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Floor Debate
March 12, 2009

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SPEAKER FLOOD PRESIDING []

SPEAKER FLOOD: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-third day of the One Hundred First Legislature, First Session. Our chaplain for today is Chief Bishop Robert Tyler of the Church of the Living God in Omaha, Nebraska, Senator Council's district. Would you please stand. []

PASTOR TYLER: (Prayer offered.) []

SPEAKER FLOOD: Thank you, Chief Bishop Tyler. I call to order the forty-third day of the One Hundred First Legislature, First Session. Senators, please record your presence. Mr. Clerk, please record. []

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

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

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

SPEAKER FLOOD: Are there any messages, reports, or announcements? []

CLERK: I have a series of priority bill designations: Senator Stuthman, LB476; Education Committee, LB392 and LB549; Senator Campbell, LB342; Health Committee has LB288 and LB195; Senator Louden, LB449; Senator Sullivan, LB489; Senator Pankonin, LB134; Senator Hansen, LB517; Senator Flood, LB36. In addition, Mr. President, I have reports received in the office, Clerk's Office, available for member review, and the report of registered lobbyists, as required by statute. That's all that I have, Mr. President. (Legislative Journal pages 703-704.) [LB476 LB392 LB549 LB342 LB288 LB195 LB449 LB489 LB134 LB517 LB36]

SPEAKER FLOOD: Thank you, Mr. Clerk. We will now proceed to the first item on the agenda. Mr. Clerk, I believe it's LR10, a motion to withdraw the same. [LR10]

CLERK: Mr. President, Senator Price would move to withdraw LR10. [LR10]

SPEAKER FLOOD: Senator Price, you're recognized to open on your motion to

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withdraw. [LR10]

SENATOR PRICE: Thank you, Mr. President, members of the body. I'm offering this motion to withdraw LR10 because I want to be respectful to the time of the members of the Business and Labor Committee. As committees try to give each introduced bill a public hearing and make a final decision on what the bills to be advanced to General File, I believe that the committee has enough on its plate right now. And while I believe this resolution addresses an important issue, I believe the focus of this body should be on the issues under its purview and I don't have to remind you of the list of pressing issues we will be debating this year. We need to focus on the issue before us and address the needs of the state and its citizens. I would like to thank Chairman Lathrop for working with me on this. And with that, I would move that LR10 be withdrawn. Thank you, Mr. President. [LR10]

SPEAKER FLOOD: Thank you, Senator Price. Members, you've heard the opening on Senator Price's motion to withdraw LR10. There are no other lights on. Senator Price, you're recognized to close on. Senator Price waives closing. The question before the body is, shall LR10 be withdrawn? All those in favor vote yea; all those opposed vote nay. Mr. Clerk, please record. [LR10]

CLERK: 33 ayes, 0 nays, Mr. President, on the motion to withdraw the resolution. [LR10]

SPEAKER FLOOD: LR10 is withdrawn. Mr. Clerk, the next item on the agenda is LB669, a motion to recommit the bill to Judiciary Committee. Senator Ashford, it is my understanding that you wish to withdraw that motion. [LR10 LB669]

SENATOR ASHFORD: Yes, thank you, Mr. Speaker. I do. [LB669]

SPEAKER FLOOD: Without objection, so ordered. The motion to recommit to Judiciary Committee is withdrawn. Members, we now proceed to Final Reading. We would ask that you find your seats. Members, please find your seats. Unauthorized personnel please leave the floor. Mr. Clerk, the first bill on Final Reading is LB52. [LB669 LB52]

CLERK: (Read LB52 on Final Reading.) [LB52]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB52 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB52]

CLERK: (Record vote read, Legislative Journal page 705.) 44 ayes, 0 nays, 2 present and not voting, 3 excused and not voting, Mr. President. [LB52]

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SPEAKER FLOOD: Thank you, Mr. Clerk. LB52 passes. We now proceed to LB89. [LB52 LB89]

CLERK: (Read LB89 on Final Reading.) [LB89]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB89 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB89]

CLERK: (Record vote read, Legislative Journal page 706.) 39 ayes, 5 nays, 2 present and not voting, 3 excused and not voting, Mr. President. [LB89]

SPEAKER FLOOD: LB89 passes. Mr. Clerk, we now proceed to LB90. [LB89 LB90]

CLERK: (Read LB90 on Final Reading.) [LB90]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB90 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB90]

CLERK: (Record vote read, Legislative Journal pages 706-707.) 46 ayes, 0 nays, 3 excused and not voting, Mr. President. [LB90]

SPEAKER FLOOD: LB90 passes. Mr. Clerk, we now proceed to LB142. [LB90 LB142]

CLERK: (Read LB142 on Final Reading.) [LB142]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB142 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB142]

CLERK: (Record vote read, Legislative Journal page 707.) 45 ayes, 1 nay, 3 excused and not voting, Mr. President. [LB142]

SPEAKER FLOOD: LB142 passes. Mr. Clerk, we now proceed to LB167. [LB142 LB167]

CLERK: (Read LB167 on Final Reading.) [LB167]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB167 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB167]

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CLERK: (Record vote read, Legislative Journal page 708.) 44 ayes, 0 nays, 2 present and not voting, 3 excused and not voting, Mr. President. [LB167]

SPEAKER FLOOD: LB167 passes. Mr. Clerk, LB204. [LB167 LB204]

CLERK: (Read LB204 on Final Reading.) [LB204]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB204 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB204]

CLERK: (Record vote read, Legislative Journal page 709.) 46 ayes, 0 nays, 3 excused and not voting, Mr. President. [LB204]

SPEAKER FLOOD: LB204 passes. Mr. Clerk, we now move to LB231. [LB204 LB231]

CLERK: (Read LB231 on Final Reading.) [LB231]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB231 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB231]

CLERK: (Record vote read, Legislative Journal pages 709-710.) 45 ayes, 0 nays, 1 present and not voting, 3 excused and not voting, Mr. President. [LB231]

SPEAKER FLOOD: LB231 passes. Mr. Clerk, we now proceed to LB379E. [LB231 LB379]

CLERK: (Read LB379 on Final Reading.) [LB379]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB379 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB379]

CLERK: (Record vote read, Legislative Journal page 710.) 46 ayes, 0 nays, Mr. President, and 3 excused and not voting. [LB379]

SPEAKER FLOOD: LB379E passes with the emergency clause attached. Mr. Clerk, the first vote, as we proceed to LB151E, is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB379 LB151]

CLERK: 43 ayes, 1 nay to dispense with the at-large reading, Mr. President. [LB151]

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SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB151]

CLERK: (Read title of LB151.) [LB151]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB151E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB151]

CLERK: (Record vote read, Legislative Journal page 711.) 46 ayes, 0 nays, 3 excused and not voting, Mr. President. [LB151]

SPEAKER FLOOD: LB151E passes with the emergency clause attached. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB52, LB89, LB90, LB142, LB167, LB204, LB231, LB379, and LB151. Mr. Clerk, we now proceed to the next item on the agenda: Final Reading, LB105. [LB151 LB52 LB89 LB90 LB142 LB167 LB204 LB231 LB379 LB105]

CLERK: Mr. President, Senator Langemeier would move to return LB105 to Select File for a specific amendment, AM277. (Legislative Journal page 676.) [LB105]

SPEAKER FLOOD: Senator Langemeier, you are recognized to open on your motion to return LB105 to Select File for a specific amendment. [LB105]

SENATOR LANGEMEIER: Mr. President, members of the body, LB105, as you've heard this one a number of times, started out as a Natural Resources Committee bill for Game and Parks. And on Select File I took control of this. I got the credit for raising the fees so I took control of it, and we did an amendment to strike all the fees. I missed one, and so to make sure this bill represents what I told you it was going to represent, I would ask that you vote to return it to Select File. We need to take out one raised fee. It's the antlerless deer permits was still in there, so I would ask that you take it back so we can take it out and it represents the way I represented it. Now with that said, if they actually did this and raised the antlerless deer permit, that permit would be higher than the permit with antlers. So there's no way in God's green earth anybody would buy this permit if they actually raised it, but I want it to be the way we represented it so I'd ask that you return it back so we can take that one last chunk out. Thank you. [LB105]

SPEAKER FLOOD: Thank you, Senator Langemeier. There are no other lights on. Senator Langemeier is recognized to close. He waives his opportunity. Members, the question before the body is, shall LB105 be returned to Select File for a specific amendment? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB105]

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CLERK: 44 ayes, 0 nays, Mr. President, on the motion to return the bill. [LB105]

SPEAKER FLOOD: LB105 is returned to Select File for a specific amendment. Senator Langemeier, you are recognized to open...or Mr. Clerk. [LB105]

CLERK: Senator Langemeier, AM277. [LB105]

SPEAKER FLOOD: Senator Langemeier, you're recognized to open on AM277. [LB105]

SENATOR LANGEMEIER: Mr. President, members of the body, this is AM277. It removes the cap raising for the antlerless deer permit only. Thank you. [LB105]

SPEAKER FLOOD: Thank you, Senator Langemeier. Members, you've heard the opening on AM277. There are no other lights on. Senator Langemeier, you're recognized to close. Senator Langemeier waives his opportunity. Members, the question before the body is, shall AM277 be adopted? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB105]

CLERK: 45 ayes, 0 nays, Mr. President, on the adoption of the Select File amendment. [LB105]

SPEAKER FLOOD: AM277 is adopted. Senator Nordquist for a motion. [LB105]

SENATOR NORDQUIST: Mr. President, I move LB105 to E&R for engrossing. [LB105]

SPEAKER FLOOD: Members, you've heard the motion. All those in favor say aye. All those opposed say nay. LB105 is advanced to E&R for engrossing. Mr. Clerk, we now move to General File. The first bill on the agenda: LB121. [LB105 LB121]

CLERK: LB121 by Senator Wightman. (Read title.) The bill was referred to Revenue Committee, advanced to General File. Senator Wightman presented his bill yesterday, Mr. President. Senator Cornett presented the Revenue Committee amendments. I do have amendments to the committee amendments. (AM530, Legislative Journal page 610.) [LB121]

SPEAKER FLOOD: Senator Wightman, you have 2 minutes to advise the body of the progress of your bill. [LB121]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the body. LB121 provides for a phase-out of the Department of Revenue's assumption of the county assessment function, which was authorized under a bill in 1969. There were no takers at that point. Finally the bill was amended to provide for employee protections in 1998. Five counties came under. An additional four counties were later accepted. Since then

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many counties have been refused. Some have been accepted and then there were no appropriations. So as a result, we sit here with nine counties for whom the state pays all of the assessment functions. LB121 would repeal those sections. Actually it would provide for a phase-out over a three-year period in which the counties would be required to reimburse the state for performing those functions. They have an option to reassume the functions and what it would do is have those nine counties pay their own. Dodge is the largest of those counties. I think Garfield is the smallest. There are four of them with a population of 5,000...or maybe 10,000 or more. The whole idea of the bill is to create an equitable situation in which each of the counties are paying for their own rather than the state of Nebraska paying for the nine. The committee amendment, which is AM530, allows for an increase in the county budget lid for restricted funds so those counties can reassume those duties without being in problems as far as their spending and levy lids are concerned. There will be some amendments that follow. One of those amendments has been withdrawn but...and to the extent I've seen those amendments, we are not in opposition to them. Thank you, Mr. President. [LB121]

SPEAKER FLOOD: Thank you, Senator Wightman. Continuing on with discussion to AM530, we have Senator Haar. You are recognized. [LB121]

SENATOR HAAR: Mr. President and members of the body, I love you all. I thank you for the red lights and there will be no more cookies. (Laugh) [LB121]

SPEAKER FLOOD: Thank you, Senator Haar. Senator Sullivan, you are recognized. [LB121]

SENATOR SULLIVAN: Thank you, Mr. President and members of the body. What the state giveth, the state taketh away. As Senator Wightman said, approximately ten years ago the state gave counties, all 93 of them, the opportunity to turn over the assessor function. Now they don't want it. The state wants to save money. They want the nine counties that took them up on their offer to reassume the expense of this function. The state wants to save money, and in so doing it essentially means, yes, it will be a savings to the state but a probable increase in property taxes for the taxpayers of the affected counties, three of which are in my district. I've spent some time talking to county board members in those three counties, and you know, they do feel it's just another thing the state is doing to them. As I said earlier, the state did offer this alternative ten years ago, so here we are. Maybe to some of you it seems the inevitable but perhaps not. But hopefully and certainly we want to do it in a way that can be reasonable for the counties involved. In the process of trying to make it reasonable, I struggle with several issues and several questions I'd like to raise. What about the equipment the state brought into those counties when they assumed the function? I talked to one county that said they hired three additional people. They brought in two cars, new equipment. Well, will the state take that equipment back or will the counties have the option of keeping it? And if not, then these counties will have the added cost of equipping these offices with

