

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
May 13, 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 seventy-eighth day of the One Hundred First Legislature, First Session. Our chaplain for today is Senator Lavon Heidemann. Please rise.

SENATOR HEIDEMANN: (Prayer offered.)

SPEAKER FLOOD: Thank you. I call to order the seventy-eighth 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 corrections for the Journal?

CLERK: I have no corrections, Mr. President.

SPEAKER FLOOD: Are there messages, reports, or announcements?

CLERK: Your Committee on Enrollment and Review reports they've examined and engrossed LB160, LB224, LB494, LB568, LB633, LB633A, all reported correctly engrossed. Senator Pahls offers LR131, a study resolution, be referred to the board; Senator Loudon, LR130, likewise a study resolution. That's all that I had, Mr. President. (Legislative Journal pages 1443-1445.) [LB160 LB224 LB494 LB568 LB633 LB633A LR131 LR130]

SPEAKER FLOOD: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR107, LR108, LR110, LR111. Members, please find your seats in preparation for Final Reading. Members, please find your seats in preparation for Final Reading. Mr. Clerk, the first bill is LB311E. The first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LR107 LR108 LR110 LR111 LB311]

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CLERK: 40 ayes, 0 nays, Mr. President, to dispense with the at-large reading. [LB311]

SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB311]

CLERK: (Read title of LB311.) [LB311]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB311E pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB311]

CLERK: (Record vote read, Legislative Journal pages 1445-1446.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB311]

SPEAKER FLOOD: LB311E passes with the emergency clause attached. Mr. Clerk, LB312E. [LB311 LB312]

CLERK: (Read LB312 on Final Reading.) [LB312]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB312E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB312]

CLERK: (Record vote read, Legislative Journal pages 1446-1447.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB312]

SPEAKER FLOOD: LB312E passes with the emergency clause attached. Mr. Clerk, LB313E. [LB312 LB313]

CLERK: (Read LB313 on Final Reading.) [LB313]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB313E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB313]

CLERK: (Record vote read, Legislative Journal page 1447.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB313]

SPEAKER FLOOD: Thank you, Mr. Clerk. LB313E passes with the emergency clause attached. Mr. Clerk, we now proceed to LB314E. The first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB313 LB314]

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CLERK: 46 ayes, 0 nays, Mr. President, to dispense with the at-large reading. [LB314]

SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB314]

CLERK: (Read title of LB314.) [LB314]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB314E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB314]

CLERK: (Record vote read, Legislative Journal page 1448.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB314]

SPEAKER FLOOD: LB314E passes with the emergency clause attached. We now proceed to LB315E. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB314 LB315]

CLERK: 47 ayes, 0 nays, Mr. President, on the motion to dispense with the at-large reading. [LB315]

SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB315]

CLERK: (Read title of LB315.) [LB315]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB315E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB315]

CLERK: (Record vote read, Legislative Journal page 1449.) 46 ayes, 2 nays, 1 excused and not voting, Mr. President. [LB315]

SPEAKER FLOOD: LB315E passes with the emergency clause attached. Mr. Clerk, LB318E. Strike that. Mr. Clerk, LB316E. The first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB315 LB316]

CLERK: 43 ayes, 0 nays, Mr. President, to dispense with the at-large reading. [LB316]

SPEAKER FLOOD: The at-large reading is dispensed with. Please read the title.

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[LB316]

CLERK: (Read title of LB316.) [LB316]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB316E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB316]

CLERK: (Record vote read, Legislative Journal pages 1449-1450.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB316]

SPEAKER FLOOD: LB316E passes with the emergency clause attached. Mr. Clerk, LB318E. [LB316 LB318]

CLERK: (Read LB318 on Final Reading.) [LB318]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB318E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB318]

CLERK: (Record vote read, Legislative Journal pages 1450-1451.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB318]

SPEAKER FLOOD: LB318E passes with the emergency clause attached. Mr. Clerk, LB414E. [LB318 LB414]

CLERK: (Read LB414 on Final Reading.) [LB414]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB414E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB414]

CLERK: (Record vote read, Legislative Journal page 1451.) 46 ayes, 1 nay, 1 present and not voting, 1 excused and not voting, Mr. President. [LB414]

SPEAKER FLOOD: LB414E passes. Mr. Clerk, LB414AE. [LB414 LB414A]

CLERK: (Read LB414A on Final Reading.) [LB414A]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB414AE pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? Have all those voted who care to? Mr. Clerk, please record. [LB414A]

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CLERK: (Record vote read, Legislative Journal page 1452.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB414A]

SPEAKER FLOOD: Thank you, Mr. Clerk. LB414AE passes with the emergency clause attached. Mr. Clerk, we now proceed to LB456E. [LB414A LB456]

CLERK: (Read LB456 on Final Reading.) [LB456]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB456E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? Mr. Clerk, please record. [LB456]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1452-1453.) Vote is 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB456]

SPEAKER FLOOD: LB456E passes with the emergency clause attached. Mr. Clerk, we now proceed to LB628E. [LB456 LB628]

