular item and the amendment, AM404, speaking in direct reference to the amendment. And I'm always taken a little aback because Senator Carlson had walked by and he said, are we okay, you're not...like wondering if I was mad at him. I got to be honest with you, I don't think I've ever...maybe one time have I ever gotten angry out here at anyone. And I even admitted to Senator Chambers that it was him. I got angry at him. That's what he wants, that's what he likes. It's not the point here. I tried to make a point yesterday and I didn't want anybody to misunderstand. LB527, I voted for that bill out of committee. I thought it was a legitimate public policy item. I thought it was a good piece of legislation, a decent piece of legislation, so I voted for it. AM404 is clarifying some things. I don't know where Senator Erdman is going to go even if he gets this attached. But Senator Aguilar has already pointed out that it's not necessarily a bad idea. But I wanted to get to the crux of some of the points that I brought up yesterday because I don't want anybody to misunderstand. It's always been my view that the lawmaking is not just a general sweeping statement about us throwing out an assembly line and churning bills forward or just moving bills along. We've got 750-some bills out there, I don't even know what the number is, 770-some. Some, or a very good portion of them, aren't going to pass, just not going to happen. One hundred and fifty days every two years we meet, that's a lot. There are a lot of legislatures--Senator Pahls and I were talking--a lot of legislatures

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don't even come close to that. So what some would consider wasting time is not wasting time. There are very good public--and I think Senator Aguilar would acknowledge this--very good public policy discussion pieces out here on the floor right now about this legislation; totally appropriate. I'm just guessing, I'm not trying to put words in his mouth, totally appropriate. It's the old adage. Good bills are made to pass really, really quickly. Bad bills or questionable bills aren't. You can either fix them or kill them. Killing is pretty quick (laugh) obviously, or it could be, but fixing them takes time. Quick example, last year I had a bill that got stuck in General File, we didn't know how to get it off. It came out of Judiciary Committee, and it would prevent, for lack of a better term, crazy people from protesting at people's funerals. More to the point, what they were doing was protesting military funerals. I was at a crossroads. I didn't know how to get that bill passed and I wanted it on the fast track. Senator McDonald had a shell bill on Select File. I worked with Senator Chambers and others in the Judiciary Committee to get the correct language put out, put forward. I think we ended up with 48 or 49 "yes" votes on that. It's not because it was me; it's because it was a good bill. If this is a good bill, it'll pass fairly rapidly. It could take three hours, it could take ten hours, I'm not sure. But it will pass. I've had bad bills. I've seen them go away. I've seen them get chopped up on the floor here. It just happens, it's the way we do things. Lawmaking and legislative and parliamentary process is not just assembly line. That was my only point. And this is part of it and this is appropriate. And I like this amendment, I just read it,... [LB527]

PRESIDENT SHEEHY: One minute. [LB527]

SENATOR FRIEND: ...and I'm getting the gut feeling that Senator Aguilar does, too. We'll pick priorities soon. And here's what's going to happen. All of those priorities are going to move ahead of everything that we have on that sheet in General File. So unless you pick one of those bills on General File, you more or less can kiss those babies goodbye, unless Senator Flood grabs them as Speaker priorities. So that's a difficulty we're running into. Senator Aguilar is in a hurry, I understand that. The committee was in a hurry to kick it out, I understand that. Let's not be in too much of a hurry, that's all I'm ever saying, about doing this stuff. And I'm not trying to be a mentor or anything else, I'm just saying I used to be in the same hurry. I couldn't wait to push that green button. Our job is not just lawmaking, it's deliberation. And I think that's what we're doing here. And I guess the final thing is... [LB527]

PRESIDENT SHEEHY: Time, Senator. [LB527]

SENATOR FRIEND: ...I just say don't worry about making me angry. It's not going to happen. [LB527]

PRESIDENT SHEEHY: Senator Lathrop, followed by Senator Dubas and Senator Avery. Senator Lathrop. [LB527]

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SENATOR LATHROP: Thank you, Mr. President, members of the body. Today I'm going to join Senator White in opposition to the amendment. You'll recall, opposed LB527 when it was on General File. I think the amendment, AM404, only makes the matter worse. We have, in LB527, essentially required that people who want to engage in the political process pay a \$100 fee. Now with the amendment, we are going to require...and the logic behind LB527 was, well, it's a group of people that have raised \$5,000, so they can afford to spend \$100 to get into the process and effectively pay the political process police \$100 and contribute to the cost of running that organization. By now requiring that we pay \$100 a year, we've gotten away from the idea that these are people that can afford it, and we've gone to, this is a good idea, we're going to raise some more revenue this way, and we're going to tax people \$100 a year. And I think the disconnect is, is that we're not talking about people that have \$5,000 now; we're talking about people that maybe at one time when they ran for office had \$5,000, but their account may have 50 bucks in it. So now they've got to reach in their pocket and pay \$50 plus the \$50 they have in their account, wipe out their campaign account for a campaign committee that will be inactive for three years. I think the amendment only makes matters worse. We're talking about political speech. I think it's important to recognize that when we're talking about political speech we should not put barriers between those who want to engage in the process and the process. Secondly, the idea of charging people \$100 a year is not...it's just simply wrong. The other thing is, is that every agency out there, every group out there wants to have a filing fee. Everybody wants to have a fee so that they have their own money. And what we do is we get away from the Appropriations Committee overseeing these agencies and they have their own fund to run themselves. And I think there's a temptation to say, well, that's fine, we'll take it out of General Funds and soon this will be a self-financed organization. When you're talking about the police of the political process, I think we should run that organization, Accountability and Disclosure, with General Funds and not tie the two together. And again, I oppose the amendment and I oppose LB527. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. Mr. Clerk, you have a floor amendment on your desk? Senator Dubas. [LB527]

SENATOR DUBAS: Thank you, Lieutenant Governor, members of the body. I, too, rise in opposition to this amendment and the bill in general. It was very evident when we voted on this bill while it was in General File that there was confusion as to what people were voting on. Were we voting on this as candidate committees or were we voting on this as political action committees or what exactly were we voting on? So I know that there was some confusion first time around. And now, I was under the impression, too, that this was a one-time fee, and now it's being explained to us that, no, this is a yearly fee. So I see some more confusion coming into the mix. I consider Accountability and Disclosure a watchdog. They serve the people of the state of Nebraska to keep our election process running smoothly, try to keep as much, you know, negative things from happening, try and keep it from being corrupted. So I see them as serving the people of

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Nebraska, not the candidates or the committees that have to file with them. So having that money coming out of General Fund dollars, I don't have a problem with that because, again, they are serving the people of Nebraska and not the candidates. I just...again, another \$100 fee that has to come out of the pockets or the campaign fund of candidates or political action committees, I know how I had to work to raise my money, especially with the efforts that I made to raise that money from individuals. And so, you know, another fee is another concern. Having to raise money was a concern on my part just to run for this office because I don't have the personal finances to invest. And so I knew I was going to have to rely heavily on what people were willing to donate to my campaign. So I just question, again, the clarity of what we're trying to do here and the purpose of another fee, and to reiterate that Accountability and Disclosure provides a service for the entire state of Nebraska, and I don't have an objection with that money coming out of General Fund dollars. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Dubas. Senator Avery, followed by Senator White. Senator Avery. [LB527]

SENATOR AVERY: Thank you, Mr. President. This is a pretty simple bill, really. I have no problem the Erdman amendment because I don't think it changes the substance at all. It's a mere technicality, moving the date. But I do think that saving about \$33,000 from the General Fund is not a bad idea. It's not unreasonable to charge a fee for registering a political committee. You're not taxing speech. We charge, for example, lobbyists to file their papers. I think the commission gets about \$121,000 from that source. You may not like lobbyists, you may not like what they do, but they're exercising free speech as well. So I'm uncertain as to why you would raise the issue about taxing speech. This is merely an administrative fee that would help defray the costs of processing paperwork. It only makes a modest contribution to reducing the General Fund. But it is my belief that any time you can reduce the General Fund and you can find other ways of funding what we need to be doing in state government, we ought to do so. Just to give you a little more information about the funding for the Accountability and Disclosure Commission, they get about \$400,000 now from the General Fund. We'd be reducing that by about \$33,000. They get \$121,000 from a portion of the fees paid by lobbyists when they file and about \$500,000 to administer the Campaign Finance Limitation Act, and that comes by way of fees and fines. So I don't understand what the rub is. This is a pretty simple administrative fee. I think it's reasonable and we ought to support it. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Avery. Senator White. [LB527]