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furniture, computers, software, and all the other items that are needed to make an office function. The bill currently allows reimbursement to the counties of 100 percent of accrued vacation time, but only 25 percent of sick leave. What happens to the individuals currently employed by the state on a contractual basis, as is the case in my three counties: one person handling the assessor function for all three counties? And consider the extra staff that I mentioned earlier that the state put in place when they assumed the function. Will those people lose their jobs when the counties reassume the function? What is the real cost saving if we are simply shifting the cost to local taxpayers? Do the savings to the state outweigh the negative impact this will have on local county budgets and to the individual citizens impacted by the legislation? You know, we've mentioned several times in this body thus far of the current economic conditions making an impact on the decisions that we make. I think it certainly enters into this decision as well. Yesterday I had a conversation with a deputy assessor from one of my counties. It was revealing, to say the least. She said, so, what's local control; define that for me. She does the appraisal work for the county, following state guidelines. That's what the state wants: some commonality statewide as to how property is valued. So it will be a local control with state guidelines but without state support. As I said earlier, the state giveth, the state taketh away. What I'm trying to do in my comments is give a face to this decision that we're about to make. We, here in our limestone tower, are going to make a decision that people in nine counties are going to have to live with. I'm just trying to raise some questions about the clarifications and if this is the path down which we choose to go to make this decision and action to go to the counties, minus the burden of unintended consequences and burdensome results. So quite frankly, I'm going to persist with my questions. I am not doing this because I want to delay Senator Wightman's priority bill, but truly because I feel bound to make some clarifications for the benefits of my counties. So, Senator Wightman, I wish you...I would like to know if you'd yield for a few questions. [LB121]

SENATOR LANGEMEIER PRESIDING [LB121]

SENATOR LANGEMEIER: One minute. And, Senator Wightman, would you yield? [LB121]

SENATOR WIGHTMAN: I will. [LB121]

SENATOR SULLIVAN: Thank you, Senator. Does LB121 require the county to pay the transferred the employees the salary that they were paid by the state? [LB121]

SENATOR WIGHTMAN: It is my understanding that it does not. It does not guarantee their salaries. [LB121]

SENATOR SULLIVAN: And does the county have to take on all the state employees that are currently employed in the county by the state assessor's office? [LB121]

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SENATOR WIGHTMAN: I don't believe there's any requirement that they have to. I think the idea is that they would...and there may be a requirement that they keep the employees on but they don't have to maintain those employees at the same level. [LB121]

SENATOR SULLIVAN: Okay. And so then how long will those state employees working in the county offices, how long will they have their jobs? [LB121]

SENATOR WIGHTMAN: I think that they could be...you could have a reduction in force in the first year. [LB121]

SENATOR SULLIVAN: In the event that they would want to keep some of those employees on, do they have to first fire the employees in order to change their salaries? [LB121]

SENATOR LANGEMEIER: Time. Thank you, Senator Sullivan [LB121]

SENATOR SULLIVAN: Thank you. [LB121]

SENATOR LANGEMEIER: Those wishing to speak, we have Senator Stuthman, Giese, Schilz, Wightman, and others. Senator Stuthman, you're recognized. [LB121]

SENATOR STUTHMAN: Thank you, Mr. President and members of the body. I have a real interest in this bill and the direction that it's heading. I really think, you know, the real intention of the state at the time was that all of the counties would be, the assessing portion of it, would be on the state level, and then they only took a few counties, the nine counties. And then several years later now we decide that, you know, the state can save some money, \$2.4 million, and put that burden back onto the counties as property tax. That I think is what the real intent here, what it looks like to me. I will give you some of the concerns that counties had that I've been visiting with last night and this morning. And I'll just talk about Sherman County. When Sherman County voted to let the state take over those duties, they had a budget for the assessor's office of between \$45,000 and \$55,000, and that's what it was. Their lid levy, their levy, I mean, did drop in that county for several years after that, so the taxpayers did have a savings at that present time. I think they have three employees in that county. They have an appraiser, the assessor, and the deputy assessor: all paid by the state. What is happening right now is that we're asking that county to take over that job of the assessor's position at a cost of about \$144,000: about \$100,000 more--what it's costing the state--\$100,000 more is going to have to be tacked onto the county taxpayers. Other situations are and what Senator Sullivan discussed was the fact that, you know, they are paid at a higher rate than the elected officials in that county. A county is going to have to lower the rate on that individual, lower the salary on it, probably let one of the employees go. And I'll give

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you the illustration of why they would let one of the employees possibly go, because one of the employees is an appraiser. That employee works for the state, does the appraising of the ground as in accordance with what the state mandates as far as appraising the ground every so many years: agricultural, commercial, residential, and other properties in the county. They must have reappraisals every so often and that is mandated by the state that they have to do that. I think some of those smaller counties will probably let the one person go and then contract for those services to do the appraisal in some of those smaller counties. They'll probably contract a licensed appraiser to do appraisals on those parcels that they have to do by mandate of the state every so many years to keep the property values in line. With the situation that we have, property values must be valued on representative sales. I think some of these smaller counties that took the opportunity to turn that over to the state maybe employed one more person but that was paid by the state and now we're going to tell them, well, you're going to have to take over the whole job but you're going to have to work it into your budget somehow. I think this is a situation that we have to take a serious look at as far as how are we going to affect these counties... [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

SENATOR STUTHMAN: ...affect these counties. Thank you, Mr. President. Are we going to be eliminating positions in those counties, mainly because of the fact that they can't allow enough dollars for that office and the fact that they will not be paying one elected official a lot more than another elected official? Some of these offices that were taken over by the state, you know, I'm sure some of those positions were getting \$5,000-7,000 a year more working for the state than they would be working for the county. Are they willing to take that much of a pay cut? And another issue I think is the fact that the benefits also. Right now, currently, they're on the state benefit plan. [LB121]

SENATOR LANGEMEIER: Time. [LB121]

SENATOR STUTHMAN: Thank you, Mr. President. [LB121]

SENATOR LANGEMEIER: Thank you, Senator Stuthman. Senator Giese, you're recognized. [LB121]

SENATOR GIESE: Thank you, Mr. President and members of the body. In July 1988, the assessors' duties were assigned by the state of Nebraska, and the state thought they could save money by offering this to the counties. We had a few progressive counties sign up at that time, and now we are being punished, I believe, because the state has given these back to the counties. I rise in opposition to LB121 for that fact. With that transition, there was a few problems obviously. We had several county commissioners that were almost recalled at this time because they were progressive enough thinking that they wanted the state to take over our county assessors' duties. I

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have a few questions, if Senator Wightman would yield. [LB121]

SENATOR LANGEMEIER: Senator Wightman, would you yield? [LB121]

SENATOR WIGHTMAN: Yes, I will. [LB121]

SENATOR GIESE: Thank you, Senator Wightman. Can you tell me, Senator, at what point what went wrong with this process? [LB121]

SENATOR WIGHTMAN: Well, I think more than anything else, Senator Giese, it was a matter of budgetary constraints at the state level. They took the nine counties over a three-year period. They then turned down a number of counties. I think they assessed the total cost and considering the budget constraints, which by the way would have come about in 2000 to 2002 when we were in an economic downturn, if you may remember. That's about the time the technology bubble burst and we had two very poor years as far as collection of revenues in 2001 and 2002. And so then when the other counties came in and they started looking at the total cost of the state assuming all of the 93 counties, I don't know what they considered it would have been then but my calculation today is it would be about \$30 million. [LB121]

SENATOR GIESE: And can you tell me, these counties, the nine counties that we're talking about today, do you think that they were aware at that time that there was some potential that this may come back to them after a ten-year period? [LB121]

SENATOR WIGHTMAN: Well, I'm assuming that they didn't even consider it at that point. But I think there's always that risk that times change and things change. [LB121]

SENATOR GIESE: Well, thank you. I respectfully disagree. I don't think that they ever thought that they would get this back from the state. I just don't. I can't see the state coming in and taking over an assessor's office and giving those back to them. Just a question, Senator, on the sick leave. There's 25 percent sick leave. How many days accrued sick leave can somebody have that is now a state employee, and then would be...the county would then pay that when they come back? [LB121]

SENATOR WIGHTMAN: I cannot answer that. I'll see if we can get an answer to that. But that is what the state pays upon retirement. They pay 25 percent of the accumulated sick leave and that's the reason for that, and I think there's a constitutional issue, as I understand it, from the Department of Revenue. If they were to pay more than that under constitutional and statutory provisions it would be considered a gratuity, which is not allowed, but. [LB121]

SENATOR GIESE: So this would be...if they were no longer state employees and became county employees, then they would, in essence, have to retire to get the sick

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leave pay? Is that...? [LB121]

SENATOR WIGHTMAN: To get the accumulated sick leave. They may be able to use part of that on an annual basis. I don't know how much they can carry over. But on retirement, it's 25 percent is all they get. Now, I'm not sure whether the counties have a similar limitation with regard to the sick leave or not. That may vary from county to county, Senator. [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

SENATOR GIESE: And then, Senator, on the equipment that the state brought into the assessor's office, computers, is that all...is that going to become county property? Is that going to go away when the state then...? [LB121]

SENATOR WIGHTMAN: We are working on that as we speak; I'm not but some members of the Revenue Department are. And my understanding is that they, right now, think they can transfer that. We certainly will work with you in any kind of an amendment if we need an amendment before when it's on Select or by a separate bill, because you wouldn't be assuming those duties probably in the first year anyway. So right now we think that we can transfer, that the... [LB121]

SENATOR LANGEMEIER: Time. [LB121]

SENATOR WIGHTMAN: ...state can transfer those assets. Thank you. [LB121]

SENATOR GIESE: Thank you. [LB121]

SENATOR LANGEMEIER: Thank you, Senator Giese. Mr. Clerk for an announcement. [LB121]

CLERK: Mr. President, Government Committee will meet at 10:00; Government Committee at 10:00 in Room 2102. And Education Committee will meet at 10:30 under the north balcony. Thank you, Mr. President. [LB121]

SENATOR LANGEMEIER: Thank you. Returning to discussion on AM530 offered to LB121, those wishing to speak, we have Senator Wightman, Wallman, Hadley, Sullivan, Carlson, and others. Senator Wightman, you're recognized. [LB121]

SENATOR WIGHTMAN: Well, I wanted to address a few of the issues. I did address some of them as a result of questions that were propounded by Senator Giese. I would again point out that these counties have had approximately eight years of free assessor's office duties. The question is when the state changes its policy, in my opinion, how long do we let it go when we find out that we can't equitably handle or

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financially handle what maybe the state set out to do? Do we let it go a hundred years? Do we let it go ten years? It seems to me that when we make a decision that we have to change courses, which I think we made as early as 2001 when they first refused to accept the assessor's office duties from some of the counties that requested, they made a decision that they couldn't go through, and this Legislature or the Department of Revenue made that decision. So now it gets down to an equity issue. Is it fair any longer that all of the state pay for the 9 counties and 84 pay for their own, or should we go back--and in my opinion we should--and rectify what we did by legislation in 1969 that was later changed in 1997? If we're not going to accept them all, then I don't know how we can continue to provide those functions for nine counties only. To answer a few of the questions, obviously I agree that the state, when they take on anything, it appears to me that it costs more money than it does at the county level. The wages are not equivalent. The benefits are certainly a long ways of equivalent. I think in most instances the county pays substantially less in health insurance benefits than they are paid at the state. Now one of the questions that Senator Giese had and we believe that we will be able...that the state will be able to transfer the personal property of the county as part of the consideration for their resumption of the duties. But we will probably have to work on that and hopefully the bill could be passed to Select and we can continue to work on that. Again, we've attempted to work with the counties in taking the sting out of the reassumption. We originally started out with three years and I think it would have been possible to have done it all in one year, that we just said that the counties reassume the function. But we have attempted to take the sting out of that initially by a three-year phase-out. We will have a proposed amendment. I don't think Senator Janssen has his amendment ready for debate, it may be ready for debate, but we will not oppose the extension to four years. To answer a few of the questions, the employees will transfer but they do not transfer with any tenure. Their term of employment is not guaranteed. The county is not required to maintain staff at the same level that it is or has been with the state of Nebraska. So we will work on these issues but we hope it can be passed on and advanced to Select File. We'll continue to work on those and there will be some additional amendments that we will consider here, at least Senator Janssen's amendment to extend to four years. We had an amendment that would have allowed for the election of the new...if the county decided to assume the function early that they could have elected... [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

SENATOR WIGHTMAN: ...an assessor at a special election. We found that there are some constitutional problems with that. There is apparently no statutory section right now allowing a political officer to be elected at a special election. And the reason for that is that it's going to take two special elections because it is partisan. It will require a primary and a general election to elect the officer. Now that doesn't mean it has to be the general election, but there will have to be a primary first so that it will be eliminated...any additional candidates from the same party will be eliminated and it will

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be a vote between a Republican or a Democrat or an Independent. So we will continue to work on these issues and we can work on some of those if the bill is advanced to Select File. Thank you, Mr. President. [LB121]

SENATOR LANGEMEIER: Thank you, Senator Wightman. Senator Wallman, you're recognized. [LB121]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. Would Senator Wightman yield for a question? [LB121]

SENATOR LANGEMEIER: Senator Wightman, would you yield? [LB121]

SENATOR WIGHTMAN: Yes. [LB121]

SENATOR WALLMAN: These counties that decided not to do that in the first place, what do you think their reasons were? [LB121]

SENATOR WIGHTMAN: Well, some of them decided to do it later and were refused, Senator Wallman. So there would be various reasons. Some of it was political. There's no question that people wanted to maintain local control of that office and some of them, for that reason, never made an application. But others did. Others that didn't make a formal application to be accepted discussed this with the Department of Revenue, one of those being the county of Douglas, which would have been the backbreaker, financially, for the state. [LB121]