ASSISTANT CLERK: (Read LB628 on Final Reading.) [LB628]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB628E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB628]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1453-1454.) Vote is 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President. [LB628]

SPEAKER FLOOD: LB628E passes with the emergency clause attached. Mr. Clerk, LB629. [LB628 LB629]

ASSISTANT CLERK: (Read LB629 on Final Reading.) [LB629]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB629 pass? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? Mr. Clerk, please record. [LB629]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1454.) Vote is 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President. [LB629]

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SPEAKER FLOOD: LB629 passes. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB311, LB312, LB313, LB314, LB315, LB316, LB318, LB414, LB414A, LB456, LB629, LB628. Continuing with Final Reading, Mr. Clerk, we now proceed to LB545, where the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB629 LB311 LB312 LB313 LB314 LB315 LB316 LB318 LB414 LB414A LB456 LB629 LB628 LB545]

ASSISTANT CLERK: 40 ayes, 0 nays to dispense with the at-large reading, Mr. President. [LB545]

SPEAKER FLOOD: The at-large reading is dispensed with. Please read the title. [LB545]

ASSISTANT CLERK: (Read title of LB545.) [LB545]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB545E pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB545]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1455-1456.) Vote is 46 ayes, 1 nay, 1 present and not voting, 1 excused and not voting, Mr. President. [LB545]

SPEAKER FLOOD: LB545E passes with the emergency clause attached. Mr. Clerk, LB545AE. [LB545 LB545A]

ASSISTANT CLERK: (Read LB545A on Final Reading.) [LB545A]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB545AE pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? Mr. Clerk, please record. [LB545A]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1456.) Vote is 47 ayes, 1 nay, 1 excused and not voting, Mr. President. [LB545A]

SPEAKER FLOOD: LB545AE passes with the emergency clause attached. Mr. Clerk, we now move to LB198, where the first vote is to suspend the at-large reading. All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB545A LB198]

ASSISTANT CLERK: 42 ayes, 1 nay to dispense with the at-large reading, Mr. President. [LB198]

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SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title.) [LB198]

ASSISTANT CLERK: (Read title of LB198.) [LB198]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB198 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB198]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1457.) Vote is 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President. [LB198]

SPEAKER FLOOD: LB198 passes. (Doctor of the day introduced.) Mr. Clerk, LB198A. [LB198 LB198A]

ASSISTANT CLERK: (Read LB198A on Final Reading.) [LB198A]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB198A pass? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB198A]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1458.) Vote is 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB198A]

SPEAKER FLOOD: LB198A passes. Mr. Clerk, we now proceed to LB430, where the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Please record. [LB198A LB430]

ASSISTANT CLERK: 38 ayes, 0 nays to dispense with the at-large reading, Mr. President. [LB430]

SPEAKER FLOOD: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB430]

ASSISTANT CLERK: (Read title of LB430.) [LB430]

SPEAKER FLOOD: All provisions of law relative to procedure having been complied with, the question is, shall LB430 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB430]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1459.) Vote is 45

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ayes, 3 nays, 1 excused and not voting, Mr. President. [LB430]

SPEAKER FLOOD: LB430 passes. (Visitors introduced.) While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB545, LB545A, LB198, LB198A, and LB430. Mr. Clerk, we now proceed to LB671. [LB430 LB545 LB545A LB198 LB198A LB671]

CLERK: Mr. President, with respect to LB671, Senator Pirsch would move to return the bill for a specific amendment, AM1389. (Legislative Journal page 1439.) [LB671]

SPEAKER FLOOD: Senator Pirsch, you're recognized to open on your motion to return LB671 to Select File for specific amendment. [LB671]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. Yes, I am moving to return the bill from Final Reading for a specific amendment, AM1389. The amendment is technical in nature. What the...and I'll just remind you a little bit of the nature of the bill. It, in part, reorganized a council, the Nebraska County Attorney Standards Advisory Council. This amendment is very brief and very technical in nature. As we've added a few members to that council, we needed to add some specific guidance about how those members shall join. We want to make sure that they join on staggered terms, and so this just spells out or gives specific guidance as to how those terms shall be staggered. And so that is the sum and substance of the amendment. Thank you. [LB671]

SPEAKER FLOOD: Thank you, Senator Pirsch. Members, you've heard the opening. There are no members wishing to speak. Senator Pirsch, you are recognized to close. Senator Pirsch waives his opportunity. The question before the body is shall LB671 return to Select File for a specific amendment? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB671]

CLERK: 43 ayes, 0 nays, Mr. President, on the motion to return the bill. [LB671]

SPEAKER FLOOD: LB671 is returned to Select File for a specific amendment. Mr. Clerk. [LB671]

CLERK: Senator Pirsch would move to amend with AM1389. [LB671]

SPEAKER FLOOD: Senator Pirsch, you're recognized to open on AM1389. [LB671]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. Again, the sum and substance I've gone over. It just takes the County Attorney Standards Advisory Council, which has included a few new members. This is part of improving the death investigation process in Nebraska, and with these new additions to the council this