SENATOR WHITE: Thank you, Mr. President. Senator Avery, the First Amendment protects not only the right to utter words; it protects the right to associate freely and to petition the government. Through our sets of laws, we have put in place a regulatory scheme in which, if a set of people wish to organize to petition the government, we are

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now charging them a fee. And at what point in the slippery slope does it become reasonable--\$100 a year is reasonable; how about \$1,000; how about \$5,000; how about \$10,000? The problem with these kind of reasonable administrative fees, they soon can become unreasonable. And there is no question that we are directly charging for the right to organize and to petition government. That is an integral aspect of the First Amendment, and has been, as you well know, for a long time. Senator Aguilar, I have another concern. And I ask the Chair if Senator Aguilar would yield to a question. [LB527]

PRESIDENT SHEEHY: Senator Aguilar, would you yield? [LB527]

SENATOR AGUILAR: I will. [LB527]

SENATOR WHITE: Senator Aguilar, I want you to assume that I was foolish enough to run for the Unicameral but then fortunate enough not to win. I now have a large debt. People who once flocked to talk to me when they thought I might actually be able to occupy a chair and advance their interests no longer return my calls. A situation you might think is reasonable? Now the question is, with my large debt--let's say it's \$10,000--and I'm man of modest means, and I am out there hitting the bricks once again, but this time, to raise money to pay off my campaign debt, do I have to pay \$100 a year for the privilege of keeping my campaign alive in the hopes that I can retire a debt? Or are you going to waive the \$100 for me? [LB527]

SENATOR AGUILAR: Well, I think you're the one that said on the floor that, you know, we have a right to be stupid. (Laughter) [LB527]

SENATOR WHITE: (Laugh) So true. So true. I've exercised that particular right on many occasion, I fear. [LB527]

SENATOR AGUILAR: No, but quite frankly, you know, we're all in that same position. We do that. And I'm sorry, I just don't think \$100 is asking too much. We all pay \$120 just to file and run for this seat. So the free speech argument doesn't work. You know, that...you know, I don't accept that, that readily. I think this has turned into a war of free speech versus A&D and a war against A&D. You know, those are processes that we need to have in place. And I don't think it's asking too much just that, you know, we can do something to help fund them, rather than taking out of General Funds. General Fund is the one that we all promised on the campaign trail, we're going to do everything we can do to reduce that. Thank you, Mr. President. [LB527]

SENATOR WHITE: Senator Aguilar, thank you for your response, but the question was: I'm in debt; do I still have to pay \$100 a year to try to retire my debt? I have no money. I'm trying to recoup it. I'm a poor working man. [LB527]

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SENATOR AGUILAR: Any time a person's coffers get that low, that's one of the other purposes of the bill, is that sometimes it's required to dissolve a committee. [LB527]

SENATOR WHITE: If I dissolve the committee, isn't it true I can no longer raise funds? That means I write off the debt, meaning I take the hit for the debt. You've now forced me to either pay \$100 in the vain hope I can get somebody who believed in my message to help me retire the debt...so the point is, yeah, if I want to keep raising money to try to pay my debt off, I have to pay \$100 a year. Isn't that true? [LB527]

SENATOR AGUILAR: That is very true. [LB527]

SENATOR WHITE: Senator Aguilar, one other question, if you'd be so kind. At what point does the fee become an impermissible burden on the freedom of association and the right to petition? If \$100 is reasonable, at what point is it no longer reasonable, so we may have guidance in the centuries to come that the republic endures, as we slide down into this abyss? [LB527]

SENATOR AGUILAR: Well, I would leave that to the senators that are here long after I'm gone. [LB527]

PRESIDENT SHEEHY: One minute. [LB527]

SENATOR AGUILAR: And if you want to raise it up, you certainly have that right to raise it up even more. [LB527]

SENATOR WHITE: As always, thank you for your courtesy. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator White. Further discussion on AM404? Senator Chambers. [LB527]

SENATOR CHAMBERS: Mr. President, members of the Legislature, that last exchange I think was very enlightening, and it kind of took me away from the very serious work that I'm doing. I'd like to ask Senator White a question or two, if I may. [LB527]

PRESIDENT SHEEHY: Senator White, would you yield? [LB527]

SENATOR WHITE: Trembling...with trembling fear, yes. [LB527]

SENATOR CHAMBERS: Senator White, I'm the most...I'm the mildest-mannered person you will find. I'm more mild-mannered than Clark Kent. Now,... [LB527]

SENATOR WHITE: And equally dangerous, Senator. (Laughter) [LB527]

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SENATOR CHAMBERS: When you had mentioned that you no longer get phone calls and people who, when you were running and may have had a chance, were contacting you,... [LB527]

SENATOR WHITE: Yes. [LB527]

SENATOR CHAMBERS: ...and they no longer do,... [LB527]

SENATOR WHITE: Correct. [LB527]

SENATOR CHAMBERS: ...isn't it something that most people realize is likely to happen, because everybody loves a winner or a potential winner? [LB527]

SENATOR WHITE: Absolutely. [LB527]

SENATOR CHAMBERS: Okay, so it's not a surprise that they would cease being available as they had been prior to your unfortunate loss? [LB527]

SENATOR WHITE: So true, Senator, but that is human nature. [LB527]

SENATOR CHAMBERS: Senator, do you agree with the general proposition that has been stated many times: The power to tax is the power to destroy? [LB527]

SENATOR WHITE: Absolutely, and now we are taxing organization for political purposes and the right to petition government. I think that's very dangerous. [LB527]

SENATOR CHAMBERS: Your Honor, that question...that answer was not responsive to the question, so that I move that everything after his first few words be stricken. (Laughter) Senator White, even though the power to tax, when carried to an extreme, can operate in a destructive way, does that principle's mere statement suggest that a body with taxing authority should never exercise that power to tax? [LB527]

SENATOR WHITE: I think that we need to be very careful, Senator, and I would point you to history. The Stamp Tax was, in fact, a tax levied by the British crown on newspapers. This is an area that traditionally and historically Americans have been very itchy about. I guess I share that problem. [LB527]

SENATOR CHAMBERS: And was Lord North the Chancellor of the Exchequer at that time, if you recall? [LB527]

SENATOR WHITE: I never knew, so I cannot claim to recall. [LB527]

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SENATOR CHAMBERS: Senator White, where did you take your law degree? [LB527]

SENATOR WHITE: From the fine fathers at Creighton University School of Law, sir. [LB527]

SENATOR CHAMBERS: Where did you take your undergraduate degree? [LB527]

SENATOR WHITE: From the Jesuit fathers at Regis University, Denver, Colorado. [LB527]

SENATOR CHAMBERS: Did they teach history at Regis College? [LB527]

SENATOR WHITE: On some accounts, they failed. Some of their pupils were less apt than others. Senator, where did you...why, you're a Creighton grad. [LB527]

SENATOR CHAMBERS: Did you study history at that esteemed, renowned college? [LB527]

SENATOR WHITE: I am sworn, I'm sure at least honor-bound, to be truthful. I occupied a chair there. [LB527]

SENATOR CHAMBERS: If you're unsure whether or not Lord North was the Chancellor of the Exchequer,... [LB527]

SENATOR WHITE: Oh, I'm certain I do not know. [LB527]

SENATOR CHAMBERS: ...was George III the king at that time? [LB527]

SENATOR WHITE: King George was certainly the king. [LB527]

SENATOR CHAMBERS: Okay. Your position, if I understand it, is that some taxes, whether in a small amount or a large amount, simply should not be levied because of the item, or whatever it is, that is being taxed? [LB527]

SENATOR WHITE: I agree. I mean, there are certain areas I do not believe should be taxed. Food to the poor... [LB527]

SENATOR CHAMBERS: I agree. [LB527]

SENATOR WHITE: ...should not be taxed. Medicine for the sick... [LB527]

SENATOR CHAMBERS: Amen. [LB527]

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SENATOR WHITE: ...should not be taxed. Speech,... [LB527]

SENATOR CHAMBERS: Preach, brother. [LB527]

SENATOR WHITE: ...association for the free,... [LB527]

SENATOR CHAMBERS: Hear! Hear! [LB527]