SENATOR WALLMAN: Thank you. It does seem like when we talk about property taxes we're going to get people's attention, and whether we change assessments or whatever we do, and it costs a lot of money to do something. We talk about electronic doing this and this for Medicare, Medicaid. I don't know why we have to have this many dollars for assessors running around our country reevaluating our property every couple years, and stick that back on my property tax bill. And with that, I'd yield the rest of my time to Senator Stuthman. [LB121]

SENATOR LANGEMEIER: Senator Stuthman, 3:20. [LB121]

SENATOR STUTHMAN: Thank you, Mr. President. Thank you, Senator Wallman. Members of the body, I really appreciate the fact that Senator Sullivan brought up some of those issues as far as the office equipment and things like that. You know, these offices, you know, all the equipment, you know, was turned over to the state or the state brought their equipment in to run the appraisals and the reappraisals and the staff to do it. But that staff was local people. They were people from the local area that did, you know, did get those jobs and work on that. I think we have a situation here that we have an issue that the state mandates that property is appraised or reappraised every so

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many years. And those duties are for the assessor to do. Those duties in the majority of the counties are done by the county assessor and they have had to hire people, contract with people to do some of those appraisals. And that's onto the property tax. Some of these nine counties, that appraisals was done by the state. But now we are going to take that state portion out of there, the state salary, the state benefits, everything from the state, and maybe the equipment. Maybe the state is willing to give up that equipment and just give it to the county. That would probably be the best thing that could happen. But in the counties that maybe have to purchase that or lease that stuff from a company, you know, that's going to add onto the tax burden of those counties. I think what...another issue that I have is maybe we should deal with the mandate that we have for the states to do as far as the reappraisals. Maybe we should change that portion of it also. Maybe we should make it a, you know, once every five or ten years or change the method. But I will say that, you know, the counties that turn it over to the state... [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

SENATOR STUTHMAN: ...you know, their levy did go down. I've got some information from one of the counties and their levy did go down, went down substantially. Those taxpayers did benefit at that time for the state taking over on it. But now when the state says we want to save the money on the state level and we're going to put the burden back on the county, that's going to be a real burden on those county taxpayers. I think we have to be very serious in our discussion, our debate, so that we don't pass something that will hurt in the long run for some of those smaller counties. I think that is a situation that we have to deal with. I really think it should be one way or the other. It should all be the state assessor or it should all be the county. But now we're putting it back onto the taxpayers of those counties that, you know, accepted the invitation by the state... [LB121]

SENATOR LANGEMEIER: Time. [LB121]

SENATOR STUTHMAN: Thank you, Mr. President. [LB121]

SENATOR LANGEMEIER: Thank you, Senator Stuthman and Senator Wallman. Senator Hadley, followed by Sullivan. Senator Hadley, you're recognized. [LB121]

SENATOR HADLEY: Mr. President, members of the body, I rise in favor of LB121. I represent the city of Kearney, which is in Buffalo County, and I represent Kearney County, which is a small county. They are impacted in this in a couple of ways. One, I checked with our assessor's office in Buffalo County, and we spend right at a half a million dollars of Buffalo County taxpayers' money to handle the assessment function. I really do believe it is an equity issue. Just because a prior Unicameral made a decision doesn't mean that we have to live with that decision forever. I don't buy the argument

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that just because something is too hard to do or might take some time to do that we shouldn't do it. It is my understanding that Kearney County, which includes Minden, Axtell, Wilcox and that area, the year after this bill was passed asked the state to take over the assessor function in that county. They were told it could not be done because there was not enough money. So literally the year after we passed this bill, the state told counties who wanted to get in on this that they couldn't do it. I don't think that's fair. I think that it is a great deal for these counties that they have had this ability to lower their tax burden. So to come back and try and make it an equity issue, I think the argument that it's going to cost them and raise their levy just doesn't hold water, because they've had the good deal for the past eight years. I think the Unicameral realized that they did not do a good thing right away, but it's just taken us seven or eight years to make that change. So with that, I would yield any time, that if Senator Wightman wanted any extra time I would yield it to him. [LB121]

SENATOR LANGEMEIER: Senator Wightman, 2 minutes and 50 seconds yielded to you from Senator Hadley, if you'd like it. [LB121]

SENATOR WIGHTMAN: Thank you, Senator Hadley. Thank you, Mr. President. We are working on some of these issues, the main one being the property transfer. I'm now informed that some of that is leased property, their copiers and maybe some other property that is leased. I don't think the state would probably be willing to buy out the lease on that and transfer it. They would transfer their rights to the lease, we believe. But most of it is owned property. It may take an amendment to do that but we certainly will work with these counties in obtaining either an amendment or whatever it takes to transfer the property. They may be able to transfer it without an amendment but I think the Revenue Department feels that it would be much better if we did have some legislation, and that legislation could be in the form of an amendment. I'm not sure we can offer than amendment before we complete debate on General File, but we certainly would agree to work with the nine counties as far as some sort of an amendment that would allow the property to be transferred without expense to the nine counties. And I don't know what all is out there. I don't think there's been an inventory made. I think between now and Select File maybe we could have an inventory made by the state that would show exactly what property is in the assessor's office in those nine counties. But generally speaking, I continue to contend that we have two issues here. Number one is the expenditure of state funds, \$2.46 million or \$2.64 million annually for nine counties. I am sure that in the long run these nine.. [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

SENATOR WIGHTMAN: Did you say one minute or time? [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

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SENATOR WIGHTMAN: ...that we could--kind of trying to remember where I was--but that we can probably work with the counties to resolve some of the problems involved. But it still gets down to an equity issue in which the other residents of the other 84 counties are being asked to pay for what they do themselves at the county level, and it is a \$2.5 million expense that the state really shouldn't be involved in unless they're going to do it all. And I think that's the whole issue. Number one is the state expenditure, no doubt being a more costly item than it would be at the county level; and number two, an equity issue that the other 84 counties... [LB121]

SENATOR LANGEMEIER: Time. [LB121]

SENATOR WIGHTMAN: ...the residents of the other 84 counties should not be paying for the 9 and also paying for their own expenses in performing that function. [LB121]

SENATOR LANGEMEIER: Time. [LB121]

SENATOR WIGHTMAN: Thank you, Mr. President. [LB121]

SENATOR LANGEMEIER: Thank you, Senator Wightman and Senator Hadley. Senator Sullivan, you're recognized. [LB121]

SENATOR SULLIVAN: Thank you, Mr. President and members of the body. And, Senator Wightman, I do appreciate your willingness to work on this equipment issue and possibly draft an amendment that we'll deal with between now and Select File. And I also agree with you that we do have several issues going on here: state expense, county expense, clarification on the impact that this will have on the details of making this transfer to the counties, and then thirdly, the one that perhaps may ultimately need to be taken up in future legislation is that attempting to bring some commonality to how property is valued across the state. But getting back to one of my concerns, and that's clarification on some of the issues of the bill, would you yield for a couple of questions? [LB121]

SENATOR LANGEMEIER: Senator Wightman, would you yield? [LB121]

SENATOR WIGHTMAN: Yes, I will. [LB121]

SENATOR SULLIVAN: I'm still confused on the status of the employees that reside in the county that have assessor duties that are currently state employees. The bill right now reads, "On July 1, 2012, the employees of the Department of Revenue involved in the performance of the county assessment function shall become county employees." [LB121]

SENATOR WIGHTMAN: That's correct. They become county employees but there is no

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tenure provided for, Senator Sullivan. [LB121]

SENATOR SULLIVAN: So in other words, on July 10, 2012, they'll become county employees but they could at that point in time lose their job? [LB121]

SENATOR WIGHTMAN: I'm sure they could, as any state employee probably can lose their job. But they won't be a state employee at that time; they'll be a county employee. And then I think counties are allowed to have reduction in forces. [LB121]

SENATOR SULLIVAN: All right. I'm still very confused on some of the transfer of benefits, particularly with respect to sick leave. When the employees use their transferred sick leave, is the county required to pay the employee at their state pay rate for the entire amount of the transferred sick leave? [LB121]

SENATOR WIGHTMAN: I think at that time they are a county employee and they would be paid at the county pay rate, but I'd have to seek an answer on that from somebody other than myself. [LB121]

SENATOR SULLIVAN: Okay. [LB121]

SENATOR WIGHTMAN: I think once they become a county employee it would be at the county level. [LB121]

SENATOR SULLIVAN: But in the interim, if there's sick leave to be transferred and they take advantage of that, then they would be paid at the state sick leave rate, except the county is only being reimbursed for 25 percent of that. Is that correct? [LB121]

SENATOR WIGHTMAN: The transfer of funds will be at the state sick leave pay. Now, my opinion is that if they take advantage of the sick leave, they'll be transferred only at the county sick leave rate, which would be the new employment rate because you are not required to guarantee their wages at the state pay scale. [LB121]

SENATOR SULLIVAN: Okay. Also I have an additional question on the issue of the elections. Can you tell me the year that the county assessor can be elected under the provisions of your bill? [LB121]

SENATOR WIGHTMAN: Well, I think that depends upon when you reassume the function. If you reassume the function by 2010, which I guess you could, you would...that will be an election year for county officials because they are in the years not divisible by four, as the state and federal is. [LB121]

SENATOR SULLIVAN: Okay. But this is a partisan position, so wouldn't there have to be a primary election which would be in May? [LB121]

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SENATOR WIGHTMAN: Yes, and I addressed that earlier, that that's one of the problems we're having with Senator Giese's amendment and he has withdrawn that amendment, I think, or he's planning to, because of the fact that... [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

SENATOR WIGHTMAN: ...it would take both a primary, since it is a partisan election, and a general election or a final election. I guess it wouldn't technically be a general election. So you may have to have two special elections: one in the place of the primary and one in the place of what would normally be the fall election. [LB121]

SENATOR SULLIVAN: Again with some additional expense to the county. Could you also explain how the levy and budget exceptions will work for the counties? [LB121]

SENATOR WIGHTMAN: How the levy exception will work? [LB121]

SENATOR SULLIVAN: Um-hum. [LB121]

SENATOR WIGHTMAN: They will be given automatic leave to exceed their levy limits and spending limits while they're assuming this function. Now when the time is up and the four years are gone, they would probably fall back--and I'm sure they would--to whatever their constitutional limits are, which is 45 cents. [LB121]

SENATOR LANGEMEIER: Time. [LB121]

SENATOR SULLIVAN: Okay. Thank you. [LB121]

SENATOR LANGEMEIER: Thank you, Senator Sullivan. Senator Carlson, you're recognized. [LB121]

SENATOR CARLSON: Mr. President and members of the Legislature, the Wightman express is heading down the track and it's in cruise mode right now, but soon it will be gaining momentum and the support is here in the body to pass this bill. But I do have a question or two and I'd like to address Senator Stuthman, if I could. [LB121]

SENATOR LANGEMEIER: Senator Stuthman, would you yield? [LB121]

SENATOR STUTHMAN: Yes. [LB121]

SENATOR CARLSON: Senator Stuthman, the district that you represent has no counties involved in this assessment help by the state. Is that true? [LB121]

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SENATOR STUTHMAN: Yes, that is correct. [LB121]

SENATOR CARLSON: Okay. And you've demonstrated a concern for this bill. Now, as I look at it, realistically, the people that you represent are helping fund these other counties. So why are you really in opposition to this bill? [LB121]

SENATOR STUTHMAN: Well, the situation that I feel that I'm trying to raise some questions to the fact that, you know, what the majority of the people of the state of Nebraska are doing is that their sales tax and income tax dollars, you know, which are the methods of the state to generate income for the state, and those state dollars from sales tax and income tax are being used to help these other counties, and everyone in this state is helping pay for that part of it. [LB121]

SENATOR CARLSON: Okay. And I agree with you. I understand that. And apparently you just have a concern for these counties that are going to have this aid taken away, that they're not going to receive more sales and income taxes to compensate for it so that the burden will fall on the property tax. Is that correct? [LB121]

SENATOR STUTHMAN: That is correct. [LB121]

SENATOR CARLSON: Okay. [LB121]

SENATOR STUTHMAN: I feel that, you know, when they go back, that portion of what is funded by the sales and income tax of the state of Nebraska is going to have to be back on the burden of the property owners. [LB121]

SENATOR CARLSON: Okay, thank you, Senator Stuthman. I'd like to address Senator Wightman, if he would yield. [LB121]

SENATOR LANGEMEIER: Senator Wightman, would you yield? [LB121]

SENATOR WIGHTMAN: I will. [LB121]

SENATOR CARLSON: Senator Wightman, you are an honorable man. [LB121]

SENATOR WIGHTMAN: Thank you. [LB121]

SENATOR CARLSON: And you represent people in Dawson County and Buffalo County, is this correct? [LB121]

SENATOR WIGHTMAN: That's correct. [LB121]

SENATOR CARLSON: Neither of those counties receive any aid on this program.