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amendment only gives specific direction about how to add these new members as far as their terms, when their terms begin and how those will be staggered. So it just gives some technical direction. With that, I would urge your approval. Thank you. [LB671]

SPEAKER FLOOD: Thank you, Senator Pirsch. Members, you've heard the opening. There are no members wishing to speak. Senator Pirsch, you're recognized to close. Senator Pirsch waives his opportunity. The question before the body is, shall AM1389 be adopted? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB671]

CLERK: 43 ayes, 0 nays, Mr. President, on the adoption of the Select File amendment. [LB671]

SPEAKER FLOOD: AM1389 is adopted. Mr. Clerk. [LB671]

CLERK: Nothing further, Mr. President. [LB671]

SPEAKER FLOOD: Senator Nordquist for a motion. [LB671]

SENATOR NORDQUIST: Mr. President, I move LB671 to E&R for engrossing. [LB671]

SPEAKER FLOOD: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. LB671 advances to E&R for engrossing. Items for the record, Mr. Clerk? [LB671]

CLERK: Mr. President, some of the bills read this morning were presented to the Governor as of 10:02 a.m. (Re: LB311, LB312, LB313, LB314, LB315, LB316, LB318, LB414, LB414A, LB456, LB628, and LB629.) New resolution, Senator Stuthman, LR132, that will be referred to the Executive Board, calling for an interim study. And Judiciary Committee, chaired by Senator Ashford, reports LB190 to General File with committee amendments attached. That's all that I had, Mr. President. (Legislative Journal pages 1460-1463.) [LB311 LB312 LB313 LB314 LB315 LB316 LB318 LB414 LB414A LB456 LB628 LB629 LR132 LB190]

SPEAKER FLOOD: Thank you, Mr. Clerk. We now move to Select File, 2009 Speaker priority bills, the Rogert division. We begin with LB503. [LB503]

CLERK: LB503. Senator Nordquist, I have Enrollment and Review amendments, first of all. (ER8128, Legislative Journal page 1416.) [LB503]

SPEAKER FLOOD: Senator Nordquist for a motion. [LB503]

SENATOR NORDQUIST: Mr. President, I move the E&R amendments to LB503.

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[LB503]

SPEAKER FLOOD: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. LB503's E&R amendments are adopted. [LB503]

CLERK: Mr. President, Senator Langemeier would move to amend with AM1367. Senator, I have a note you want to withdraw AM1367. [LB503]

SENATOR LANGEMEIER: That's correct. [LB503]

SPEAKER FLOOD: Without objection, it is withdrawn. [LB503]

CLERK: Senator Langemeier would move to amend with AM1400. (Legislative Journal page 1463.) [LB503]

SPEAKER FLOOD: Senator Langemeier, you're recognized to open on AM1400. [LB503]

SENATOR LANGEMEIER: Thank you, Mr. President, members of the body. In General File debate, Senator Council and I had some discussions about whether this exemption for shooting ranges would exempt them from local building codes. So with AM1400, we're going to add the lines in there that says...we're adding in the word: and generally accepted (sic) building and safety codes. The intent is not to exempt these from any building codes, so we're going to add a few words in here just to make it clear that we are not exempting them from the current building codes of a community. So with that, I would ask for your adoption of AM1400. [LB503]

SPEAKER FLOOD: Thank you, Senator Langemeier. Members, you've heard the opening. There are no members wishing to speak. Senator Langemeier, you're recognized to close. Senator Langemeier waives his opportunity. The question before the body is, shall AM1400 be adopted? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB503]

CLERK: 33 ayes, 0 nays, Mr. President, on the adoption of Senator Langemeier's amendment. [LB503]

SPEAKER FLOOD: AM1400 is adopted. Mr. Clerk. [LB503]

CLERK: I have nothing further on the bill, Mr. President. [LB503]

SPEAKER FLOOD: Senator Nordquist for a motion. [LB503]

SENATOR NORDQUIST: Mr. President, I move LB503 to E&R for engrossing. [LB503]

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SPEAKER FLOOD: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. LB503 is advanced to E&R for engrossing. Mr. Clerk, we now proceed to LB358. [LB503 LB358]

CLERK: LB358, Senator, I have no amendments to the bill. [LB358]

SPEAKER FLOOD: Senator Nordquist for a motion. [LB358]

SENATOR NORDQUIST: Mr. President, I move LB358 to E&R for engrossing. [LB358]

SPEAKER FLOOD: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. LB358 advances to E&R for engrossing. Mr. Clerk, we now proceed to LB155. [LB358 LB155]

CLERK: LB155. Senator Nordquist, I have Enrollment and Review amendments. (ER8129, Legislative Journal page 1417.) [LB155]

SPEAKER FLOOD: Senator Nordquist for a motion. [LB155]

SENATOR NORDQUIST: Mr. President, I move the E&R amendments to LB155. [LB155]

SPEAKER FLOOD: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB155]

CLERK: Senator Rogert would move to amend with FA42. (Legislative Journal page 1463.) [LB155]

SPEAKER FLOOD: Senator Rogert, you're recognized to open on FA42. [LB155]