SENATOR WHITE: ...should not be taxed. [LB527]

SENATOR CHAMBERS: And you feel that this is impinging on free speech? [LB527]

SENATOR WHITE: I feel it certainly is, yes. [LB527]

SENATOR CHAMBERS: Is it possible that reasonable people may differ as to whether or not this that is being done by this bill is, in fact, an infringement of free speech? [LB527]

SENATOR WHITE: Oh, absolutely. Disagreements between reasonable people are the basis of every lawyer's fortune. [LB527]

PRESIDENT SHEEHY: One minute. [LB527]

SENATOR CHAMBERS: Do you think that Senator Aguilar is as reasonable in seeking what this bill is seeking as you are in opposing it? [LB527]

SENATOR WHITE: No. [LB527]

SENATOR CHAMBERS: So you feel that in this discussion only one person is reasonable, and that person being yourself? [LB527]

SENATOR WHITE: I think that the risk of damaging or infringing free speech is not justified by the revenues procured thereof, so I do not think that's a reasonable position. Not that Senator Aguilar is unreasonable, I just think the position is unreasonable. One argues to the argument, not to the man, Senator. [LB527]

SENATOR CHAMBERS: So then you are of the opinion that the amount of revenue generated has some bearing on whether or not a tax is reasonable, even if it impinges on free speech? [LB527]

SENATOR WHITE: No, actually, Senator, I would not ever tax any activity that is...not willingly, that is directed to free speech so intimately. Now, we get to secondary activities. Can, for example, radio...? [LB527]

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PRESIDENT SHEEHY: Time, Senator. [LB527]

SENATOR CHAMBERS: Thank you. [LB527]

PRESIDENT SHEEHY: Senator Friend, followed by Senator Chambers. Senator Friend. [LB527]

SENATOR FRIEND: Thank you, Mr. Lieutenant Governor. Members of the Legislature, we have functionally and technically clouded the issue now. It's officially clouded, okay? We have turned LB527, and even the amendment, into a taxation question. Senator White has officially done that because that's what he wanted to do. If we want to talk about that, that's fine. But we are not taxing free speech here. This is a fee. We have talked about this over and over and over again on this floor. If we really are concerned about taxing free speech, let's go back to the entire legislation that clogs up our political process. Let's go back and talk about that. Senator Brashear spent years trying to blow that thing away, pretty artful orator himself, and he couldn't accomplish it. So we've laid out public policy that already limits our free speech as politicians in this state. If we want to deal with that, let's go back and deal with it in the appropriate way. LB527, that is an intriguing argument, somewhat responsible, but it clouds the issue. You know, you want to talk about taxation? Let's go back and talk about Alexander Hamilton. Let's talk about our founders for a second, how they ran screaming from King George. You know what Alexander Hamilton did when he became Treasury...the Secretary of Treasury? He tried to figure out how he could tax the central...the people of the central government, in order to develop a treasury in the central government. And he said, how am I going to be able to hit people with a tax here that they're going to like--the people of Virginia, the agrarians; the people of New York, his people in New York? You know what he did? He went for the sin tax. He said, let's go after the alcohol. We've been talking about that for years. Is this the right way to do it? Hamilton is the one that invented it. And what we're doing now is talking about what's fair and what's not fair, in order to tax people. Way off the subject, way off the subject. Artfully done, but way off the subject matter. LB527 deals with a fee. There are functional differences between a fee and a tax in this state. We can say, we can say that there isn't, and we can scream from the top of our lungs that a fee is a...you don't have any choice, you have to pay this fee. Yeah, but not here. And we have a law that lays out an umbrella of how you're going to operate in the political environment. All this does, all this does, even with the Erdman amendment, is it tries to add some clarity to that big umbrella law. If we want to go back, I would reiterate one more time, and really attack the freedom of speech issue, let's attack it where it should be. And then let's go back to get Kermit Brashear press his face up against window out there to help us get rid of a law that is functionally flawed. That's what we need to address. This is nibbling around the edges. This isn't going to do it. Let's talk about the subject matter and let's talk about what this fee does, flat out, right now. Thank you, Mr. Lieutenant Governor. [LB527]

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PRESIDENT SHEEHY: Thank you, Senator Friend. Senator Chambers, followed by Senator Aguilar. Senator Chambers. [LB527]

SENATOR CHAMBERS: Mr. President, members of the Legislature, This is an issue which I think merits all of the discussion that we are of a mind to give it. Not only on this floor should we try to persuade our colleagues to vote with us, but we should be educating and informing the public. We're in a position to do that without seeming arrogant, because our job is to study these issues, inform ourselves, then hammer away at these ideas until we come up with something that's in the best interest of the public. Some kind of fee, I think, is not unreasonable. Others who may disagree with the approach being taken by this bill, may not necessarily agree that every fee of any amount, even if it's a one-time fee, would be inappropriate. But discussing whether or not we are infringing freedom of speech, freedom of assembly, freedom of association, is worthy. I'd like to continue my discussion with Senator White, if he's willing to join me. [LB527]

PRESIDENT SHEEHY: Senator White, would you yield? [LB527]

SENATOR WHITE: I would. [LB527]

SENATOR CHAMBERS: Senator White, some people say every person is entitled to his or her opinion. Do you agree with that? [LB527]

SENATOR WHITE: Certainly. [LB527]

SENATOR CHAMBERS: Now, there are other people who take it a step further and will tell a person...an individual, my opinion is as good as yours. [LB527]

SENATOR WHITE: Manifestly, not. [LB527]

SENATOR CHAMBERS: Thank you, because if we're dealing with a situation that requires study, experience, the gathering of facts and data, and one person has gone through that process, another person on the street corner is entitled to his or her opinion, but it is not as good and not worth as much as the person who went through the developmental stages that led him or her to adopt an opinion on which others can rely. Senator White, are you opposed to the imposition of any fee when we're talking about these kind of committees, to either bring them into existence or sustain their existence? [LB527]

SENATOR WHITE: Well, I do not like any fee. I would have to tell you, philosophically, yes. But political reality, can I accept something other than this, certainly. I mean, you know, this is the art of the possible. While principles must guide, what is possible must

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be done. [LB527]

SENATOR CHAMBERS: Thank you. And, Senator White, spoken like a true mentee of the Jesuits, who are known as the soldiers of the Pope. I know all that kind of stuff, because I was educated by them, too, and I did a bit of educating myself. [LB527]

SENATOR WHITE: Yes, they learned from you, and you certainly learned a few of their tricks. [LB527]

SENATOR CHAMBERS: (Laugh) Yes. Now, Senator White, are you willing to say what you might be prepared to accept in this area? Or would you rather not declare yourself at this point? [LB527]

SENATOR WHITE: No, I was very kind...talked to Senator Nelson, talked to yourself. I do not like this, I will not pretend to like this. But if it is a one-time \$100 fee, and those are being paid at the outset of a political career, at the time they have \$5,000, I have far less concern than an annual fee reoccurring, especially in the situation of someone who is unsuccessful, still has a debt, wants to proceed, and then they have to pay \$100 in order to try to pay off the debt, because, in the end, they wanted to participate in the political process. I have a problem with that. [LB527]

SENATOR CHAMBERS: Thank you, Senator White. Members of the Legislature, now the basis has been established for negotiation. One person is on the ultraviolet end of being reasonable,... [LB527]

PRESIDENT SHEEHY: One minute. [LB527]

SENATOR CHAMBERS: ...the other is on the infrared end of the spectrum, being very highly charged in favor of his position. But I'm not going to say which is where. But here's the kind of negotiation you have be careful of: I have a dozen eggs, Senator Aguilar has a dozen eggs; we negotiate till I have two dozen eggs and he has none, then I say, next time you get some eggs, Senator Aguilar, let's negotiate again. Gentlemen, start your engines. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Chambers. Senator Aguilar, followed by Senator Avery. Senator Aguilar. [LB527]

SENATOR AGUILAR: Thank you, Mr. President, members. I want to thank everybody for the discussion. Senator Chambers framed it very well when he talked about how important this is to the process, and I appreciate everybody getting involved. Appreciate what Senator Friend said about Senator White clouding the issue. I couldn't agree more. You know, if he wants to take a fee and say it's a tax, let's put it in reality and let's say, what happens if we don't impose this tax--his word? If we don't impose the tax, it comes