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[LB121]

SENATOR WIGHTMAN: That's right. [LB121]

SENATOR CARLSON: If Dawson County was receiving aid, would you have submitted this bill? [LB121]

SENATOR WIGHTMAN: Well, I can't tell you whether I would or not. I sit on the Appropriations Committee and I see a \$2.5 million expense every year for something that only 9 of 93 counties are received any benefit. [LB121]

SENATOR CARLSON: And I realize that and I ask it because I think you would have brought the bill anyway, because you do have a concern about appropriations and how dollars are spent. Now in the information you handed out to us, and you mentioned the figure a little while ago, that if your bill is passed, then in a matter of time conceptually there will be \$2.466 million that are no longer spent in that direction. [LB121]

SENATOR WIGHTMAN: That's right. It would be phased in and the way the bill will probably be amended, and I don't intend to speak for this body as to what amendments they will pass, but it probably will be over a four-year period because we are trying to take the sting out of it as much as possible for the nine counties that are involved. [LB121]

SENATOR CARLSON: Okay. And knowing what your attitude is about spending and your work on the Appropriations Committee, here we have a bill that when it's fully implemented, if we just keep current values, is no longer spending \$2.466 million. [LB121]

SENATOR WIGHTMAN: That's correct. [LB121]

SENATOR CARLSON: And as Senator Stuthman indicated, the source of those dollars would be sales and income tax. [LB121]

SENATOR WIGHTMAN: That is correct. They are now. [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

SENATOR CARLSON: So my question is, if those dollars are no longer spent for this purpose, where will they be spent? [LB121]

SENATOR WIGHTMAN: Well, probably on other programs. You know, hopefully some of it might be saved and it would build cash reserve, but realistically it probably could be spent on some of these other programs that we're looking at. We have a lot of programs

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that we're being asked to fund this year that we're not going to have money to fund. And hopefully some of that might come back to fund some of the health and human services bills that we've been talking about and who knows what bills. [LB121]

SENATOR CARLSON: Now conceptually, it would be an opportunity to lower taxes--sales and income tax--and I know that on \$2.466 million, as a percentage of total budget, is so small it's probably not worthwhile, but conceptually it is. So is... [LB121]

SENATOR WIGHTMAN: Certainly, conceptually that's true. [LB121]

SENATOR CARLSON: Would you have a recommendation to reduce taxes? [LB121]

SENATOR LANGEMEIER: Time. [LB121]

SENATOR CARLSON: Thank you. [LB121]

SENATOR LANGEMEIER: Thank you, Senator Carlson. Senator Stuthman, you're recognized. [LB121]

SENATOR STUTHMAN: Thank you, Mr. President, members of the body. One of the main issues that I have with this is I think we need to have a method, you know, to get us back to all or none, and that's what I support. But I'm also...I'm very sympathetic of some of these smaller counties, you know, that have people working in there that are state employees, and what's going to happen to those employees. Are they going to be unemployed? Are we going to...are these counties going to say, well, since we got to get that...get it back to our own budget, you know, we're going to have to let one or two people go? And the issue with the equipment, I think that needs to be addressed. I think that Senator Wightman and the committee will address that. That is the real concern of mine, you know: how can we get it back to all counties in the same situation? Yes, I do realize that some of those counties did have to pay a little bit less...lower...not lower but their increase was not as great when they turned it over to the state. You know, taxes and property taxes, real estate taxes are all high and I think everyone would agree with me. I think the number one issue, and especially a couple years ago when the larger group of senators came in, the number one issue that they were concerned with when they were out campaigning was property tax. And property tax, you know, like I have always said, it is assessed locally, collected locally, and spent locally. Now these nine counties did not have to assess quite as many dollars, they did not have to collect quite as many dollars, and they had less dollars to spend because it was taken over by the state. Maybe every county should have done that but then I think we would have probably been in a real problem. But I think we need to have a lot of discussion. We need to try to figure out a really workable method so that we don't just slap these small counties right in the face and say, sorry, you know, we're just turning it back over to you. Yes, there is a phase-in/phase-out period, or whatever you want to call it, as far as how

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they can tax their property owners to take care of this issue. It's going to be over two, three, four years. I think those are the issues that we really have to be concerned with, and I think we need to visit with those counties as far as, you know, their retirement, their benefits, whatever they have for those county employees. You know, their state employees, what's going to be the effect on those? And we've got to work into that transition phase. I think we also have to be concerned, you know, with the fact of the appraisals, the reappraisals, which the majority of the counties are doing, but it is a real burden on those counties when the state mandates that they have to have reappraisals every so many years for every parcel in the county. Maybe that needs to be changed to give it a longer time period when they have to do those appraisals. I support the fact that we need to get them all or nothing. But the concern that I have is, for some of these smaller counties, are they going to be employing less...are less people going to be employed in those offices? Are we going to drive more people out of those counties instead of inviting them to come to the counties and live in those counties? [LB121]

SENATOR LANGEMEIER: One minute. [LB121]

SENATOR STUTHMAN: I think, you know, that's an issue also, because it is my dream that these smaller counties could have more population, but it's going the other way. It really is, you know. And the only way that you can add value to a county is by having population and jobs and more people to the county. Thank you, Mr. President. [LB121]

SENATOR CARLSON PRESIDING []

SENATOR CARLSON: Thank you, Senator Stuthman. Senator Giese, you are recognized. [LB121]

SENATOR GIESE: Thank you, Mr. President and members of the body. I will echo Senator Carlson's remarks earlier that I think Senator Wightman is an honorable man and I appreciate his comments. But just a couple more things, going back on something that Senator Hadley said. You know, the Legislature, we do a lot of things in our infinite wisdom and sometimes these things come back to haunt us a little bit and then we fix those, and I think that this may be one of those things that is coming back to haunt the Legislature. For a county like Dakota County, a \$330,000 swing cost to the county is a huge burden, and I know Senator Wightman has worked on the bill and Senator Janssen has an amendment that will try to spread that out a little bit longer period. But I think there are questions that still need to be answered, and I appreciate Senator Wightman working on those as we go through this bill. One of the things...would Senator Wightman yield to a question? I don't see him. [LB121]

SENATOR CARLSON: Senator Wightman. I don't...oh, Senator Wightman, would you yield, please? [LB121]

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SENATOR WIGHTMAN: I will. Yes, I will yield. [LB121]

SENATOR CARLSON: Thank you. [LB121]

SENATOR GIESE: Thank you, Senator Wightman. One potential problem that we've discovered is that the nine counties that we're talking about that...in this bill, all of their software and technology is all combined into one. They all use that now. Is that something that you've looked at that we can...and if you haven't, would you? Because if something goes wrong in one county or something may not be adaptable to another county, there is a source of potential huge problems being as they are all together now. [LB121]

SENATOR WIGHTMAN: We would certainly be willing to look at that. I don't think we can address it probably on General File, but I visited with counsel for the Revenue Committee. And I think between myself, the Revenue Committee, and the interested counties we could work on some of these issues, including the assumption of benefits, between now and Final Reading, and probably have some more amendments on Select File. [LB121]

SENATOR GIESE: All right, thank you, I appreciate that. One other note, Senator Wightman, that has been brought to my attention, some of the state employees now working in the county courthouses, back on the sick leave a little bit and days accrued, have suggested that if and when the county takes it back over that these folks are just going to retire right at that time. So the 25 percent that the state is going to pay the sick leave, I really don't think, and maybe we can do some work on that, is going to be a fair assessment. Because if you have people that are going to just automatically retire when that day comes up and the state is only going to pay 25 percent, that will be an additional burden back on these counties. So if you would give that some thought, or if you have an answer to that. [LB121]

SENATOR WIGHTMAN: Well, I do have somewhat of an answer at this point and that is that at least the state plan, as far as retirement right now, only pays 25 percent of accumulated sick leave upon retirement. I am assuming that it may well be possible that some of the counties have a like provision... [LB121]

SENATOR CARLSON: One minute. [LB121]

SENATOR WIGHTMAN: ...for their employees. If that's the case, then if they retired right after, in some ways that would be ideal because if the buyout of that sick leave is the same at the county level as it is at the state level, then the counties don't have to be concerned over it. I think their biggest concern would be, if you're allowed to use some of that sick leave and carry more than 25 percent of it forward, would be the use of that sick leave between the time they assumed them as employees and the time they

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retired. [LB121]

SENATOR GIESE: Well, thank you, Senator. I appreciate your work and your willingness to work on these issues. But I feel that the counties, these nine counties that we're talking about, ultimately what's going to happen is it's going to cost these counties more money and they're going to have to do it on less staff. And we're also going to have a property increase on all these counties. And those are the facts. And thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you. And we have senators wishing to speak: Senators Wightman, Harms, Hansen, Howard, and others. Senator Wightman, you are recognized. [LB121]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the body. I do think it's necessary that we work on this on Select File. And that we will have amendments to clarify some of these issues or an amendment that would clarify some of these issues. At the same time, I think that we...I would urge the body to move the bill forward. I think we probably do need to consider Senator Janssen's amendment to expand that term to...or the period of the assumption to four years. I have said that I would not oppose, I will actually advocate for that particular amendment. We understand that there are problems, but on the other hand, the fact that it's going to raise the property tax of those nine counties, we also have to keep in mind that they've had the advantage of a lower property tax than all their surrounding counties, or at least could have had, for the last eight or nine years. And to look at the idea that we may raise property taxes now, in a vacuum, without considering the fact that they've had the advantage of lower property assessments for a period of eight years, I think, would be kind of wearing blinders as well. So again, I urge the body to move forward with this after consideration probably of Senator Janssen's amendment, proposed amendment to expand the assumption period to four years and a 25 percent rate rather than a 33.33 percent rate annually. And I just urge the body to look at the equity issues, not just look at it from the position of the nine counties who certainly are probably going to see an increase in their property taxes to reassume this function, but also to consider at the same time that they've had the advantage over a period of eight or nine years of a lower property tax assessment. Thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you, Senator Wightman. Senator Harms, you are recognized. [LB121]

SENATOR HARMS: Thank you, Mr. President and colleagues. Senator Stuthman, would you yield? [LB121]

SENATOR STUTHMAN: Yes. [LB121]

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SENATOR CARLSON: Senator Stuthman. [LB121]

SENATOR HARMS: Senator Stuthman, your concern in regard to LB129 or LB121, excuse me, deals specifically of how those offices are funded? [LB121]

SENATOR STUTHMAN: Yes, a portion of it, that is my concern, and how can we work back to get all on the same level. [LB121]

SENATOR HARMS: So now...and...okay. And your concern then in regard to the funding is which pocket we're taking it out of? [LB121]

SENATOR STUTHMAN: Well,... [LB121]

SENATOR HARMS: I mean that's really what you're saying to a certain...aren't they now funded by property tax? [LB121]

SENATOR STUTHMAN: Right now the counties that are doing their own is funded by property tax. [LB121]

SENATOR HARMS: Okay. [LB121]

SENATOR STUTHMAN: The counties that aren't doing it are funded by sales and income tax. [LB121]

SENATOR HARMS: Okay. So when you look at that, Senator, is this fair? I mean, should we have nine counties having a special provision that they don't have to address it through the property tax side? We still pay for that. Isn't that correct? [LB121]

SENATOR STUTHMAN: Yes. [LB121]

SENATOR HARMS: We still as taxpayers are paying for that. So it really boils down to what pocket are we going to take this out of. Do we want to take it out of the property tax or do we want to take it out of, you know, sales and income tax? That's the issue here, correct? [LB121]

SENATOR STUTHMAN: Yes, yes, that is the issue. [LB121]

SENATOR HARMS: So then what's wrong with this picture when you have nine that are getting special provisions and for the rest of the state is then paying for? What's wrong with that? What do you see here? What's wrong with this issue? [LB121]

SENATOR STUTHMAN: What I have said, you know, it should be all or nothing. And that's... [LB121]

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SENATOR HARMS: Boy, I agree with you 100 percent and I think we ought to move them off of this. And I think everybody ought to have the same system. We should not have special provision for other people. You know, when I look at this, and I'm not an attorney, but it sure looks like to me it's class legislation. I mean, we've picked out a class of people and said, you're going to get a special provision here, and the rest of us, we're going to pay for it. I don't think that's the right thing to do. I don't think I've seen any other issues in government that does this. I mean, that's what's really wrong here. And so it really boils down to, what we both understand, is which pocket are we going to take it out of. Correct? [LB121]

SENATOR STUTHMAN: May I comment? [LB121]

SENATOR HARMS: Yeah, you sure may. This is just between you and I anyway, so... [LB121]

SENATOR STUTHMAN: Okay. (Laugh) Thank you, Senator Harms. But the...and I'm truly supportive of getting them all back to the counties having that duty. I'm truly supportive of that. I am concerned about, since the state has taken over those to start with, and they wanted to take them all over so they could be in control, and it would have never happened because of the fact of the total dollars, but how do we get back in a reasonable, sensible way so that we don't totally put a real burden immediately on the property owners. [LB121]

SENATOR HARMS: Senator, thank you very much. You know, we could do that. I can tell you that I went through a system in a community college system, it was found unconstitutional. And we converted over to the state system and then went back to a regional or a local system. We worked through every one of those issues in regard to how we do that, the structure we use. You know, you can phase this thing in so it's not a great burden. And I think people are putting a lot of obstacles in front of this bill that don't need to be there. If you have an open mind and we're willing to address the issue, we can get these people back where they...these counties back where they belong. And I trust Senator Wightman, he'll do that, he's a man of his word. We'll get there. And I think we'll agree then what pocket that ought to come from. But that's really what the issue is here. And I would just tell you here we can work through this. This is not an issue that we cannot resolve. Other places, other states have done it. I mean, other issues in our state like the community colleges have been able to work through those issues. We can do this. When you start looking at the fringe package and you put the obstacles up about fringe package and retirement, you know what, I don't think there's anyone in this body that would want to hurt anyone in regard to their... [LB121]