SENATOR ROBERT: Thank you, Mr. President. You guys thought I was going to show up again for the LB155. I'm here. This is a very quick and technical amendment. It regards the way gas stations advertise and have been misadvertising for a little while some places on how they sell their gasoline. All this does is creates another way that we can clarify exactly how they're supposed to be advertising for the gas that they sell. One way that they've been misleading customers, a few, just a very few, is in terms of blending and selling different blends for different prices than they're actually advertising for. And the other way is they're doing kind of a bait and switch. They'll advertise on a sign on the road or on the interstate that says, this is the price, and you get to the gas station and there may or may not be a price...a gas that's that price still being sold or maybe they've got one pump that's selling that instead of all of those blends selling for that same price. So this is just a small clarification on how those things are done so we

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can make sure that they're doing what they're supposed to be doing with their customers. Thank you, Mr. President. [LB155]

SENATOR LANGEMEIER PRESIDING

SENATOR LANGEMEIER: Thank you, Senator Rogert. You have heard the opening on FA42 offered to LB155. The floor is open for discussion. Seeing no lights on, Senator Rogert, you are recognized to close. Senator Rogert waives closing. The question before the body is, shall FA42 be adopted to LB155? All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB155]

CLERK: 36 ayes, 0 nays, Mr. President, on the adoption of Senator Rogert's amendment. [LB155]

SENATOR LANGEMEIER: FA42 is adopted. [LB155]

CLERK: Senator Avery would move to amend with AM1399. (Legislative Journal pages 1464-1466.) [LB155]

SENATOR LANGEMEIER: Senator Avery, you are recognized to open on AM1399. [LB155]

SENATOR AVERY: Thank you, Mr. President. Good morning, colleagues. AM1399, as amended by the Judiciary Committee, brings Nebraska into line with 47 other states. It was reported out of the Judiciary Committee yesterday on a vote of 7 for and 1 person not voting. I believe that was Senator Council, who was on the mike at the time and was not present. What this amendment does is make DNA collection and testing mandatory for all felony convictions effective as of the date of the act. It also makes DNA collection and testing mandatory for any person who has previously been convicted of a felony and is still serving a term of confinement effective on the date of the act. The committee amendment reincorporates certain misdemeanors which would have been stripped from the current statute by the underlying bill. I did not intend to do that when this was drafted. These are misdemeanors that ought to be subject to mandatory DNA testing, such as misdemeanor stalking, false imprisonment in the first degree, false imprisonment in the second degree, knowing and intentional sexual abuse of a vulnerable adult, a violation of the Sex Offender Registration Act. It also includes a provision to include in mandatory DNA testing persons who have been convicted of a felony offense or other specified offense in order to allow for new offenses and misdemeanors that may arise to a level of required DNA testing in the future. There are many opportunities in the criminal justice system for failure. We're familiar with them: false testimony, misinterpretation or misrepresentation of evidence, incompetent legal representation, unreliable expert testimony. In fact, mistaken or skewed eyewitnesses or informant accounts are the single greatest cause of wrongful convictions nationwide

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playing a role in more than 75 percent of convictions overturned through DNA testing. Any one or a combination of these factors can result in individuals being wrongly convicted, wrongly sentenced, and sometimes wrongly executed. DNA databanks are an increasingly important tool in criminal investigations. They, of course, are important in convicting the guilty. They can also be important in exonerating the innocent. They can also help locate and identify missing persons in human remains. It's important, I think, to point out that authorities already take fingerprints, photos, and personal information at the time of arrest. We are not proposing in this amendment that DNA testing occur at the time of arrest or charges but only upon conviction. Some may object to this as an invasion of privacy, but as I indicated, DNA should not be treated as anything other than physical evidence, such as photographs and fingerprints. We are familiar with instances in this state where DNA testing led to the exoneration of six people in Beatrice who have been falsely accused of crimes. This can be used in this manner, to help exonerate, but it can also help close a lot of cold cases. I am not going to rehash the history of the Beatrice Six. I do want to talk a little bit, though, about something known as CODIS. CODIS is the Combined DNA Index System. It's a federal databank. Nebraska already participates in this databank. Nebraska already participates in the Federal Bureau of Investigation cooperation with the CODIS. It is a computer system that stores DNA profiles created by federal, state, and local crime laboratories throughout the United States. It has the ability to search the database to assist in the identification of suspects in crimes. It also permits the cross-comparison of DNA profiles developed from biological evidence found at crime scenes. Even if a perpetrator is not identified through the database, crimes may be linked to each other, thereby aiding in the investigation, which may eventually lead to the identification of a suspect. As of November of last year, CODIS had in their databank 4,200 offender profiles of Nebraska citizens. CODIS has aided the Nebraska State Patrol in 16 cold case investigations by adding value to police work. We currently have 250 cold cases in Nebraska. Many of those are murder cases. To date, 227 people in the United States have been exonerated by DNA testing, including 17 who served time on death row. These people served an average of 12 years in prison prior to their release. CODIS also permits the cross-comparison of DNA profiles developed from biological evidence found at crime scenes and this can be useful in helping add value to an investigation. One point should be made about the treatment of DNA evidence in courts. Most organizations involved in the debate consider the matter of convicted felon testing to be a closed issue. The U.S. Supreme Court has routinely refused to consider appeals from lower courts in which judges have ruled in favor of DNA testing. The Supreme Court has long maintained that the intrusion affected by taking a blood sample is minimal, virtually involving no risk, trauma, or pain. Let me speak very briefly about the fiscal note. I have been in consultation with the Fiscal Office. They agreed to recalculate the fiscal note that you may find in your files in order to reflect the removal of convicted felons currently on probation from the total, and the revised amount is for 2009-2010, \$231,865, and for 2010-2011, \$97,373. Let me also point out that there is a lot of federal grant money available to assist states who adopt this kind of legislation. Nebraska received an