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out of General Fund. Now we're going to turn around, instead of us paying the fee, or tax, the people of Nebraska is going to pay the tax. Is that the direction we want to go? I don't think so. I don't think so. I think this is a reasonable fee, and we quite honestly should think seriously about approving it. Senator Chambers, would you like any more time? I yield my time to Senator Chambers. [LB527]

PRESIDENT SHEEHY: Senator Chambers, you have four minutes. [LB527]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Aguilar. When it comes to fees and taxes, there might can be a distinction drawn. If a person receives something in exchange for the payment of an amount of money, that can be called a fee. In a very general way, you may say that when we pay taxes, we're receiving something in exchange, in the form of governmental services, the fixing of roads, and all these other things. But we generally understand a tax in the sense of something coming out of my pocket without anything tangible being returned to me. Maybe some people will gain from that tax and what is produced therefrom, but not everybody equally will benefit, and some people, not at all. So whether we call an imposition by the government of a certain amount of money a tax, a surtax, a fee, or any other term, when the government is raising money, I think that should fall under the general rubric of taxation. The only way the government can raise money is by taxing, whatever name is given to it. When we live in a world where everything continues to increase in cost, the government cannot exist, when it must make purchases, as must everyone else, without raising an additional amount of money to pay the additional cost of what the government must purchase. I think a politician is either being very disingenuous or very naive when he or she will tell the public, I will never vote to raise taxes, I will reduce taxes. That person does not understand the role of government, the cost of government, the only means by which government can raise the money it needs to function. So instead of informing and educating the public, which is what you need to have a properly functioning democracy,...you need an intelligent, educated, informed populace. When politicians, who are supposed to be the leaders of society, mislead and engage in disingenuous statements, the public is left with the notion that those who vote to raise taxes are dishonest, that the money is being wasted, that it's being squandered. Yet, those politicians who will campaign on a platform of not raising taxes, who will rail against tax increases, will nevertheless try to reach into the General Fund, where that tax money winds up, to extract money to pay for something his or her constituents want. [LB527]

PRESIDENT SHEEHY: One minute. [LB527]

SENATOR CHAMBERS: So what we need to do, those of us who are going to be responsible, is to take the bull by the horns, keep our nose to the grindstone, our shoulder to the wheel, our eyes on the prize, our feet on the straight and narrow,...and if you're in that posture, then you're a contortionist. But I'm mixing metaphors to make a

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point. We are going to have to do what is necessary to keep this government functioning efficiently. And above all--and this is a slight off-the-path statement--we are going to have to respect the Legislature as an institution and insist that others respect it. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Chambers. Senator Avery, followed by Senator White. Senator Avery. [LB527]

SENATOR AVERY: I have a question for Senator White. [LB527]

PRESIDENT SHEEHY: Senator White, would you yield? [LB527]

SENATOR WHITE: Yes, sir. [LB527]

SENATOR AVERY: Do you...you made the argument that this is an infringement on free speech, or you're taxing free speech. Do you consider the activities of lobbyists representing their clients to be an exercise of free speech? [LB527]

SENATOR WHITE: Yes, but with a difference. That is largely engaged in for profit, while a person running for this office is manifestly not doing it for the money. [LB527]

SENATOR AVERY: Were you aware that we have two categories of lobbyist--the compensated lobbyists, and the uncompensated? [LB527]

SENATOR WHITE: I am. And I am aware of that, Senator. [LB527]

SENATOR AVERY: And uncompensated lobbyists would not be in it for profit. [LB527]

SENATOR WHITE: Pardon me? I didn't hear the end of that. [LB527]

SENATOR AVERY: The uncompensated lobbyists do not do it for profit. [LB527]

SENATOR WHITE: Well, certainly not directly from their clients. [LB527]

SENATOR AVERY: Thank you. Mr. President, we now charge \$200 per client per year for compensated lobbyists. They are engaging in free speech, as well. We also require noncompensated lobbyists, that is, the citizen lobbyists, \$15 per client per year. So I don't get the argument that Senator White is making here. If we are...if you're going to have a principle that you don't tax speech, and he considers this a tax on speech, then we should remove all of these fees that we charge, all of them. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Avery. Senator White, followed by Senator Schimek. Senator White, this is your third time. [LB527]

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SENATOR WHITE: Thank you, Mr. President. Senator Avery, was that a motion? I will second. (Laugh) Well, if you want to know the truth, absolutely, I'd get rid of all these fees. Absolutely, I would. And the closer we get to the center of what makes us a democracy, the more circumspect we should be. Those who lobby are very close to it, but they are not on the same level as those who run for office, put themselves in the arena, participate in the public debate. That is the heartbeat of democracy. That's it. That's the center of it. This directly taxes people who wish to so participate in it. If this is not the safe harbor, there is none. And no one, Senator Avery, has been able, to my knowledge, tell me what is a reasonable fee that does not inhibit debate, and where does that stop? Perhaps Senator Avery, Mr. President, will yield to a question? [LB527]

PRESIDENT SHEEHY: Senator Avery, would you yield? [LB527]

SENATOR AVERY: Yes. I was playing somewhere else. [LB527]

SENATOR WHITE: Senator Avery, what is an amount of money...the lowest amount of money that in your vision would constitute an unacceptable burden on those who would run for office, or organize to support that person, or organize to support the passage of an idea into law? What amount of money? When do we cross over into forbidden territory? [LB527]

SENATOR AVERY: I have already said the \$100 fee is reasonable, and I abide by that. [LB527]

SENATOR WHITE: Well, is \$200 reasonable? [LB527]

SENATOR AVERY: For what? For these...? [LB527]

SENATOR WHITE: For these committees, yes. [LB527]

SENATOR AVERY: It might be at some point, taking into account inflation. [LB527]

SENATOR WHITE: Well, will \$300...is \$300 reasonable? [LB527]

SENATOR AVERY: The question that has to be asked is whether or not this is an infringement on free speech. I don't think it is. At some point, yes, a fee that can get so high could be an infringement. But you're arguing the principle, not the amount. [LB527]

SENATOR WHITE: No, actually, Senator, I would tell you that even 1 cent is an infringement, but \$500 or \$1,000 is a flat out impediment. And I ask you, since you say this is a slope we can safely traverse, at what point does it become not a permissible infringement, but a true impediment? [LB527]

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SENATOR AVERY: I'm sorry, would you repeat that? I was listening to another conversation. [LB527]

SENATOR WHITE: It was probably far more interesting. (Laugh) The question is, we're on a slippery slope. Even a penny, in my view, is in fact an infringement. What I am asking you: At what time, in your mind, at what dollar amount, in today's dollars, does that infringement move to an unconstitutional impediment? [LB527]

SENATOR AVERY: I do not know. But I will concede this point, that there probably is a point at which you cannot go before you do infringe on free speech. But I am, at this point, saying that the principle you are arguing is not, in the context of this bill, an appropriate one. [LB527]

SENATOR WHITE: And what I would say to you, Senator Avery, is, where I am arguing from is to a man, and from a man, who's been relatively, actually, on a global level, very financially successful. Both of us are privileged. I submit to you that \$100 to a truly working poor person isn't an infringement; it is an impediment. Do you disagree that, to the poor, \$100 is a mountain they cannot climb? [LB527]

SENATOR AVERY: A hundred dollars to the poor, the very poor? Probably. But let me say this. We make a distinction among lobbyists, according to the fees they have to pay when they file their papers for lobbying. For a noncompensated lobbyist, it's \$15; for a compensated lobbyist, it's \$200 per client per year. So we do make those distinctions. Obviously, there's a difference. If you're compensated, you have the means to pay more; if you're not compensated, you don't. I don't know what the magic number is, but I think the principle that you're arguing is wrong. [LB527]

SENATOR WHITE: Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: One minute. Senator Schimek. [LB527]

SENATOR SCHIMEK: Yes, thank you, Mr. President and members. This, in my opinion, is much ado about nothing. We're talking about an administrative fee here that's \$100. You're talking about campaigns that may raise \$80,000 or \$120,000, or have in their accounts, during the off years, \$20,000 or \$30,000. Now, there may be some exceptions to that, but by and large, most campaigns raise significant amounts of money. I don't think that charging the \$100 is out of line, because you can't charge it until they at least raise \$5,000. It's something that we do in many instances, as has already been pointed out. If this were a \$1,000 fee, then although I wouldn't agree with Senator White's premise, I would say that's too much. I wouldn't necessarily say that's impermissible because it's a violation of freedom of speech. Can't we move on, on this bill? Can't we vote this amendment up or down and move on? We do this kind of thing