SENATOR CARLSON: One minute. [LB121]

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SENATOR HARMS: ...thank you, Mr. President...in regard to their fringe package or their salaries. We just have to phase those in and I know that we can do that. Thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you, Senator Harms and Senator Stuthman. Senator Hansen, you are recognized. [LB121]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. I represent Lincoln County, one county and only one county that is not affected by this legislation that we're talking about today. But still, I represent the state and I represent my people. And I think that the state has the responsibility to look at this in a couple of different ways. We can do anything we want to with 25 votes. In 1999 or whenever the bill was passed, it took 25 votes or more to pass that legislation. Said, counties, you have the option of having a state assessor or continue paying for your own county assessor. There were states that took advantage of that. The Legislature was fine with that. They had 25 votes. They said do that. Giving the counties the authority to go above their lid limit to address the problem of having a county assessor is a clear sign that taxes are going to be raised in that county. Senator Schilz has talked to his county assessor's office. It's a state assessor's office, but he's talked to the county people, found out what this is going to cost, and it's substantial in a small county like Keith County. We have the expenses of elections. We have the expenses of campaigning for those elections, and then we're going to have assessor training because these counties, after nine years, probably don't have...they won't have an assessor that's qualified to do that without some training. These nine counties took advantage of that law and now we are taking advantage of those nine counties. Thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you, Senator Hansen. Senator Howard, you're recognized. [LB121]

SENATOR HOWARD: Thank you, Mr. President and members of the body. Would Senator Wightman yield to a question? [LB121]

SENATOR WIGHTMAN: I will. [LB121]

SENATOR CARLSON: Senator Wightman. [LB121]

SENATOR HOWARD: Thank you, Senator. In listening to your dialogue with Senator Sullivan, I have a few concerns. To put it in as direct a question as I can, how does the state bargaining unit contract enter into the transferring of the state employees to the county system? And have you discussed this with anyone representing the state bargaining unit, which is NAPE/AFSCME? [LB121]

SENATOR WIGHTMAN: Well, I guess my opinion is, and I haven't maybe studied the

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issue as much as I could, but my opinion is that they are state employees and they are under the state bargaining unit probably at the time...up until the time that the county reassumes the function, and immediately after that they become county employees. And I do not see how they stay under the state bargaining unit at that point. I think they are automatically county employees at that time and would be subject to whatever bargaining unit...and there will probably be none on most of the counties after the assumption. [LB121]

SENATOR HOWARD: I understand what you're saying, but my concern really goes deeper than that. Right now these people are represented by a union, which gives them certain benefits and responsibilities as well. But there are pieces of this contract, if you will, that may address this. And I'm wondering if you've had any conversation or looked at this. It may not be as simple...an issue of simply saying you're no longer a state employee, now you're a county employee. I am very concerned about that. I would suggest that that be looked into prior to just assuming that these employees will make an automatic transfer. I don't think that that's quite as simple as it appears to be. [LB121]

SENATOR WIGHTMAN: I can't tell you whether it's as simple, and it's certainly something we would be willing to take a look at while the bill is on Select File and before Final Reading. I'm sure we will have amendments during that period of time and maybe a single amendment that attempts to address all of these issues. But we would certainly take a look at that. [LB121]

SENATOR HOWARD: Thank you, Senator. To give me a better picture of what we're talking about here, how many people, what's the number? How many will be affected by this proposed transfer? [LB121]

SENATOR WIGHTMAN: My understanding is it's about 42 people. [LB121]

SENATOR HOWARD: Forty-two people, and I know you've discussed somewhat the retirement issue. But I would have a hard time believing that 42 people in one fell swoop are going to retire at that time. I don't think that's what will happen. In reality, do you expect these people, these individuals are going to continue to have jobs? [LB121]

SENATOR WIGHTMAN: Well, I think they will initially. But I think it's going to be a county decision after that, because it says that they will transfer from state employment to county employment. There is no tenure built into this. There was some discussion earlier that some of these may be near retirement and may retire, and I think that's quite possible that that will happen. But, of course, that happens all the time at the state level too. There are vacancies and then there's no rehiring. So I think some of this will just be handled through normal attrition, but I don't know how much. [LB121]

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SENATOR HOWARD: My concern is we possibly are looking at adding 42 individuals to the state unemployment rolls right now at a time where there really aren't jobs available. Have you had conversations with the county systems to know how many job openings they have or how they would accommodate 42 people moving into each county? [LB121]

SENATOR WIGHTMAN: Well, first of all, you have to realize that all 42 of those people are out right now in the county courthouses. They are not sitting here in the State Capitol Building... [LB121]

SENATOR CARLSON: One minute. [LB121]

SENATOR WIGHTMAN: ...assuming those functions. So, you know, as far as their having any more employees, they're out there right now. They aren't being paid by the counties but all of them are out there. [LB121]

SENATOR HOWARD: Well, sir, that would really lead me to the question, have the counties budgeted for these salaries for these individuals? And I'm going to put my light on again to ask that further. And I will give the remainder of my time to Senator Sullivan, who can follow-up on that some more. [LB121]

SENATOR CARLSON: Thank you, Senator Howard and Senator Wightman. Senator Sullivan, your light is up next and time is about out. [LB121]

SENATOR HOWARD: Oh. [LB121]

SENATOR CARLSON: Senator Sullivan, you're recognized to speak and this is your third time. [LB121]

SENATOR SULLIVAN: Thank you very much, Mr. President and members of the body. And we are trying to put a face to these circumstances because these are people that are not here in this body, not here in Lincoln, not here in the statehouse. They're people out there in my counties. And, yes, it appears that in some cases these employees are going to use their...lose their jobs and their health insurance. And, as I've said before, in these tough economic times we have made decisions a certain way because we didn't...taking into consideration the tough economic times that we are experiencing. I still have a lot of questions about the sick leave situation and the transfers of that to the counties and the obligations that the counties will incur. So, Senator Wightman, I know I'm probably not going to have much time, but one question I would like to ask: Why isn't the state reimbursing the county for 100 percent of the sick leave? [LB121]

SENATOR CARLSON: Senator Wightman. [LB121]

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SENATOR SULLIVAN: Senator Wightman, would you yield for that question, please?
[LB121]

SENATOR WIGHTMAN: I will yield and the reason they are not is because the state policy provides on retirement that they only get 25 percent of their sick leave in cash, that that's the most that can be paid to them. And as a result, they feel that that's the most that they can pay out under this plan. [LB121]

SENATOR SULLIVAN: How are counties going to keep track of which sick leave hours or the 25 percent that the state will reimburse? [LB121]

SENATOR WIGHTMAN: Well, I think it's based upon the accumulated sick leave that they have right now. I assume the state records show that, and that will be calculated at their current pay, and 25 percent of that now transferred to the county. [LB121]

SENATOR SULLIVAN: And then with respect to the election, you indicated that you're going to work with an amendment that would allow for a special election in 2010, with a primary to be held in May of that year? [LB121]

SENATOR WIGHTMAN: The special election could be any year, wouldn't have to be 2010; 2010 is the normal election. Of course if they do it in 2010, they probably can do it at a general election if they would make the assumption that quick. But I assume very few of them will because they're only going to be reimbursing the state at one-fourth of the level during that first year. So I see these elections coming later and maybe even in odd numbered years, 2011 or 2013, when there would not be any kind of a general election. [LB121]

SENATOR SULLIVAN: Because then, without that, a special election, and if they assume the transfer in 2012, the earliest they could elect somebody without the special election would be 2014. Is that right? [LB121]

SENATOR WIGHTMAN: If they went the full four years. If they reassumed earlier than that, they could possibly have an election in 2012 which would be a special election, I guess, at the county level, but it could be held in conjunction with the general...primary and the general election in November if they were to reassume the duties that early. [LB121]

SENATOR SULLIVAN: Okay. Also I have some additional questions with respect to the levy and budget exceptions. And excuse me if I asked you this question again, but could you please explain how the levy and budget exceptions will work for the counties.
[LB121]

SENATOR WIGHTMAN: Well, first of all, they will be increasing them. Some of those

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counties, I assume, will not even have to worry about their exceeding levy or spending lids but I think the smaller counties probably will because it is on a per capita basis. It's much higher on the small counties than it is on the larger one. All we are doing is lifting those spending and levy lids, I think both, to where that can be accommodated if that is necessary for the particular county involved. But I don't think all of the counties are going to be having...at least bumping up against their levy lid; they might be on their spending lid. [LB121]

SENATOR CARLSON: One minute. [LB121]

SENATOR SULLIVAN: Well, I would suggest to you that is probably a very big issue in at least the counties that I'm dealing with. In one county in particular they've been told by state bridge inspectors that they have probably 20 bridges in disrepair that they're going to have to repair and deal with and that, in and of itself, is going to put them up against the lid. I also understand that there was some concern about this bill expanding the lid on counties' budgeted restricted funds. Can you explain what the concern was? [LB121]

SENATOR WIGHTMAN: I guess I'm not really sure what the concern was. We attempted to address those issues in the legislation to at least allow for that. [LB121]

SENATOR SULLIVAN: Okay, thank you very much. [LB121]

SENATOR CARLSON: Thank you, Senator Sullivan and Senator Wightman. (Visitors introduced.) Mr. Clerk for messages. [LB121]

CLERK: Thank you, Mr. President. Your Committee on Health reports LB463 and LB515 to General File with amendments, those signed by Senator Gay. Hearing notices from Judiciary, signed by Senator Ashford, as Chair. Senator Harms offers LR50, that will be laid over. Confirmation report from Natural Resource Committee, signed by Senator Langemeier. New A bills. (Read LB63A and LB72A by title for the first time.) And priority bill designations: Senator Lathrop, LB292; Senator Lathrop, as Chair of Business and Labor, LB630; Senator Price, LB532; Senator Karpisek, as Chair of General Affairs, LB286 and LB198; Senator Coash, LB159; Natural Resources, by Senator Langemeier, LB436, as committee; LB68 has been selected by Senator Wallman; Senator Ashford, LB35; Urban Affairs, LB658 and LB495; Senator Friend, LB285; Senator Cornett, LB615; Business and Labor, LB622; Senator Langemeier, the other committee bill, LB561; and LB355 has been selected by Senator Lautenbaugh; Senator Haar, LB547. That's all that I have, Mr. President. (Legislative Journal pages 712-719.) [LB121 LB463 LB515 LR50 LB63A LB72A LB292 LB630 LB532 LB286 LB198 LB159 LB436 LB68 LB35 LB495 LB658 LB285 LB615 LB622 LB561 LB355 LB547]

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SENATOR CARLSON: Thank you, Mr. Clerk. We return to discussion of AM530 on LB121. Those wishing to speak: Senators Louden, Stuthman, Wightman, and Price. Senator Louden, you're recognized. [LB121]

SENATOR LOUDEN: Thank you, Mr. President and members of the body. As one that was probably involved in property tax when some of this all came about back there in, I think, the nineties or so, I thought I might relay a little bit of the history on how this came about to have the nine counties receive their...the state doing their assessing work. I think Senator Hansen mentioned it, he gave a pretty good time line when he spoke awhile ago. But back then the county assessors were still able to do some of the valuation of counties. And about that time the state changed the statute so that we had a property tax administrator and that was put into place, to have a property tax administrator. And at that time they were kind of considered to be a tyrant over some of our county assessors. So there was a lot of problems with what the county or the state tax administrator, the property tax administrator was doing. So then along came the Legislature, in their finite wisdom, and they decided to allow the state to take over the assessor jobs of all the counties. First, it was going to be mandatory, but that brought such a fierce response that they decided to make it optional that you could or could not. So in the meantime there was such a problem with the property tax administrator that no...not very many people wanted to get involved with the state. So there were these nine counties that went ahead and had the state take over their assessor job, which was fine and that's what the rules were then and it could be done. Everything coasted like that for a few years until, I believe, maybe it was Douglas County, a few years back, decided maybe they were thinking about having the state take over as assessor. And at that time then that's when the wheels fell off because the state found out that it was costing them more to do it than what the counties were doing the same job for. And consequently, everything...the state wouldn't accept anymore. So it isn't a matter of whether the counties backed out or not. The question was that the state didn't allow any more counties to take...participate in this funding that they had. So that's where we are with that thing today. Now the question is, should these counties still be allowed to do it? I voted the bill out of committee, listened to it and whether they should or shouldn't, I guess, is something that the vote is on the floor. But it is something that those counties agreed to, the state agreed to do it at that time, and that's where they are today. Now there will be some serious funding mechanism for some of these counties if they have to take back over the assessor job. Over the years now since then a lot of the counties in the rural areas have already cut down their staffing in these courthouses. Many of the counties, like I say, there's probably two, maybe three people in the courthouse that are running the courthouses in some of these smaller counties. So they've already cut a lot of staffing out and worked to get it so they could operate a lot cheaper. The reason for that was a few years back they were talking about trying to put some of these counties together and stuff and it was already a moot question because a lot of counties were already working together and doing some of their bookkeeping and some of the stuff was done with various counties together and some of the issues and interlocal

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agreements they had. So I think, what is it, as I read in a book once that if you leave people alone they will usually... [LB121]

SENATOR CARLSON: One minute. [LB121]