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estimated \$217,000 in federal funds during fiscal year 2008 and this is part of the Forensic DNA Backlog Reduction Program. Nebraska anticipates the need for enhanced DNA collection allocated for fund...allocated funds for travel, training, equipment, supplies, and manpower. It is my belief and the belief of people in the Attorney General's Office that we will be successful in getting grant money. The State Patrol has already received funds from the National Institute of Justice to identify, review, and investigate violent cold case crimes. There's the potential here to get additional money to fund this program. I have a little more time, Mr. President? How much time do I have left? [LB155]

SENATOR LANGEMEIER: One minute, 12 seconds. [LB155]

SENATOR AVERY: Twelve seconds. Let me just say that Denver has successfully used this program to close many of their cold cases and it resulted in a number of convictions. This is good legislation. I would have brought it earlier but the Judiciary Committee was very busy and couldn't get it reported out until yesterday. And Senator Rogert was very kind to let me attach it to LB155. I urge you to agree to this; give me a green vote. Thank you. [LB155]

SENATOR LANGEMEIER: Thank you, Senator Avery. You have heard the opening on AM1399 offered to LB155. Those wishing to speak, we have Senator Rogert, Haar, Nantkes, and Ashford. Senator Rogert, you're recognized. [LB155]

SENATOR ROBERT: Thank you, Mr. President, members of the body. I rise in support of AM1399, which is LB190. Last year I carried a bill very, very similar to this. It was a little further reaching. This is a little lesser version, but a good step, a step in the right direction, as far as I'm concerned, when it concerns this type of issue. I'll give you an example of why I carried the bill last year. A friend of mine went to school at University of Florida and a friend of his, or an acquaintance, a young lady who was a college student, was raped and murdered by an individual. Three years later, this assailant was arrested and convicted of a felony in another state. With the DNA that was collected, they were able to determine that he had also committed the crime in Florida. If he had been...in between there he had been arrested for several other felony crimes and if states would have had this type of legislation on the books we could have sooner figured out the conviction and closed the case on the young lady in Florida. So I support this legislation and the method of which the DNA is held and kept in privacy. And I encourage your adoption of AM1399. I'll yield the rest of my time to Senator Avery. [LB155 LB190]

SENATOR LANGEMEIER: Senator Avery, 3:18. [LB155]

SENATOR AVERY: Thank you, Senator Rogert and Mr. President. The question was raised off the mike as to whether this is a major policy shift and should not be brought

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on Select File. It is not a major policy shift. In fact, we currently test a number of convicted felons already but we do not test all of them. This would expand an existing program and it is worthy of your support. If you remember in July of 2002, a five-year-old girl and a friend were playing in a driveway near their homes when a man asking about a missing puppy abducted her. She was found battered and naked the following day on a cliff about 60 miles away. DNA evidence collected from under her fingernails matched the genetic profile of a suspect who had been previously acquitted of molesting two other girls. Upon investigation, a sample of the young girl's DNA was found in the murderer's car. The DNA was admitted for trial. The perpetrator was subsequently convicted of all counts and in July of '05 a judge formally sentenced him to life in prison. We've all heard of numerous similar instances where cases, difficult to otherwise close, have been closed with DNA testing. This is not new policy. It is an expansion of current practice here in the state of Nebraska. We do not test all felons now. I think we should for the sake of closing cold cases and for exonerating those false convicted. Thank you, Mr. President. [LB155]

SENATOR LANGEMEIER: Thank you, Senator Avery and Senator Rogert. Senator Haar, you're recognized. [LB155]

SENATOR HAAR: Mr. President, members of the body, I wish I could have talked with Senator Avery off mike about this a little bit, but I'd like to ask Senator Avery some questions. [LB155]

SENATOR LANGEMEIER: Senator Avery, would you yield? [LB155]

SENATOR AVERY: I will. [LB155]

SENATOR HAAR: Since this came up really quickly, otherwise we could have talked about this off mike, but I got a letter here and this is something that was brought up, of course, in the Judiciary Committee, but I'd just like to ask you about this. Says unlike fingerprints or a mug shot to identify criminals, DNA reveals substantially more information about each of us. With DNA, a person's tissue is mined to reveal individualized information well beyond that necessary for identification. For example, DNA reveals my race, my genetic disposition for certain diseases, and in the future may even tell my sexual orientation, my intelligence quotient, and my tendency towards mental illness and many other things. So my question is, how do we protect against the use...the misuse of this kind of DNA information? [LB155]