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around here all the time. And remember, political accountability is a cash-funded agency, and that's where they get their operating money to operate on. So \$100 isn't that much. If it...if we need to reduce the amount, perhaps we could. But I think the people who are against the fee are going to be against the fee no matter what the fee is. So Senator Aguilar, would you like to have the rest of my time? [LB527]

PRESIDENT SHEEHY: Senator Aguilar. [LB527]

SENATOR SCHIMEK: Ray? [LB527]

PRESIDENT SHEEHY: Would you like the balance of Senator Schimek's time? You have about 2 minutes and 40 seconds. [LB527]

SENATOR AGUILAR: Thank you, Mr. President. Thank you, Senator Schimek. I appreciate that. As you can probably tell, we're still in negotiation process here, and it's...Senator Nelson has an amendment up that makes it a one-time fee of \$100. Senator White, Senator Lathrop, seem to be supportive of that concept. I would plan on, myself, offering an amendment to say...to change the \$100 to \$50, so that it's ongoing, so it's sustaining funding of A&D. I think that's more important at this point in time. And it's going to be a decision up to the body on which button they push, say, for instance, on Senator Nelson's amendment. If that's the best thing that you think, as far as...that's fine, you know, and I'll go with that. But if not, keep in mind that I'm willing to drop my figure on the next amendment to \$50, if Senator Nelson's happens to fail, which I would ask you to vote red on, by the way. You know, the biggest point I could make, that, you know, if you want to call this a tax, call it a tax, but if we don't pay it, then the people of Nebraska does. So that...I mean, that's what we're asking the people, to step up to the plate and you pay for our fees. Thank you, Mr. President. Thank you, Senator Schimek. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Aguilar. (Visitors introduced.) Senator Chambers, you're recognized, and this is your third time. [LB527]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I agree and disagree with what Senator Schimek said in characterizing what we're doing. Instead of calling it much ado about nothing, I would call it a tempest in a teapot. It is something that is worthy of discussion. But what is at stake here is not really an assault upon freedom of speech. We have to be realistic, practical, and forthright. We know that these political committees which are going to be retained in existence are able to pay this \$100 fee, as contemplated in Senator Aguilar's bill. I don't think he ought to be too quick and willing to capitulate. The principle has been acknowledged by Senator White that a fee of some kind is legitimate. We are arguing now about what is reasonable. When you look at the fact that we're dealing with a commission created by the Legislature, but it's a cash operation, that means the General Fund is not going to foot

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the bill, that the public at large, through its general taxes, are not going to be involved in paying the freight for this commission. So if the Legislature has determined that it's going to be fee-based, if you allow me to use that term, sufficient fees have to be raised. So rather than impose very large fees here, there, and yonder, you spread it out and use a reasonable amount which can be afforded by those who want to participate in this game. I do not think Senator Aguilar's bill is unreasonable. I think he ought to seek a vote on what it is that he's proposing. Nobody's free speech is going to be infringed upon. If a person has a committee and has lost a race, it's unlikely that person is going to keep that committee in operation, other than for the reason that Senator White mentioned--to hustle some money. Well, let that person go out and do some recycling work, collect these tin cans, these aluminum cans, and do some good for themselves and the public at large. But I doubt that \$100 a year is going to bust anybody. I'm the poorest politician, some people used to say, since Abraham Lincoln. But that man had money. He owned real estate. He had more than one house. He had a successful law practice. Abraham Lincoln was not poor, but I genuinely am. And I'm not saying that to seek assistance from anybody. I choose to spend my time doing what I do. It's just that I don't realize any revenue from it. But I do what I do by choice. This \$100 fee is not unreasonable. I think the discussion that we had from Senator White would be worth an admission fee of \$100. It was very valuable. But he happens to be in error by suggesting that this bill is unreasonable. What we're talking about here is reasonableness. He has conceded that a fee is not, in and of itself, unreasonable. Those of us who have been around awhile understand that it costs money to keep that commission operating. This that Senator Aguilar is not unreasonable. [LB527]

PRESIDENT SHEEHY: One minute. [LB527]

SENATOR CHAMBERS: Senator White has exercised his prerogative to hold and express an erroneous opinion. Now, he is entitled to his opinion, but his opinion is not worth as much as Senator Aguilar's and mine. Why, I have 37, going on 38 years of experience in the belly of the beast, in this furnace, where what we do not only is not understood, but it's not appreciated; not only not appreciated, it is contemned, it is hated. C-o-n-t-e-m-n-e-d. But we chose to be here. I'm going to support Senator Aguilar's bill, and I'm going to oppose any amendment that would reduce it from where it is, including a crawdad amendment from Senator Aguilar, if he offers it, to reduce this fee to \$50. Don't be a jet-propelled crawdad. Run forward. You're on the right path, son. Keep going straight ahead,... [LB527]

PRESIDENT SHEEHY: Time, Senator Chambers. [LB527]

SENATOR CHAMBERS: ...full-bore. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Further discussion on AM404? Seeing none,...Senator Carlson. [LB527]

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SENATOR CARLSON: Thank you, Mr. President, members of the body. I've been talking to some guests here in the last few minutes, so I may have missed some discussion, but I believe that Senator Chambers is okaying a salary reduction plan. And we talk about taxes and we talk about helping areas of government run, and that's really what this is. I'm not necessarily opposed to it, but let's call it that. And do we want to do it every year, or do we want to do it every four years, but it is a salary reduction plan. I admire Senator Chambers for adopting the attitude that he would be willing to accept that. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Carlson. Senator Erdman. [LB527]

SENATOR ERDMAN: Mr. President, are there any lights on? [LB527]

PRESIDENT SHEEHY: No, you're the last one. [LB527]

SENATOR ERDMAN: May I close? [LB527]

PRESIDENT SHEEHY: Yes, you may. [LB527]

SENATOR ERDMAN: Thank you. Members of the Legislature, AM404 is a technical amendment. (Laugh) The direction that the President gave us is, if there's any further discussion on AM404. I don't know that we've ever discussed it. But we've had some great discussion about all kinds of other global issues. In fact, Senator Chambers being in the belly of the whale is a good topic, as well. Let me take you...excuse me, belly of the beast. Let me take you back to what AM404 does. If we go forward with the renewal fee, that fee would be due January 30 instead of December 31. That's what the amendment does. The existing annual fee is in the existing bill of LB527. The reason why AM404 is before you is that it coincides more closely with our filings of annual statements, which are due January 30, unless you're running for office, and then those are due January 16. But for a majority of existing campaigns that would be subject to this new law, it is logical to assume that they could make this fee coincide with when their annual statement is due. Simply, that's what AM404 does. Now, if we want to go to a different proposal, make it a one-time fee, something different, that is fine. But if LB527 goes forward in the green copy or similar to the green copy, without some of the other ideas that Senator Aguilar and Senator Nelson are providing, this, I believe, in discussions with Accountability and Disclosure and with the Chairman of the Government Committee, this makes it more streamlined and intelligent for those who are most likely to fall under the responsibility of the act. I would encourage your adoption of AM404, regardless of your position on LB527. I believe that this streamlines and clarifies the process, as my previous amendment did. And it is my understanding that we'll have plenty of opportunities, through different amendments, to discuss what that rate should be if we do choose to go forward with an annual filing fee. Thank you,

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Mr. President, and I would ask for a call of the house. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Erdman. You've heard the closing to AM404. Also, the question before the body is, shall the house be placed under call? All those in favor vote yea; opposed, nay. Again, this is on the call of the house. Have all voted who wish? Please record, Mr. Clerk. [LB527]

CLERK: 35 ayes, 1 nay, Mr. President, to place the house under call. [LB527]

PRESIDENT SHEEHY: The house is under call. All unexcused senators please return to the Chamber. All unauthorized personnel please step from the floor. Senator Dierks, Senator Ashford, the house is under call. Senator Heidemann. Senator Erdman wishes to proceed with the absent senators, and he wishes for a board vote. The question before the body is, shall AM404 be adopted to LB527? All those in favor vote yea; opposed, nay. Have all voted who wish? Please record, Mr. Clerk. [LB527]