SENATOR LOUDEN: ...work out problems to suit everybody. And that's the case where this was. Probably would be best if you just left this thing alone on there. But as it came out of committee, it's out here on the floor for debate, and this is what it's all about. Thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you, Senator Louden. Senator Stuthman, you are recognized to speak and this is your third time. [LB121]

SENATOR STUTHMAN: Thank you, Mr. President, members of the body. As Senator Wightman had stated, you know, there are a lot of things that we need to work out on this yet, and I want to make sure that we do work these things out. This is one of the reasons that I got involved in the discussion and the debate this morning and yesterday, because there are issues with some of these counties that we need to address. But the fact is, in my opinion, we need to have, you know, all the counties be on the same level. I do agree with that. I think we can work those things out, you know, between now and the next time we debate it on Select File. But I would have a question for Senator Wightman, if he would return back to... [LB121]

SENATOR CARLSON: Senator Wightman, would you yield to questions? [LB121]

SENATOR WIGHTMAN: (Inaudible.) [LB121]

SENATOR CARLSON: Okay. [LB121]

SENATOR STUTHMAN: Senator Wightman, your bill, and I just noticed this right now and I was visiting with another person on this, why was this bill ever referenced to the Revenue Committee? Shouldn't it have gone to the Government Committee? [LB121]

SENATOR WIGHTMAN: (Inaudible.) [LB121]

SENATOR CARLSON: Senator Wightman, you need to go back to your own mike, please. You're a good walker anyway. (Laughter) [LB121]

SENATOR STUTHMAN: He'll just get four and a half miles today then. [LB121]

SENATOR WIGHTMAN: I shall and have returned. [LB121]

SENATOR STUTHMAN: Senator Wightman, I'll repeat the question. This bill was

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referenced to the Revenue Committee. Why was it there? I felt this was more of a Government issue. [LB121]

SENATOR WIGHTMAN: Well, I can only tell you this, that I brought the same bill a year ago, or approximately the same bill. It was referenced to the Revenue Committee at that time. And I think it's Revenue because it affects the revenue of counties. And I think it could have gone maybe to either, but the history was that that bill had gone the previous year to the Revenue Committee. [LB121]

SENATOR STUTHMAN: Okay, thank you. I just had that question and that clarifies it for me. But, Senator Wightman, I would have another question for you. [LB121]

SENATOR WIGHTMAN: I will continue. [LB121]

SENATOR STUTHMAN: Okay. Senator Wightman, you're in agreement that we can work these things out and hopefully come up with an amendment by Select File that will address these situations as far as the state employees in reference to the county employees, the benefits, and all of those issues that deal with that, and as far as taking into consideration, you know, the time frame when these counties, you know, have the ability to pay for the new or the readjustment of the county assessors position. [LB121]

SENATOR WIGHTMAN: Senator Stuthman, I never would be quite in a position to say that we can work all the things out. I will say that we will discuss them and address them. But as to whether we can work them out to everybody's satisfaction, you know, I guess nobody can say that with regard to a bill. [LB121]

SENATOR STUTHMAN: Well, I thank you for that. And I respect you for your comment because I know, you know, whatever could be agreed upon by a number of people might not be agreed upon by the rest of the body. But you are going to, and I respect you for that, that, you know, hopefully we can work through these issues and come up with a solution to help, you know, the whole state as far as the \$2.4 million and addressing the issue of how can we return that back to the counties where it should be, where it should have never left. [LB121]

SENATOR WIGHTMAN: We will certainly discuss with all of the counties involved and with the Revenue Committee their concerns. [LB121]

SENATOR CARLSON: One minute. [LB121]

SENATOR WIGHTMAN: We will address them to the extent that we can address them. We will address them. But to say that we will work them out, we don't know that until we sit down and discuss the issues. [LB121]

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SENATOR STUTHMAN: Yes, I respect you for that. And I'm in agreement with that. I think we can get through this situation and hopefully come up with something so that there isn't a big burden on, you know, on some of those counties that have...probably have had less of a burden on their property tax the past several years as the rest of the counties. But I think we got to take a look at that. So with that, thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you, Senator Stuthman and Senator Wightman. Senator Wightman, you are recognized to speak and this is your third time. [LB121]

SENATOR WIGHTMAN: Well, assuming we can have some consensus that the bill moves forward, we do have to address, I think, maybe the only amendment pending is still Senator Janssen's amendment. And we do want to consider that. I hope we can have a consensus that we can move it to Select File and that we will consider all of the concerns of the counties involved. Again, I don't want to commit to say that we'll work them out (laugh) because I think that's beyond my ability at this point because I think some of these could have statutory and constitutional issues involved. But to the extent that we can address them and still maintain most of the integrity of the bill, we will certainly attempt to do that. With that, I will relinquish the microphone and hopefully we can take up Senator Janssen's amendment, which we will support, shortly. Thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you, Senator Wightman. Those still wishing to speak Senators Price and Hadley. Senator Price, you are recognized. [LB121]

SENATOR PRICE: Mr. President, members of the body, thank you. I rise to ask some questions actually before I can say I support or don't support the effort. What we see here, what I'm wondering about is, have we looked at and have the counties looked at the issue, and has the state looked at the issue of valuation practices current and what they would be under the individual county's control? And I would like to ask if Senator Sullivan would yield to a question. [LB121]

SENATOR CARLSON: Senator Sullivan, would you yield? [LB121]

SENATOR SULLIVAN: I will, Senator Price. [LB121]

SENATOR PRICE: Thank you, Senator Sullivan. Question is right now, in the counties where we're asking them to take on the responsibility that we're asking them to, do you know what the assessment and valuation practices are currently, i.e., are they assessed every year? Are the valuations at anywhere...because state law says they can be anywhere between 93 and 100 percent. So do you know those answers? [LB121]

SENATOR SULLIVAN: No, I don't. I'll find that out for you. But I will, to give you a little

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background, you know, that was one of the challenges particularly in one of the counties that transferred their assessment functions to the state, that they were behind in doing that. They were having problems doing it. And they were expecting that they were going to be told by the state that they were going to have to make some significant changes at a significant expense. And so they took this opportunity to have the function taken over by the state and then were able to have that accomplished because of the state's assistance. [LB121]

SENATOR PRICE: All right, thank you for the background. I think we're going to have to talk off mike or get some answers here because here's what's a question for everybody. In some of our political subdivisions and some of the things we enter into, multiple counties can fall under the jurisdiction of a taxing authority, let's say the NRD and/or...we'll stick with the NRD. So under the NRD plan of your district, if one county could be paying taxes at 93 percent or valuation...be valued at 93 percent, and other county at 98 percent, and one county can say, we'll do valuation...reevaluations every year, another county will say, we'll do it every five years. There's a lot of latitude in how this practice is put into place within a county. And I'm here to tell you that there could be some sticker shock for people when perhaps one of these counties could say, if, if we are being valued...valuations are at 95 percent every three years, the county could come in and say, no, actually we want to raise some money so we're going to do that valuation every year at 98 percent. So these are some of the things that I hope that are being considered by those counties and by the state and the impact it's going to have on those counties. So we can't...if we haven't articulated it right now, we don't know what's going to happen when they have to take over the valuation process. And I would engender anybody to come up and illuminate and educate me on what we're doing. But I'll tell you right now with the learning community that we working under now, we have one county pays 93 percent valuation every five years, almost, with homes that have been not reevaluated in six years valued well over \$300,000, and in another county, an adjoining county, we assess... [LB121]

SENATOR CARLSON: One minute. [LB121]

SENATOR PRICE: ...every year at 98 percent, and ergo, one county paying a burden much higher than the other. And if you're in that situation it's not very comfortable and the people don't like it. And you need to fight as much as you can to avoid that situation because you will pay more taxes than your neighbors. Thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you, Senator Price and Senator Sullivan. Senator Hadley, you are apparently the last speaker. You're recognized to speak. [LB121]

SENATOR HADLEY: I will keep it short, Mr. President, members of the body. I think we're hearing two issues here. One is the issue of equity--what should we...what is the

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right thing to do for all of the citizens of the state of Nebraska. The second issue is a process issue. If we decide what is right to do, then we have to figure out how we do it. And I think it's time to move on to working on the other amendments, Senator Janssen's amendment and such as that. One last thing I would say, in 1991, Kearney State College moved from the State College System to the university system. It moved 9,500 students, it moved 1,500 employees, different retirement systems, different systems completely from a State College System to a separate free-standing Board of Regents system. We were able to do that. Of course, there were some consternations, some problems. But we were able to move that many students, that many employees. We're talking about 42 employees here. So now let's not let process...the tail wag the dog. I think Senator Wightman has agreed that we'll do what we can to make this a smooth transaction...transition. But I think the equity issue overrides the process issues. With that, I will hopefully hear Senator Janssen's amendment and hopefully we can move on. [LB121]

SENATOR CARLSON: Thank you, Senator Hadley. Senator Price, you are recognized. [LB121]

SENATOR PRICE: Thank you, Mr. President. I had an off-mike conversation with Senator Stuthman. And I would like to ask Senator Stuthman if he would yield to a question. [LB121]

SENATOR CARLSON: Senator Stuthman, will you yield? [LB121]

SENATOR STUTHMAN: Yes. [LB121]

SENATOR PRICE: Senator Stuthman, to recap as we were just now speaking, it does seem that there is a lack of knowledge of exactly how the nine counties are being assessed by the state right now. And you and I were talking. Do you have a basic understanding of how property, residential homes, what the valuation practice is? [LB121]

SENATOR STUTHMAN: Yes, going back to my county days, there was guidelines that were set by the state as far as residential, commercial, ag land, and I don't know if there was another category. But they had to be valued in a range, between a range, say, I believe, residential was like 93 to 100 percent, in that range. And that was determined by the county, you know, as to where you wanted to be in that range. [LB121]

SENATOR PRICE: All right. Thank you. And here's a point again, ladies and gentlemen. The point is if your property is...if your valuation practices right now are 95 percent every year, when you take over, when these nine counties take over and someone chooses that they don't want to be at 95 percent, they want to be at 93 percent, but they're going to do it every year, that's a big change for people. But there's also even a

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worse situation. If you're currently budgeted at and your valuation practices are at 100 percent every year and a new board comes on board or a new director comes on board and says, no, we don't want to do that, we want to do it at 93 percent every five years, you've just raised taxes. You think you've lowered them, but you actually raised it because now the available pool of money is shrunk and you've got budgets that are requiring money. You have outstanding programs that want to be funded, so now you're going to have to raise the taxes to meet that because the valuation just cut into it, at least that's my understanding. So again, very carefully we must consider, you all need to consider, everybody needs to consider the impact on these nine counties when we ask them, all of a sudden, to take care of this. People will be standing up and making decisions and changing perhaps how it's done. And perhaps this legislation needs to have some type of hold harmless clause to assist these counties in getting over the burden here and the shock of how valuations are going to impact what they do. And as yet, in the last eight minutes or so, ten minutes almost, I haven't got an answer yet if anybody knows exactly how the properties are valued. So again, I sit here and I wonder and won't commit until someone can actually identify what we're doing. Thank you, Mr. President. [LB121]

SENATOR CARLSON: Thank you, Senator Price. Senator Lautenbaugh, you are recognized. [LB121]

SENATOR LAUTENBAUGH: I'd like to call the question, Mr. President. [LB121]

SENATOR CARLSON: The question has been called. Do I see five hands? I do, I see five hands. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Are there others wishing to vote? Record, Mr. Clerk. [LB121]

CLERK: 28 ayes, 0 nays to cease debate, Mr. President. [LB121]

SENATOR CARLSON: Debate does cease. Senator Cornett is recognized to close. I don't see Senator Cornett. Is there a member of the Revenue Committee? Senator Dierks, as Vice Chair, would you close on this amendment? [LB121]

SENATOR DIERKS: Yes, Mr. President, I will. Without a lot of previous knowledge, I'm just going to ask you all to support the amendment. Thank you. (Laughter) [LB121]

SENATOR CARLSON: You have heard the close. All those in favor of the adoption of AM530 vote aye...Senator White. [LB121]

SENATOR WHITE: Mr. President, I'm a member of the Revenue Committee and I would ask for a call of the house. [LB121]

SENATOR CARLSON: All right. There's been a request to place the house under call.