SENATOR AVERY: That's a good question. It is my understanding that there are safeguards already in place with CODIS in how this information is used. But I would also remind you that the Supreme Court has taken a position on the use of DNA evidence in criminal investigations. They have routinely refused to accept cases from the lower courts in which judges have ruled in favor of DNA statutes like this. The fact is

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that when you are...I'm not talking about people who are accused of crimes. I'm talking about people who have been convicted and incarcerated. These are the ones we're going to be testing. You give up your rights when you...the right to privacy and other rights when you are convicted and imprisoned. [LB155]

SENATOR HAAR: Okay. But certainly we wouldn't want, for example, a data theft in which people's potential toward certain illnesses were somehow obtained by insurance companies or something. [LB155]

SENATOR AVERY: No. No, we would not and CODIS has rules in place to prevent that. [LB155]

SENATOR HAAR: Okay. Could you share those with us? And also I'm having prepared an amendment that would simply say that this DNA collected could only be used for criminal prosecution, that sort of thing. Does that makes sense? [LB155]

SENATOR AVERY: I think, if you look at the amendment, it already...it already specifies that. [LB155]

SENATOR HAAR: Okay. Could you...could you show me that? [LB155]

SENATOR AVERY: I... [LB155]

SENATOR HAAR: And maybe just read it to me because I don't have it up on my computer. [LB155]

SENATOR AVERY: Well, if you go to your computer and look under LB155, you click on AM1399,... [LB155]

SENATOR HAAR: Right. [LB155]

SENATOR AVERY: ...the bill was originally LB190 when it was heard before the Judiciary Committee. [LB155 LB190]

SENATOR HAAR: Okay. And I stand in support of the bill and the amendment. I just have that concern and I'm going to sit down and look this up and then get on the light again. Thank you, Senator Avery. [LB155]

SENATOR LANGEMEIER: Thank you, Senator Haar. (Visitors introduced.) Returning to discussion on AM1399 offered to LB155, those wishing to speak, we have Senator Nantkes, Ashford, and Haar. Senator Nantkes, you're recognized. [LB155]

SENATOR NANTKES: Thank you, Mr. President. Colleagues, I guess I rise with hopes

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that we can garner some additional dialogue on this issue and, admittedly, this amendment has caught me and I think some other senators by surprised, and interested parties to this issue as well. And to be clear, I'm not unequivocally or otherwise opposed to what Senator Avery's original proposal is or what he's attempting to do through this amendment, but I think that this does, in fact, represent a significant policy shift that we haven't truly had a time to digest in a serious way to address many, many concerns that have been brought forward by members of the bar...members of the bar, not the Bar Association, members of the bar who practice in this field. And in addition to privacy issues, which are real, and, Senator Avery, to be clear, when somebody is convicted of a felony conviction, they don't give up all of their rights. They may give up some of their rights, but they do not give up all of their rights and certain privacy rights are included and afforded to those who are convicted of serious or less serious crimes. And so to make a blanket statement like that, that's just not legally accurate. Secondly, colleagues, in the budget that we just passed on Final Reading this morning, there were significant reductions in the amount of funds that we were able to provide to the Nebraska State Patrol which I know people like Senator Harms were very, very concerned about throughout the committee process. And the capacity issues that this type of legislation would bring upon an already very, very tightly operated state agency like the State Patrol, in conducting all the good work that they do across the state, I think really needs...those capacity issues are real and they need to be talked about and we need to ensure that they can, in fact, carry out this significant new and expanded group of duties to effectively administer our criminal sanctions and statutes in this state. So besides those kind of logistical and technical capacity issues, I think that we also need to talk about costs and talk about how this implementation will work. And if Senator Avery would yield to a question, that would... [LB155]

SENATOR LANGEMEIER: Senator Avery, would you yield? [LB155]

SENATOR AVERY: I will. Yes, I will. [LB155]

SENATOR NANTKES: Senator Avery, do you...is it your intent that then the State Patrol would be responsible for administering the significant expansion of this program, as evidenced through your legislation here this morning? [LB155]

SENATOR AVERY: Actually, a lot of the administration of this would be in the Department of Corrections. [LB155]

SENATOR NANTKES: Okay. And have you had a chance to talk with the Department of Corrections or the State Patrol about capacity issues in implementing this public policy change? [LB155]

SENATOR AVERY: We did consult with them and the capacity question was never raised by them and we did not raise it. [LB155]

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SENATOR NANTKES: Okay. Thank you, Senator Avery. And I did notice that there were some interest groups that were opposed to this at the committee level and I'm wondering if you've had a chance to work with them to address any of the concerns they brought forward. [LB155]

SENATOR AVERY: Which groups are you talking about? [LB155]