CLERK: 36 ayes, 4 nays, Mr. President, on the adoption of Senator Erdman's amendment. [LB527]

PRESIDENT SHEEHY: AM404 is adopted. The call is raised. [LB527]

CLERK: Mr. President, Senator Nelson would move to amend with FA29. (Legislative Journal page 620.) [LB527]

PRESIDENT SHEEHY: Senator Nelson, you're recognized to open on FA29. [LB527]

SENATOR NELSON: Thank you, Mr. President and members of the body. I appreciate all the discussion we've had, basically, with regard to LB527, and also in connection with Senator Erdman's amendment that was recently adopted. My amendment basically, FA29, would do away with the \$100 annual fee, maintenance fee, whatever we want to call it, and simply say that when you reached \$5,000 in the formation of a committee, you would then pay a \$100 fee, and that would be the extent of it. You would not have to pay an annual fee of \$100 every year thereafter, as long as the committee was in existence. I serve on the Appropriations Committee, and I had some recollection that a considerable amount of their budget comes from cash funds, mainly from fees that are charged to lobbyists. And I think it might be interesting to the body to know that, for instance, in fiscal 2006-07, it's going to cost a little more than \$.5 million to run the commission. Of that amount, basically \$400,000 is going to come out of the General Fund, which of course is funded by taxpayers; and \$112,000, in all probability, will be in the cash fund. So there is a considerable amount of money that is contributed through cash collections from the lobbyists and from other sources. I'm not going to get involved with the taxation. I would just simply point out that according to the fiscal note here, we would be raising about \$33,000 a year from the candidates or from the

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committees themselves if we impose a \$100 fee every year. And it seems to me, in a trade-off, that that amount does not significantly alter the fact that the commission is basically being supported by the taxpayers. And I think that's fine. I think, on the other side, it imposes too much of a burden on the individual committees, especially those that are dormant. They may have been activated for a particular measure and they want to keep alive. But to ask those persons who may not have funds to come forward every year with \$100 in support of the Accountability Commission I think is unfair. And so basically what my amendment would do on the bill before you, even though we have adopted Senator Erdman's amendment, it basically would do away with Section 3, at the bottom of page 3, and the first two lines on the succeeding page. So by doing away with Senator Erdman as it was inserted here, in that section, and with...this, what we would be left with, was the payment of a \$100 fee at the time the committee was formed and reached \$5,000, and that would be the extent of it. Thank you very much, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Nelson. (Visitors introduced.) You've heard the opening to FA29. The floor is now open for discussion. We have Senator Aguilar, followed by Senator Chambers. Senator Aguilar. [LB527]

SENATOR AGUILAR: Thank you, Mr. President, members. I rise briefly just to say that, as I spoke of earlier, I do oppose this amendment. I think, if we're going to do something, we need to establish something with some sustainability, and that's why we're asking for the \$100 fee annually. I don't think it's that much. I think, again, I'm going to repeat, if we don't do this, then we're asking the people of the state of Nebraska to do that. I don't think that's right. I think this is a way to help reduce General Fund money, and it should be considered. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Aguilar. Senator Chambers. [LB527]

SENATOR CHAMBERS: Thank you. Mr. President, I'm not going to go through everything that I've said earlier, but I will touch on something that was going on in a discussion between Senator White and I think Senator Avery, something about, when would a point be reached when a tax, if this is a tax, on free speech would cross a line and become inappropriate? I don't know that a line like that can be drawn. I will go to a comment that one of those old U.S. Supreme Court justices made when they were discussing pornography. He said, I can't define it, but I know it when I see it. So these lines that people want to tell us to draw often cannot be drawn. But when that line is crossed, then there's a sensing and an understanding and a realization that whatever it is that is moving has moved too far. This little fee doesn't even approach that level of concern, in my opinion. Now, Senator White would be aware of the fact that there are two types of bonds that an entity can issue--revenue bonds, or general obligation bonds. Revenue bonds are going to be retired from the revenue generated by the facility for which the bonds were issued. If you issue revenue bonds for a parking

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garage, as an example, the parking fees are designed to pay off the bonds and whatever interest anybody is entitled to who invested in those bonds. When they are general obligation bonds, those will be retired from the General Fund, which is consisting of general tax dollars. So the general obligation bonds are what you might call guaranteed bonds. As long as that entity which issued the bonds is able to raise money--and it will be a governmental entity--those bonds are going to be retired and the investors are going to get their money. In a sense, the commission is like a revenue bond operation. Fees, basically, are going to be counted on to pay for a considerable or significant part of its operation. This fee going year to year is not unreasonable. I would like to ask Senator Schimek a ques...oh, she's not here. I was going to ask question to somebody who might understand more about this commission than I do. But I'm wondering if there are waivers possible. If somebody could establish that he or she is unable to pay this amount, but wants to keep a committee in action or in existence, then grant a waiver. A person is either genuinely going to need that waiver and will seek it, or does not want the aggravation or the amount of time that it will take to obtain the waiver. So perhaps that is a way around this. But frankly, I don't think the matter is consequential enough to talk about a waiver. I think that Senator...whose amendment is this? [LB527]

PRESIDENT SHEEHY: Senator Nelson. [LB527]

SENATOR CHAMBERS: Oh, Senator Nelson's amendment. Senator Nelson, so many of us had been discussing that I wasn't sure who had hatched this particular idea. [LB527]

PRESIDENT SHEEHY: One minute. [LB527]

SENATOR CHAMBERS: I don't think it's totally unreasonable. I think it's only like Ivory Soap--99.99 percent wrong. That tiny fraction is all that I can allow it, to account for the good faith with which I think Senator Nelson is offering his amendment. This bill, as it exists, is not going to hurt anybody. If I thought it would, I'd be joining Senator White. In fact, I might have spoken before he did. I have just a few more comments, and I don't think I can finish them now, so I'll turn on my light. Then that will be the last time I'll speak on Senator Nelson's amendment. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Chambers. Senator White, followed by Senator Lathrop and Senator Chambers. Senator White. [LB527]

SENATOR WHITE: Thank you, Mr. President. You know, now that you have changed me from a civil rights attorney into a tax machine, let me make some just general proposals. Since we're now going to have the legislative process, the political process pay for itself, may I suggest we charge per bill. Okay? Every time you introduce a bill, "cha-ching." Then we can charge extra for making it a priority bill, because after all, you

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are ordering the leather seats. "Cha-cha-ching." And then every time it advances from General to Select to Final Reading, we charge more, because after all, we are using the oxygen in this Chamber to pass on that. More revenue. Soon we will be a profit center, Senator Aguilar. How about we charge senators for each time they rise to speak? Senator Chambers and I alone will make the fortune of the state. We will ensure the continued viability of the General Fund. Seriously, we only charge one filing fee. Why do we not charge the senators who continue to serve and all other politicians who continue to serve an annual service fee, because after all, the people should not have to pay for the democratic government they've been blessed with? Thank you for your time, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator White. Senator Lathrop. [LB527]

SENATOR LATHROP: Thank you, Mr. President and members of the body. I am today going to support Senator Nelson's amendment. I think that the parties to this concern have, I think, come up with a fair compromise. The idea that someone who has raised \$5,000 spends \$100 one time when they have the money seems like a reasonable middle ground. And for that reason, I would support Senator Nelson's amendment, and with the amendment, I would then support LB527. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. Senator Chambers. [LB527]

SENATOR CHAMBERS: Mr. President, members of the Legislature, under the general authority of the commission, if this is deemed to be a filing requirement--and I'm going to say for the record that that's the way I view this--the commission, for good cause shown, can make adjustments in these types of fees. If good cause is shown, then perhaps the fee would not be charged. I don't know what they consider good cause--perhaps the nature of the committee, the purpose for which it was organized, the amount of money raised during the campaign, the amount of the expenditures. But there is a way for adjustments to be made, and I am not in favor of a one-time \$100 amount. One hundred dollars doesn't go far now. They said that's why nobody can throw a silver dollar across the Potomac now, as somebody else was alleged to have done--because a dollar simply doesn't go as far today as it did in those days. Well, you know that a paper dollar is not going to go anywhere. If you calculated what our salary would be had we obtained simply an amount to equal inflation, we would be making considerably more than what we're making now, in terms of dollars, although the purchasing power would remain the same as it had been when they first set the amount that we receive. The idea of charging a senator a certain amount every time he or she rises to speak is inappropriate. It should not be done. And that's not what we're talking about. We're talking about maintaining in existence an organization or an entity which can be created pursuant to the statute. The statute is...the Legislature created it. The Legislature can regulate it. This \$100 per year amount I do not think is unreasonable. I don't believe any court would strike it down. And I'm just not as sympathetic to these people who have