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The question is, shall the house go under call? All those in favor vote aye, and all those opposed vote nay. Record, Mr. Clerk. [LB121]

CLERK: 29 ayes, 0 nays, Mr. President, to place the house under call. [LB121]

SENATOR CARLSON: The house is under call. Senators, please record your presence. Those senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. The house is under call. Senators, please return to the Chamber. Senator Fischer, please record. Senator Ashford, Senator Avery, the house is under call. Senator Cornett, all are recorded but one. Would you like to proceed? Okay, members, you have heard the closing on the amendment. The question is, shall the amendment be adopted? All those in favor vote aye; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB121]

CLERK: 44 ayes, 0 nays on adoption of committee amendments. [LB121]

SENATOR CARLSON: The amendment is adopted. Mr. Speaker for an announcement. The call is raised. [LB121]

SPEAKER FLOOD: Thank you, Mr. President, members. Just a brief announcement: At adjournment today, which should be at or about noon, will be the deadline for senator and committee priority bills. Please make sure you have one copy of your letter to the Clerk and the other copy to my office, which is down the hall. And then today at 5:00 p.m. sharp, Central time, we will shut the door at my office and that will be the end of accepting letters from senators requesting Speaker priority bills. Thank you very much. [LB121]

SENATOR CARLSON: Mr. Clerk for an announcement. [LB121]

CLERK: You know, Mr. President, I'm fine now. Thank you. I do have other amendments to the bill. [LB121]

SENATOR CARLSON: The next amendment, Mr. Clerk. [LB121]

CLERK: Mr. President, Senator Giese, yours is the next amendment, AM628. [LB121]

SENATOR CARLSON: Senator Giese, you are recognized to open on your amendment. [LB121]

SENATOR GIESE: Thank you, Mr. President and members of the body. After discussing some of the...the bill with Senator Wightman, at this time we will withdraw my amendment. [LB121]

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SENATOR CARLSON: Amendment is withdrawn. Mr. Clerk. [LB121]

CLERK: Mr. President, Senator Janssen, AM663. (Legislative Journal page 699.) [LB121]

SENATOR CARLSON: Senator Janssen, you are recognized to open on your amendment. [LB121]

SENATOR JANSSEN: Thank you, Mr. President, members of the body. I offer AM663. It would give the nine affected counties one more year to make the transition from state assessment to county assessment. This will soften the blow to our county budgets as they take back the assessment function. And my county in particular, my entire Legislative District 15 encompasses only one county, and that is Dodge County which is affected by this. AM663 would change the cost schedule that the state would bill the counties from 33 percent to 60...or actually from...instead of next year, 2010, being 33 percent, it would be 25 percent; in 2011, instead of 66 percent, it would be 50 percent; in 2012, instead of 100 percent billed back to the counties, the counties would be billed back 75 percent, which would save them 25 percent; then in 2013 the counties would assume the entire function of the assessment with the price tag that is involved. Senator Wightman and I have discussed it. And he's said many times that, this idea, he would support it, and I'm appreciative of that. I've spoke with other senators in the affected counties and they showed an indication of support as well. I do appreciate Senator Wightman, the fact that he accepted this amendment. And I think it does provide the counties with the necessary time and flexibility to change back to county assessment. I do appreciate the questions. I decided not to get up and speak because I knew I'd have the opportunity when this amendment came forward. Obviously, you know, Senator Sullivan brought up some great points, so did Senator Stuthman. And all good things sometimes do come to an end. And this is a good thing for Dodge County. They were very progressive and took advantage of this and it worked out well for them. Some numbers that Dodge County...that I got this morning of interest to me, in '97-98, when Dodge County actually had this function on its own, we spent \$280,000 doing assessments. That was without benefits to the employees of the assessment office. If you add benefits at 35 percent, which I think is reasonable, we would have spent \$380,000 10 or 11 years ago on that. At current or in last year's budget the state paid \$480,000 and that does include benefits. So over an 11-, 12-year period it went up basically \$100,000. So I don't think there's anything too outlandish with that. I would like to note in Dodge County we have the assessor, I believe is appointed or a state employee right now. She does a wonderful job with that function, even though I protested mine last year. But she does do a wonderful job. And I would like to see somehow, and maybe this is something down the road, I don't know if it could be worked out, but I don't...necessarily am not a big fan of the county assessor being an elected position. At current the state is allowed to hire somebody to do that position for

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the assessor. I think the county should have that option as well. I don't like assessments being kicked around as political footballs around the county. And it seems like the assessors, you know, may or may not raise or properly assess sometimes due to political will. So that would be something I'd look into, but would certainly not stop the passage of LB121. And with that, I yield the balance of my time. [LB121]

SENATOR CARLSON: Thank you, Senator Janssen. You've heard the opening on AM663. There are senators wishing to speak: Senators Schilz, Wightman, Sullivan, Giese, and Price. Senator Schilz, you are recognized. [LB121]

SENATOR SCHILZ: Thank you, Mr. President, members of the body. I stand here today in support of Senator Janssen's amendment. I...as I was talking to my county treasurer to see just exactly how this would affect my home county, Keith County, there are some pretty significant cost increases that they will have to take upon themselves and bear the burden of. And obviously, understanding that this is the cost that has been...has not been there before for them while they've had the state doing the assessments, but, nonetheless, it's a cost that they will have to absorb. And right now they're spending about \$230,000 with six employees that the state has. If we move it to the county, our estimates are that it will raise that to about \$350,000. And the county was getting by before with four employees. So my concern comes in with the cost increase. How do the counties assimilate that? Senator Janssen's amendment answers some of those questions, softens the blow for my county and the other counties that are affected by this. And it will help us to answer some of these questions on what to do with the employees and things like that. So I stand in support of this amendment. Thank you. [LB121]

SENATOR CARLSON: Thank you, Senator Schilz. Senator Wightman, you are recognized. [LB121]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the body. First of all, I want to thank Senator Janssen for his cooperation in this matter. I think it is a case of a senator looking out for the overall good of Nebraska where sometimes it may be in conflict with what his district...and in saying that, I'm not denigrating in anyway any of those who have taken a different position. But I do think that this is a real example, Senator Janssen is, of somebody looking at it from the state perspective rather than just their district perspective. And for that I thank him. I am in support of this amendment. I have said from the beginning that I would support it. We are looking at whatever we can, within reason, to make this a softer landing for the counties that are involved. But I would suggest that there are 93 counties involved, not just 9. The 9 certainly have a far different perspective with regard to this bill than the other 84 who will be seeing the benefits. But as I've said before, it is an equity issue. We are looking at Senator Janssen's amendment as an amendment that certainly we contemplated. And I do think it will assist those counties in assuming this function without perhaps as big a tax

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problem as they would have had. So certainly I realize, as Senator Stuthman has suggested, that there is going to be an increase in county taxes, county property taxes in those nine counties. I suggest it may not be quite as severe in some as in others. So I do urge you to vote in favor of the Janssen amendment and AM663. Thank you. [LB121]

SENATOR CARLSON: Thank you, Senator Wightman. Senator Sullivan, you are recognized. [LB121]

SENATOR SULLIVAN: Thank you, Mr. President and members of the body. And I appreciate Senator Janssen's amendment and I also appreciate Senator Wightman's willingness to continue to work on some of the features of this bill to clarify them. All in all, both the amendment and the...Senator Wightman's efforts will, as he said, maybe soften the blow. But I also wanted to point out, partly in answer to some of Senator Price's concerns as well, the challenges at the county level of dealing with the assessor functions. Because the bottom line is that the state statute requires of the state assessor and the county assessor the same functions. They're still required by law to be within a certain range of value for all real and personal property. That's both at the county, whether the county is doing it, the function, or the state. And the laws are set in place and each and every county must abide by them. The Tax Equalization Review Commission reviews counties' information every year. And if they determine that they aren't in compliance, they tell them that they have to do that, and they are ordered to comply. And that's expensive. In these small counties that I am trying to help, in District 41, oftentimes it's very difficult to find a qualified person. Usually there's only one person on the ballot to run for a county assessor. And that's one of the requirements of this bill, that even the appointed person has to have an assessor's license. And oftentimes the county board members say that in this reappraisal of property the whole process costs more than actually running the office itself. So we have some challenges at the local level. They are going to add some additional expenses and that's one of my concerns. Thank you. [LB121]

SENATOR CARLSON: Thank you, Senator Sullivan. Senator Giese, you are recognized. [LB121]

SENATOR GIESE: Thank you, Mr. President and members of the body. I rise in support of AM663. This just gives us a little more time in the counties to adjust to the inevitable I think. But...so I do support Senator Janssen's amendment and will do so when time comes. Thank you. [LB121]

SENATOR CARLSON: Thank you, Senator Giese. Senator Price, you are recognized. [LB121]

SENATOR PRICE: Mr. President, members of the body, I rise in support of this

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amendment. And I also would like to say I believe in the exceptional abilities of Nebraskans. I know that should this go forward, and it looks like it may, that the people of these counties will rise to the challenge and they will take these duties on and they will do an exemplary job of it and I have no doubt of that. But again, I do rise in support of this amendment to ensure that as smooth a transition as possible can be made in helping assist if that transition must be done. Thank you. [LB121]

SENATOR CARLSON: Thank you, Senator Price. Senator Haar, you are recognized. [LB121]

SENATOR HAAR: Here we go again. Mr. President, members of the body, I would like to thank Senator Janssen for this amendment. Part of my district is Saunders County and they're one of the counties that has been having the state do this function. And I would agree with Senator Giese, it's probably inevitable, but giving a little bit more time to make this adjustment, I think, is very helpful. So again thank you, Senator Janssen. [LB121]

SENATOR CARLSON: Thank you, Senator Haar. There are no other lights on. Senator Janssen, you're recognized to close on your amendment. [LB121]

SENATOR JANSSEN: Once again, I'd just like to ask for your support of AM663. It certainly does soften the blow to those affected counties in saving them money over the years. Again, instead of 33 percent next year it would be 25 percent, instead of 66 percent the next year it would be 50 percent, and instead of 100 percent billed back to the counties it would be 75 percent, and then in 2013 the counties would assume this role. I do agree with Senator Price that the counties will have the wherewithal to get this done and I know my county in particular will. And I ask you to support this amendment and I will plan on calling the house for that vote. [LB121]

SENATOR CARLSON: Thank you, Senator Janssen. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye, and those opposed vote nay. [LB121]

SENATOR ROBERT PRESIDING []

SENATOR ROBERT: Record, Mr. Clerk. [LB121]

CLERK: 26 ayes, 0 nays to place the house under call, Mr. President. [LB121]

SENATOR ROBERT: The house is under call. Senators, please return to your desks and record your presence. All unauthorized personnel please leave the floor. Senator Lathrop, will you check in? Senator Campbell, Senator Langemeier, Senator Gloor, Senator Ashford, Senator Avery, will you please return to the Chamber? We are under

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call. Senator Pankonin, will you check in, please? Senator Ashford, please return to the Chamber. [LB121]

SENATOR JANSSEN: We can proceed. [LB121]

SENATOR ROBERT: How would you like to proceed, Senator Janssen? [LB121]

SENATOR JANSSEN: A board vote. [LB121]

SENATOR ROBERT: Members, the question before the body is, shall AM663 be adopted to LB121? All those in favor vote yea; all those opposed vote nay. Mr. Clerk, please record. [LB121]

CLERK: 47 ayes, 0 nays on the adoption of the amendment. [LB121]

SENATOR ROBERT: AM663 is adopted. [LB121]

CLERK: I have nothing further on the bill at this time, Mr. President. [LB121]

SENATOR ROBERT: Returning to discussion on LB121. I raise the call. Are there any members wishing to speak? Seeing none, Senator Wightman, you're recognized to close on LB121. [LB121]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the body. I appreciate the discussion we've had this morning. I think we'll have a stronger bill probably coming out, one that's more acceptable to everybody. As to whether or not we can actually come to a conclusion that's satisfactory to everybody, that's probably always questionable. But we certainly will discuss those issues. I invite all of the eight senators who represent districts or represent counties that will be affected by this to meet and we will set a meeting. We will discuss it with the Revenue Committee. But I think we need to move the bill on to Select File. In order to do this, I ask for your support. As suggested by Senator Hadley, I think it is an equity issue, but we also have to be aware that the state did invite these counties and we will address their issues and see if we can come to a satisfactory conclusion with regard to their issues. So I do ask for your support for LB121. Thank you, Mr. President. [LB121]

SENATOR ROBERT: Thank you, Senator Wightman. Members, you have heard the closing to LB121. The question before the body is, shall LB121 be advanced to E&R Initial? All those in favor vote yea; all those opposed vote nay. Have all those voted who wish? Mr. Clerk, please record. [LB121]

CLERK: 37 ayes, 3 nays on the advancement of the bill, Mr. President. [LB121]

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SENATOR ROBERT: LB121 does advance. Next item on the agenda. [LB121]

CLERK: LB111, a bill introduced originally by Senator Fischer. (Read title.) Introduced on January 9, referred to Transportation and Telecommunications, advanced to General File. At this time, I have no amendments, Mr. President. [LB111]

SENATOR ROBERT: Senator Fischer, you are recognized to open on LB111. [LB111]

SENATOR FISCHER: Thank you, Mr. President and members. First of all, I would like to thank Senator Janssen for prioritizing this bill. LB111 requires construction workers to be present in a construction zone in order for a speeding fine to be doubled. I introduced the bill as a commonsense measure. I don't think anyone is trying to argue that driving at slower speeds when construction workers are doing a job on a highway creates safer conditions for those workers. What frustrates a speeder who has just received a citation is the doubling of a fine simply for being in a construction zone when no work is being done and no construction workers are present. Twenty-four states require construction workers to be present in order for a fine to be doubled in a construction zone. This is not a new concept. What's more, construction zones can be posted weeks in advance of actual construction and left for several weeks after construction is completed. Those of you who drive between Omaha and Lincoln may have noticed last week that the speed limit has been dropped from 75 to 65 from the Waverly interchange to the Mahoney State Park interchange in anticipation of upcoming construction. There's a stretch of interstate between the two cities that includes 24 out of 29 miles as a construction zone. I want to make it clear that the bill does not change any speed limit in a construction zone; that's still determined by the Department of Roads. The only time this bill takes effect is when an officer has pulled someone over for speeding. If the area has previously been designated as a construction zone by the department or other political subdivision and the officer witnessed a construction worker present on the scene, the officer can double the citation's fine. The law was originally intended for construction worker safety. That was the priority. This bill does not change that intent. The director of the Department of Roads stated during the public hearing on this bill that there is absolutely no evidence in nationwide studies that doubling fines decreases speed in construction zones or lowers the number of crashes. LB111 simply adds some common sense to this issue and puts the statute in line with its original intent. The bill did advance from committee unanimously. And at this time I would like to yield to Senator Janssen. [LB111]