SENATOR NANTKES: Well, I was just looking at the committee statement here and I saw that there were opponents and I guess the American Civil Liberties Union had testified in opposition. And I wasn't at the hearing so I'm not sure exactly what their concerns may or may not have been, but have you had a...could you tell us what those concerns are did you address them? [LB155]

SENATOR AVERY: Well, I had to leave the hearing because I had other bills up before other committees, but it's my understanding the ACL... [LB155]

SENATOR NANTKES: So you're not clear at all what opponents may have said in regards to your legislation. [LB155]

SENATOR AVERY: It's my understanding they raised the privacy issue. [LB155]

SENATOR LANGEMEIER: One minute. [LB155]

SENATOR NANTKES: And did you feel it necessary to follow up on those concerns or to further investigate any possible workable solution to address those concerns that were raised? [LB155]

SENATOR AVERY: No, I did not because the privacy issue has been addressed, I think, in the courts already. [LB155]

SENATOR NANTKES: And isn't it true, though, Senator Avery, that the American Civil Liberties Union is made up of practicing lawyers who have significant expertise in litigating those very kinds of issues, so they could be seen as a credible source for concerns when they do arise? [LB155]

SENATOR AVERY: Well, yes, they are made up of lawyers. Lawyers have differing opinions on questions involving privacy and the rights of prisoners. I expected that the ACLU might object but I felt that the Supreme Court and other court rulings on this held more sway. [LB155]

SENATOR NANTKES: Okay. Thank you, Senator Avery. [LB155]

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SENATOR LANGEMEIER: Thank you, Senator Nantkes. Senator Haar, you're recognized. [LB155]

SENATOR HAAR: Mr. President, members of the body, could I ask some more questions of Senator Avery, please? [LB155]

SENATOR LANGEMEIER: Senator Avery, would you yield? [LB155]

SENATOR AVERY: I will. [LB155]

SENATOR HAAR: Okay. Well, our LAs have been talking and apparently, and is this your understanding as well, that any DNA information goes directly to CODIS and that there are protections built in at the national level? [LB155]

SENATOR AVERY: That is my understanding and I would point out that we have in statute in Nebraska, 29-4104, a state DNA database was passed into law in 1997. We share that with CODIS and with the FBI. And we were very careful in drafting this legislation about the...how this information would be used and we were satisfied that it was...there were sufficient safeguards. [LB155]

SENATOR HAAR: Okay. So...and I'm satisfied now with CODIS, the national agency, but do you know specifically what the safeguards are in state law if that's also a state database? [LB155]

SENATOR AVERY: Yes, we...you mean... [LB155]

SENATOR HAAR: Go ahead. [LB155]

SENATOR AVERY: What's your question again now about the state law? [LB155]

SENATOR HAAR: I guess with...if...for the DNA evidence going to CODIS, we know that there are built-in safeguards at the federal level, and what I'm being told now is that the only way you can use DNA is to match...you can't ask for a name or anything with CODIS. You get a match and then if you get a match then CODIS will give you a name and so on, but in terms of the state level, what is that DNA evidence used for? [LB155]

SENATOR AVERY: All right. I have that law now, Senator,... [LB155]

SENATOR HAAR: Okay. [LB155]

SENATOR AVERY: ...but I'll have to read it to you. It's 29-4110, unlawfully obtaining or possessing samples or records, and penalties: Any person who has possession of or access to individually identifiable DNA samples or DNA records in the State DNA Data

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Base or in the State DNA Sample Bank shall not disclose such sample or records in any manner to any person or agency not authorized to receive them knowing that such person or agency is not authorized to receive them. No person shall obtain individually identifiable DNA samples or DNA records from the State DNA Data Bank (sic) or the State DNA Sample Bank without authorization to do so. Any person who knowingly violates this subsection is guilty of a Class III misdemeanor. That is in current statute in Nebraska, 1997. [LB155]

SENATOR HAAR: Okay. Well, I appreciate that information. Another...one other question I would have then and, again, this is not to grill you but just to help me understand this whole process, if someone is exonerated and they have their DNA sample taken, you know, after they've been convicted by a felony, let's say, and DNA shows that they're not guilty and they're exonerated, is their DNA removed from these databases? Do you know that? [LB155]

SENATOR AVERY: I do not know the answer to that. [LB155]

SENATOR HAAR: Okay. Is that something we could look into maybe? [LB155]

SENATOR AVERY: Yes. [LB155]

SENATOR HAAR: Okay. Well, I appreciate that. Again, I stand in support of the LB155 and the amendment. It's just that this came up quickly and I think there's some really important privacy issues when it comes to DNA. So thank you very much, Senator Avery. [LB155]

SENATOR LANGEMEIER: Thank you, Senator Haar. Seeing no other lights on, Senator Avery, you are recognized to close on AM1399. [LB155]