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these political committees as my colleague, Senator White, seems to be. I want to have something of greater substance before I raise the specter of, freedom of speech is guaranteed by the First Amendment to the U.S. constitution, being waved in front of us. There are campaigns that can be run for less than \$5,000 a year. When I did campaign, many, many years ago, I don't know if I ever raised \$5,000 to run for the Legislature. So campaigns can be run for less than that amount. Now I don't raise any money at all. But I wouldn't put my standards on anybody else. I'm saying that for the general run of people and organizations and operations and outfits who will or which will establish one of these committees, \$100 a year is not enough to maintain that committee. If they think that this committee which exists for the purpose of raising funds, they can't raise \$100, they don't need the committee. Let it go. We're rescuing them. What are they going to do, go out on the street corner with a cup and say, help my failed campaign, help me, give me some money because I didn't win? They'll say, look, with what you're doing out here, you shouldn't be wherever you were trying to go. Don't stand on this corner begging; go get you a job, Senator White. Sell some newspapers. Collect some of those cans. [LB527]

PRESIDENT SHEEHY: One minute. [LB527]

SENATOR CHAMBERS: But in all seriousness, Senator Nelson's amendment is not worthy of consideration, if you're supporting it because you think somehow an inappropriate infringement of speech is occurring here. There are a lot of things you can't say. You cannot lie on an application for a bank loan. You cannot give false information to the IRS. You cannot even give false information to a cop. So if you had freedom of speech to say anything you wanted to say, any time and under all circumstances, none of those things would be punished as crimes, because they clearly are speech. Senator Nelson's amendment should not be supported. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Chambers. We have Senator White, followed by Senator Wightman and Senator Friend. Senator White. [LB527]

SENATOR WHITE: Though I do not like it, I will support Senator Nelson's amendment. I think it finds some measure of restraint. Senator Chambers has raised an interesting question. He says, for good cause shown we can waive this fee. And he mentioned, we'll have to look at what they organize their purposes for. Now we have clearly jumped off the cliff, Senator Chambers. We are now going to judge the quality and the content of the speech to see if we charge for it. Now we have crossed the line into the dictatorship of, we will make those who we dislike pay, but those who we like won't have to pay. And that's what happens when you get on slippery slopes, you slide downhill. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator White. Senator Wightman. [LB527]

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SENATOR WIGHTMAN: Thank you, Mr. President, members of the Legislature. I've listened to all of this debate, primarily between Senator White and Senator Chambers, and I listened to Senator Nelson's thought that perhaps some of this could be paid out of a cash fund. And I, too, serve on a...as a member of the Appropriations Committee. But it seems to me that--and Senator White alluded to this, I think--that maybe we could create a middle ground here, and that perhaps we could make a profit center out of the legislative arena, and that perhaps we could advertise our show. And I know we always refer to them as Senator Chambers and Senator White, but I don't think that's going to sell very well, and I'm suggesting we make it "The Tom and Ernie Show." But I suggested that to Senator White, and he suggested, giving seniority its proper due, that it should be "The Ernie and Tom Show." So at any rate, I throw that out for what it's worth. (Laugh) I think we probably have been making quite a bit out of not too much. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Wightman. We have Senator Friend, followed by Senator Chambers. Senator Friend. [LB527]

SENATOR FRIEND: Thank you, Mr. Lieutenant Governor, members of the Legislature. I mentioned earlier when I spoke to this issue, we have officially, functionally, clouded the subject matter. It's still clouded. But I'm going to try to shed a little bit of light on it and move away from this freedom of speech fallacy that we're discussing here, okay? And it is a fallacy. Give me back the \$120 I had to spend to get this job, right out of the gate. That's a filing fee. Where in the world did freedom of speech come into it for me? Look, I'm a freedom of speech guy. I'll line up with Senator White, behind him, in front of him, wherever he wants me, on that issue. I'll be with him. But the fact of the matter is, Senator Erdman and all the folks that are promoting the demise of LB527 are flat out wrong. This is administrative in nature. The Accountability and Disclosure Commi...what do...let's ask ourselves a question. What happens when we term-out and we have all of these committees assembled? Do you think the duty of Accountability and Disclosure just goes away? They have to alert...there are administrative functions and things that they have to do for those committees. I'll tell you what will make me close that committee account, is if I realize, after I can't run for the Legislature anymore, that I have to close that account or else I'm going to get charged 100 bucks a year for it. That will make me more responsible as a candidate. And take the freedom of speech issue and set it aside, unless you'd like to go in here and amend this thing and give me my 120 bucks back, because I think I got ripped off. Look, here's where we're at right now. We can continue to cloud this issue and we can continue to follow Senator Erdman, Senator White, and everybody else. That's great. I've followed them before, I'll probably follow them again. But I'm telling you, this issue is officially--and Senator Nelson's amendment took it over the edge--it's officially, functionally, flawed now, this discussion. And what I would say is this. If we don't want LB527, if we don't want that number out there, forget Senator Nelson's amendment; let's just bag the bill. Let's kill it. As a matter

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of fact, I'm surprised I haven't seen a bracket motion yet. Do it. Throw it up there, see if it succeeds. I don't know how much more has to be established by Senator Aguilar to identify the idea that this isn't a freedom of speech issue, because like I said, if you put the great Kermit Brashear back in here, he's going to go, oh, you know what, that's cute, guys, that's really funny, that's neat, I like that, that's hilarious, but you're not getting at the core of the issue. And quite honestly, this is not the tool. We've talked about this before. This is not the tool or the area where we deal with that issue and that subject matter. Talk to Frank Daley, talk to the folks that have to administer these things year after year after year. We're all going to be gone soon, either two years, four years, eight years. Who's going to manage all of that paperwork? Who's going to do that? Here's what happens, this transfer. Here's what this bill does. Right now, it's coming out of General Fund. If we don't cash fund this, guess where all of those dead committees that are sitting out there, guess where that money is coming from? It's coming from General Fund. Now, granted, it's only about \$30,000 or \$40,000. But that's General Fund money. Go explain that to your constituents. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Friend. Senator Chambers, followed by Senator Adams and Senator Erdman. Senator Chambers, this is your third time. [LB527]

SENATOR CHAMBERS: Yes, and Mr. President, I had said I wouldn't speak again, but I have to respond to something Senator White said. When I mentioned possible things to consider in determining whether there would be a reduction in the fee or a waiver, I was mentioning things. That is not what the commission has said it would look at, nor would anything that I mentioned be contained in this bill. Mr. Daley is a lawyer, he is very experienced in the realm of activity covered by the Accountability and Disclosure Commission, and I'm certain that they would not give consideration to anything which would constitute a violation of anybody's freedom of speech. So if one of the things I mentioned by way of example would constitute a violation of the right to free speech, that simply would not be considered. My words are not binding on that commission. They are offered by way of example, in the same way that many things on this floor are offered by way of example, but they're not put in the form of amendments, because they'd have no place in a piece of legislation. So that's all that I would have to say, except that Senator Nelson's amendment ought to be summarily defeated. But we don't do things in a summary fashion around here, especially when it is wintery. But I think when we take a vote, he ought to get fewer votes than necessary to have this amendment adopted. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Chambers. Senator Adams. [LB527]

SENATOR ADAMS: Thank you, Mr. President and members of the Legislature. I have sat here, like all of you have, and have listened to all of this argument and...or debate, call it what you will. It's interesting and it opens up all kinds of floodgates of ideas for

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me. And frankly, I don't know that I have anything more that I can contribute to this, but I had one thought. If there may be a champion of free speech in here, I would hope that amongst you I could raise my hand and say that I am a champion of free speech. Hence, I understand the argument that Senator White and Senator Lathrop are making about free speech. However, interestingly enough, it was those two senators who reminded me in a discussion we were having on another bill a few weeks ago that there is a limit to free speech, and the limit to free speech, one of those limits, is something called compelling interest, compelling community interest. I don't think that the argument today on this bill or the amendment is about dollars. I don't think it's about when you pay those dollars or if you do. I think it's about the integrity of our election system. Otherwise, why even have an Accountability and Disclosure Commission? Do away with it. But you know we have it, and we should have it, and the voters want us to have it, and I think we have a compelling interest to have that organization and to sustain it. And whether it's \$100 or \$150 or \$50, the purpose for that organization is the integrity of our election system. It's not cash funds, it's not appropriations. And I don't think that it denies free speech. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Adams. We have Senator Erdman, followed by Senator Carlson. Senator Erdman. [LB527]