SENATOR ROBERT: Senator Janssen, 7:15. [LB111]

SENATOR JANSSEN: Thank you, Mr. President, members of the body, and I'd like to thank Senator Fischer for allowing me to prioritize LB111. Doubling the fines for speeding in a construction zone without workers present seems to me to be unfair and unnecessary. The public policy goal of the original statute was to protect construction

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workers. If there are no workers present, the citizens should not be punished excessively for a risk that is simply just not there. The public hearing on LB111 was most interesting. Department of Roads Director John Craig, in response to questions, stated, and I am quoting, there's no evidence to indicate they--double fines--are one of the mechanisms to make construction zones safer. He went on to state that there is no evidence in nationwide studies that doubling fines decreases speed in construction zones or lowers the number of crashes. If there are no increased danger to workers and no evidence that make construction zones safer, we need to stop doubling the penalties and fines to the drivers of Nebraska. If LB111...I have made LB111 my priority bill for this session and I hope you will support that and pass it. Thank you. [LB111]

SENATOR ROBERT: Thank you, Senator Janssen and Senator Fischer. Members, you have heard the opening to LB111. Those wishing to speak: Senators Lautenbaugh, Pirsch, Friend, and Stuthman. Senator Lautenbaugh, you are recognized. [LB111]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. I, too, rise in support of this bill. I thank Senator Fischer for bringing it. I thank Senator Janssen for prioritizing it. And again, I just want to underline the point, if construction workers are present it is going to continue on that the fines can be doubled. It's just that the officer writing the ticket would then need to note that workers are present as part of the offense, much like they have to note the specifics of other offenses. This is a necessary thing. I don't believe this endangers the safety of workers at all. The speed limit still stays the same, which is lower in construction zones. It's just that the fines will not be doubled if there's no risk to workers because they aren't present. I believe this is good, commonsense legislation. It's good for the public, it's the right thing to do, and I would urge your support. [LB111]

SENATOR ROBERT: Thank you, Senator Lautenbaugh. Senator Pirsch, you are next and recognized. [LB111]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I also would like to thank both Senator Janssen for prioritizing this and Senator Fischer for bringing this bill. I wonder if Senator Fischer might yield to a quick question. [LB111]

SENATOR ROBERT: Senator Fischer, will you yield to a question from Senator Pirsch? [LB111]

SENATOR FISCHER: Yes. [LB111]

SENATOR PIRSCH: Thank you. I just wanted to, in terms of how the bill would operate, obviously a citation having been given, then the officer, Senator Lautenbaugh speculated, would just testify then the posted speed limit, that they have clocked the individual, and that they observed an individual whom appeared to them to be a

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construction worker. You're not, through this bill, requiring anything else other...foundational, other than the officer's...I guess, when it comes to establishing that the individual on the side of the road was in fact a construction worker as opposed to just somebody who was standing on the side of road. That would be just something that would be so evident based upon the demarcation, the fact that it's an interstate highway, correct? [LB111]

SENATOR FISCHER: Correct. [LB111]

SENATOR PIRSCH: Okay. So there's no special foundational evidence that needs to be introduced that they had a...you know, that they went and identified the construction worker, that the construction worker identified "themselves" in some way. It would just be... [LB111]

SENATOR FISCHER: It is just based on the officer's observation. [LB111]

SENATOR PIRSCH: Very good. Okay. And again, I appreciate your bringing this bill forward. And I'd yield the balance of my time to Senator Fischer, should she desire to use it. [LB111]

SENATOR ROBERT: Senator Fischer, 3 minutes, 20 seconds. She waives. Senator Friend, you are next and recognized. [LB111]

SENATOR FRIEND: Thank you, Mr. President, members of the Legislature. I did talk to Senator Fischer here a minute ago and I got a better understanding, I think, of what we're trying to accomplish. One of the, I wouldn't even call it a concern, I am in support of this measure because I don't see any adverse effects. But I was just going to bring up a point and the point is this: If...I've driven that stretch of highway that Senator Fischer is talking about, as many of you have as well, on so many occasions I can't even tell you. Now the interesting...now and there are other areas, too, we've all driven. One of the...the point here is I think that the whole...and it gives me an opportunity to identify it. I think the whole thing is a little bit skewed, and let me tell you why. And maybe I don't have a great grasp or an understanding. If you have 35 miles or if you have a 10-mile stretch or a 12-mile stretch, does it really matter? And maybe I'm getting off the subject here because I am in support of the bill. But I think it's worth bringing up or I think it's worth addressing. Maybe somebody from the Department of Roads, after they look at a transcript or a public record, would address it. Why in the world does it matter whether there's anybody present in a construction zone when I think that the initial reason to drive slower in a construction zone, and I could be wrong, is for...one of the reasons anyway is for the safety of the driver? If you're in a 10-mile stretch of a construction zone, the safety of the driver is important too. And the speeds associated with what the driver is implementing is the key or one of the keys. I can handle a car on a weird...people are putting their fingers up, one person is putting his finger up, I have an

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answer to that. Well, you'll have a chance to address it on your own time. (Laughter)
Senator Fischer has her hand up as well. Well, I'll tell you what, I'm not done, but I will
give my time to Senator Fischer, Mr. President. [LB111]

SENATOR ROBERT: Senator Fischer, 2 minutes, 13 seconds. [LB111]

SENATOR FISCHER: I won't need that long. Thank you, Senator Friend. And we can
have a conversation here if you would prefer that. The Department of Roads sets the
speed limits in those construction zones and they take everything under consideration
there. And, yes, part of that is for the workers that are present. But it's also for drop-offs
on the edge of the highway, it's when you go down into...merge into one lane. All of that
is taken under consideration. That's why you see sometimes in a construction zone the
speed limit is 65, say on the interstate you go from 75, it's 65, sometimes it's 60,
sometimes it's 55, sometimes it's 45. And it depends upon the pavement conditions and
really the conditions within that zone is how they determine the speed limit. And it is,
yes, also for the safety of the driver, most definitely. [LB111]

SENATOR ROBERT: Senator Friend, 1 minute. [LB111]

SENATOR FRIEND: Okay, I actually yielded the time to Senator Fischer. But she's very
efficient with her time usually as opposed to yours truly. [LB111]

SENATOR FISCHER: (Laugh) [LB111]

SENATOR FRIEND: Okay, that would lead me to this. And again, like I said, I'm in favor
of LB111. I understand what we're trying to do. The final point is, and I'm not trying to
bog anything down here, or part of the point that I was trying to make, I think it's
important in any piece of legislation--and I think the discussion will continue a little bit
but it probably won't have to go that long--to identify exactly why we brought the bill
forward. One of the points that I made to Senator Fischer off the record was, then can
we generate revenue? Well, the Department of Roads is saying there's not an issue
here. It's not a revenue-generator. Which begs the question, why do we need the bill?
That's all I'm saying. We pass all kinds of legislation. There's a...I guess what I'm saying
is, what is the specific reason to raise...there's a \$35 million cash...or \$35,000 cash
influx on the cash fund side. [LB111]

SENATOR ROBERT: Time. [LB111]

SENATOR FRIEND: Thank you, Mr. President. [LB111]

SENATOR ROBERT: Thank you, Senator Friend and Senator Fischer. (Visitors
introduced.) Returning to discussion, Senator Stuthman, you are next and recognized.
[LB111]

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SENATOR STUTHMAN: Thank you, Mr. President, members of the body. I truly support this bill, LB111, of Senator Fischer's. I think it's very, very, very important that we do pass this one and I think it's appropriate. I have many, many constituents that have called me and they had a real concern about the fact that, you know, there are the signs up, you know, fines doubled and it was a construction zone, but there haven't been any people working there for weeks or months or anything like that. The road is in good shape; it's perfectly okay. If there were some situations where the road wasn't in as good a shape, the Department of Roads does put speed limit signs up, changing it from 65 or 75 to 45 or 55 or whatever. That is the issue. But there is a speed limit. The issue that really concerns a lot of people is the fact that the fines are doubled when they get picked up for speeding in that zone. And I think, you know, I really think that those signs should be removed when the construction is over, but they leave them there for a long period of time. They maybe only have one little project left to do on it. They maybe have to put a little bit of seeding, grass seeding by a bridge or something like that, and they leave the signs up. And I think that, you know, when people are in the construction and there are people there on duty and are working on the road, then I feel that if you're caught speeding I think you should pay double fine. But the situations that have been discussed with me many times is the fact that kids coming back to the university and off of the interstate and dropping onto 27th Street and there's a double fine. And a lot of students do get picked up, you know, on that curve coming back into town. And the fines are doubled and there's no method to change that because there is a sign that says the fines will be doubled. And I sympathize with these people. You know, yes, they were speeding. But I think the fact, the speeding issue, they...that is addressed and they don't mind paying the fine for the speeding issue, but the fines doubled is the real issue. So I think this is a very good bill. It addresses a situation that a lot of people have a concern with. And I want to thank Senator Fischer for bringing this bill. And I think it's a very worthy bill because I do respect the construction workers. When they're there working, we need to take that into consideration. And you shouldn't speed there anyway at that time. You shouldn't speed anyway. But the fact of doubling the fines is the real issue to me. Thank you, Mr. President. [LB111]

SENATOR ROBERT: Thank you, Senator Stuthman. Senator Council, you are next and recognized. [LB111]

SENATOR COUNCIL: Yes, Mr. President, thank you. I want to thank Senator Fischer for introducing this piece of legislation, and thank Senator Janssen for prioritizing it. I, too, support this piece of legislation. And the issue, quite frankly, is the purpose for which the fines are doubled in the first instance. And having been unfortunately involved in that situation, I was specifically told by the law enforcement official that the fines are doubled to protect the construction workers. So my question then to him was, well, there's no one out here and there's been no one out here for weeks. And the answer again was that the doubling of the fines is intended to be a deterrent to speeding to

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protect the construction workers. I think the frustration that many motorists, particularly on I-80, experience is the fact that the signs are put up weeks and oftentimes months in advance of any construction or they're not taken down for weeks or months after construction. And there is no relationship between where the doubling the fine signs are and even the potential for construction. You know, clearly, I can understand and accept a doubling of the fine in areas where they've actually begun some work, they've put the concrete barricades up, there is a lane change that a slower speed...you need to reduce your speed to encounter that. That would be one thing. But this doubling the fine is broadly applied across large stretches of particularly Interstate 80 not only where there is no activity but there will never be any activity. And it's just an extension of that zone, quite frankly, for purposes of doubling the fine. So I would urge my colleagues to support this piece of legislation. And certainly place motorists who encounter construction zones on equal par with those who are driving in areas where there is no possibility of harming others. And in fact, when you drive through other states that increase their fines, the sign says, "when construction workers are present the fine will be doubled." I think that that's what Nebraska needs to replicate, that process, and place signs up that says, "fines will be doubled when construction workers are present." Thank you. [LB111]

SENATOR ROBERT: Thank you, Senator Council. Mr. Clerk, items for the record. [LB111]

CLERK: Mr. President, an amendment to be printed to LB411, Senator Coash. Bills read on Final Reading this morning were presented to the Governor at 9:42 (re LB52, LB89, LB90, LB142, LB167, LB204, LB231, LB379, and LB151). I have a hearing notice from the Appropriations Committee. Revenue Committee, chaired by Senator Cornett, reports LB159 to General File, LB9 to General File with amendments, LB460 indefinitely postponed. Agriculture Committee, Senator Carlson, LB98 to General File with amendments. Education, Senator Adams, LB548, General File with amendments. Business and Labor, Senator Lathrop, LB107, General File with amendments. Executive Board, Senator Wightman, LB620 to General File, LB16 to General File with amendments. General Affairs, Senator Karpisek, LB411 to General File, and LB500 to General File. Priority bill designations: LB385, Senator Pahls; Banking Committee, LB328; Exec Board, LB16 and LB653; Senator Karpisek, LB568; Senator Christensen, LB681; Senator McCoy, LB675; Senator Pirsch, LB671; Senator Nelson, LB160; Senator White, LB633; Performance Audit, LB620 and LB679; and LB430, Senator Fulton. Name adds: Senator Council to LB111 and LB356; Senator Howard, LB489; Senator Lautenbaugh would like to withdraw his name from LB64; and Senator Rogert from LB64. An announcement that Natural Resources will have an Executive Session upon adjournment in Room 1525. (Legislative Journal pages 720-730.) [LB411 LB52 LB89 LB90 LB142 LB167 LB204 LB231 LB379 LB151 LB159 LB9 LB460 LB98 LB548 LB107 LB620 LB16 LB411 LB500 LB385 LB328 LB653 LB568 LB681 LB675 LB671 LB160 LB633 LB679 LB430 LB111 LB356 LB489 LB64]

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And a priority motion, Mr. President: Senator Coash would move to adjourn the body until Tuesday morning, March 17 at 10:00 a.m. []

SENATOR ROBERT: Members, the motion before the body is, shall we adjourn until Tuesday, March 17, at 10:00 a.m.? All those in favor signify by saying aye. Opposed, nay. We are adjourned. []