SENATOR ERDMAN: Mr. President, members of the Legislature, and...I don't see him. But my good friend, Senator Friend, is speaking for myself and former Senator Brashear and others, and I think that's fantastic, because then, in effort to follow Senator White's example, he can pay my fee because he's giving my speech. I have never advocated that we should kill the bill. In fact, in the comments that I heard Senator Friend say, that if you want to follow the leadership of Senator Erdman and Senator White and others and kill the bill,...why would I have worked with Frank Daley to adopt the amendment...to work on the amendments that I did if I wanted to kill the bill? Probably goes without saying. The attempts that I have made to the body is to clarify the bill, in working with the Chairman of the committee. Now, where do we stand? Is Senator Nelson's amendment better than the existing bill? That's the policy decision that was actually debated on my amendments. I kind of like the idea of a one-time fee. Walk before we run. Let's figure out if that's the way to do it. So I have never stood on the floor...and in fact, Senator Friend is right, if I wanted to kill the bill, I wouldn't have offered amendments to fix it. I would have filed a motion to bracket or a motion to recommit, the other things that I started to do, and then withdrew. So for the sake of the record, let's be honest with one another here and let's talk about what this process is. The question is, do we start by running and requiring a \$100 fee every year in a sustainable manner as Senator Aguilar talks about, or do we take a measured step, what Senator Nelson is talking about, and start by requiring the fee your first time you file? I kind of like Senator Nelson's idea, to be honest with you. I think if Senator Nelson's idea is adopted, I think it creates some greater comfort with LB527. If it's not adopted, Senator White and others can have their way with it, as I understand the

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process here. Let's take a vote. Let's see where we're at. I think Senator Nelson's amendment will give us a good idea to see the support for his proposal or the support for Senator Aguilar's proposal. It's a true straight up or down vote on two policy decisions. If you're in favor of Senator Nelson's amendment, obviously, vote yes, and if you're in favor of the green copy, vote no. We'll get a sense of where the body is. It will be a service to Senator Aguilar and the rest of us. And we're all capable of defending ourselves and giving our own positions without having others do it for us, and I appreciate the opportunity to do that free of charge. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Erdman. Senator Carlson. [LB527]

SENATOR CARLSON: Mr. President, members of the body, as I often do, I sit and look at how much time we've spent on something, and in terms of the people's money, we've spent \$2,552 this morning on this bill and these amendments. That's 8 percent of the \$33,000 that we're hoping to bring in, in revenue, if this bill passes. We are to be about the people's business, and there's a fine line between being about the people's business and giving them the business, and we're about at that point this morning. If it's in order, I'd call for the question. [LB527]

PRESIDENT SHEEHY: The question before the body...Senator Carlson. [LB527]

SENATOR CARLSON: Mr. President, I call for the question. [LB527]

PRESIDENT SHEEHY: Do I see five hands in demand of the question? The question before the body is, shall the debate now close? All those in favor vote yea; opposed, nay. Have all voted who wish? Please record, Mr. Clerk. [LB527]

CLERK: 29 ayes, 0 nays, Mr. President, to cease debate. [LB527]

PRESIDENT SHEEHY: We'll now...Senator Nelson, you're recognized to close on FA29. [LB527]

SENATOR NELSON: Thank you, Mr. President. I won't take long. I would just like to address a couple of concerns. I'm in favor of Senator Aguilar's bill. I'm not trying to kill his bill; I'm simply trying to modify it with my amendment. And I like what Senator Erdman says. Let's start out with a registration fee, begin there, and not impose a maintenance fee of \$100, in our case, as legislators, perhaps for the next eight years. We're all contributing \$800. Senator Chambers has a unique situation, I think, if he didn't have to raise funds to get reelected over the years. But that wasn't the case with practically all of us here. We had to raise a considerable amount of money, and some of us are still indebted to our campaign. This just means that for the next four years, for instance, we're going to have to come up with another \$100. Frankly, I don't think that the commission needs our support to the extent of \$33,000. I think they get a

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considerable amount of cash fund. I look at the bill as it stands here, and I don't see any discretion given to the commission as far as waiving any of these fees. It says, the statement or organization shall be filed and registration fee paid within two business days. I think perhaps Mr. Daley and the commission can waive fines imposed or things like that, but I think it would take additional language to let them waive the fee. I think that we would be stuck with that. So I think it's entirely reasonable to charge a filing fee of \$100. Let's start there. I ask your support for the amendment. I think it would be a good amendment, and then we can move on to voting on the bill itself. I support my amendment, of course, I ask you to support it, and I also support the bill in general. Thank you. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Nelson. You've heard the closing to FA29. The question before the body is, shall FA29 be adopted to LB527? All those in favor vote yea; opposed, nay. We have a motion request by Senator Nelson for a call of the house. The question is, shall the house be placed under call? All those in favor vote yea; opposed, nay. [LB527]

SENATOR NELSON: I would ask for a roll call vote, please, in reverse order. [LB527]

PRESIDENT SHEEHY: Have all voted who wish? Please record, Mr. Clerk. [LB527]

CLERK: 31 ayes, 4 nays, Mr. President, to place the house under call. [LB527]

PRESIDENT SHEEHY: The house is under call. All unexcused senators please return to the Legislative Chamber. All unauthorized personnel please step from the floor. The house is under call. Senator Heidemann, the house is under call. Mr. Clerk, Senator Nelson wishes to proceed. Roll call, reverse order. [LB527]

CLERK: (Roll call vote taken, Legislative Journal page 620.) 25 ayes, 10 nays, Mr. President, on the amendment. [LB527]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. FA29 is adopted. The call is raised. [LB527]

CLERK: I have nothing further on the bill at this time, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Senator McGill. [LB527]

SENATOR MCGILL: Mr. President, I move LB527 to E&R for engrossing. [LB527]

PRESIDENT SHEEHY: The question before the body is, shall it move to E&R for adoption? Senator Chambers. [LB527]

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SENATOR CHAMBERS: Mr. President, members of the Legislature, the name of the person who cast the twenty-fifth vote will not live forever in infamy. (Laughter) But I know who is weak of knees. Thank you, Mr. President. [LB527]

PRESIDENT SHEEHY: Thank you, Senator Chambers. Further discussion on advancement to E&R for engrossing? Seeing none, all those in favor vote...say aye. Opposed, nay. LB527 does advance. Items for the record, Mr. Clerk? [LB527]

CLERK: I do, Mr. President. Thank you. Your Committee on Transportation, chaired by Senator Fischer, reports LB147 to General File; LB663, General File; LB681, General File; and LB489, indefinitely postponed. Natural Resources Committee, chaired by Senator Loudon, reports LB504 to General File; LB636, General File with amendments; LB690, General File with amendments. Confirmation reports received from the Education Committee, two different reports, and from the Retirement Systems Committee. Communication from the Governor to the Clerk. (Read re LB283 and LB283A.) New resolutions: LR33, by Senator Dubas; and LR34, by Senator Dubas. Those both will be laid over. I have a Reference report referring certain gubernatorial appointees. Amendments to be printed: Senator Stuthman, LB299; Senator Ashford, LB67; Senator Kruse, LB261; Senator McDonald, LB441. Senator Christensen would like to add his name to LB425; Senator Langemeier to LB484; Senator Christensen to LB677. (Legislative Journal pages 621-633.) [LB147 LB663 LB681 LB489 LB504 LB636 LB690 LB283 LB283A LR33 LR34 LB299 LB67 LB261 LB441 LB425 LB484 LB677]

And, Mr. President, a priority motion. Senator Lathrop would move to adjourn until Thursday morning, February 22, at 9:00 a.m. []

PRESIDENT SHEEHY: You've heard the motion, made by Senator Lathrop, to adjourn until Thursday, February 22, 2007, at 9:00 a.m. All those in favor say aye. Opposed say nay. We are adjourned. []