SENATOR AVERY: Thank you, Mr. President. I realize that the fiscal note on this is not small, but sometimes we have to...we have to ask ourselves what's important. I believe it's important that we do two things when it comes to crime. We convict those who are guilty and we exonerate those who have been wrongly convicted. I think this will help us do that. We have adequate safeguards in the law now to prevent the misuse of this information. My staff just handed me a note here that in current statute 29-4109 a person whose DNA record has been included in the State DNA Data Base may request expungement on the grounds that the conviction on which the authority for including such person's DNA record was based on or had been reversed or the case dismissed. That would answer Senator Haar's last question. This is a fairly new technology going back to the 1980s. It is about as close as you can get to perfection. You take a \$10,000 Zeiss microphone. It's about as close to infallible as...or excuse me, microscope. It's about as close to infallible as you can get. DNA evidence unlocks the door to many unsolved crimes. I think that it can lead to proper convictions. We want to get it right. If

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we're going to have a proper legal system, we ought to be getting it right. We ought to be clearing those that have been falsely convicted and we ought to be convicting those that are guilty. I think this will help us do that and I urge you to vote yes on this. Thank you. [LB155]

SENATOR LANGEMEIER: Thank you, Senator Avery. You have heard the closing on AM1399 offered to LB155. All those in favor vote yea; all those opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB155]

CLERK: 29 ayes, 0 nays, Mr. President, on the adoption of Senator Avery's amendment. [LB155]

SENATOR LANGEMEIER: AM1399 is adopted. [LB155]

CLERK: At this time, Mr. President, I have nothing further on the bill. [LB155]

SENATOR LANGEMEIER: Senator Nordquist for a motion. [LB155]

SENATOR NORDQUIST: Mr. President, I move LB155 to E&R for engrossing. [LB155]

SENATOR LANGEMEIER: You have heard the motion. All those in favor say aye. All those opposed say nay. The ayes have it. LB155 does advance. Mr. Clerk. [LB155]

CLERK: Mr. President, LB630 on Select File. Senator Nordquist, E&R amendments, first of all. (ER8106, Legislative Journal page 1274.) [LB630]

SENATOR LANGEMEIER: Senator Nordquist, for a motion. [LB630]

SENATOR NORDQUIST: Mr. President, I move the E&R amendments to LB630. [LB630]

SENATOR LANGEMEIER: You have heard the motion on the E&R amendments. All those in favor say aye. All those opposed say nay. The ayes have it. They are adopted. [LB630]

CLERK: Senator Lathrop would move to amend, AM1398. (Legislative Journal pages 1466-1467.) [LB630]

SENATOR LANGEMEIER: Senator Lathrop, you are recognized to open on AM1398. [LB630]

SENATOR LATHROP: Thank you, Mr. President and colleagues. Just a brief matter and a very simple amendment. After we moved LB630 from General to Select, we

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heard from the work comp court who had a number of suggestions, some of which we are adopting in this amendment. The other purpose of this amendment is to indicate, and you'll remember that one of the things we do in LB630 is to eliminate the requirement that lump sum settlements be approved by the Workers' Compensation Court except in enumerated circumstances. They are when a person doesn't have a lawyer, if they don't pay all the bills at the time, and if it requires a Medicare set-aside or a death claim. We are amending this to indicate that while those are the circumstances under which a lump sum settlement needs to be approved, delineating or enumerating those circumstances doesn't expand the duties of the court or the authority of the court in the lump sum settlement process. A simple almost cleanup amendment, not substantive in that respect, so we would appreciate your support of AM1398 and moving LB630 on to Final Reading. Thank you. [LB630]

SENATOR CARLSON PRESIDING

SENATOR CARLSON: Thank you, Senator Lathrop. You've heard the opening on AM1398. Are there senators wishing to speak? Seeing none, Senator Lathrop, you're recognized to close. He waives closing. The question is, shall AM1398 be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB630]

CLERK: 30 ayes, 0 nays, Mr. President, on the adoption of Senator Lathrop's amendment. [LB630]

SENATOR CARLSON: The amendment is adopted. [LB630]

CLERK: I have nothing further on the bill, Mr. President. [LB630]

SENATOR CARLSON: Senator Nordquist. [LB630]

SENATOR NORDQUIST: Mr. President, I move LB630 to E&R for engrossing. [LB630]

SENATOR CARLSON: You've heard the motion. All in favor signify by saying aye. Opposed, nay. LB630 is advanced. Items for the record, Mr. Clerk. [LB630]

CLERK: Mr. President, I do have a few. Thank you. The last segment of Final Reading this morning bills were presented to the Governor as of 10:18 a.m. (re: LB545, LB545A, LB198, LB198A, LB430). Two study resolutions: LR133 by Retirement Systems and LR134, Retirement Systems; both will be referred to the Executive Board. That's all that I have, Mr. President. (Legislative Journal pages 1467-1468.) [LB545 LB545A LB198 LB198A LB430 LR133 LR134]

SENATOR CARLSON: Thank you, Mr. Clerk. Next item.

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CLERK: Mr. President, LB626. Senator Nordquist, E&R amendments, first of all. (ER8124, Legislative Journal page 1387.) [LB626]

SENATOR CARLSON: Senator Nordquist for a motion. [LB626]

SENATOR NORDQUIST: Mr. President, I move the E&R amendments to LB626. [LB626]

SENATOR CARLSON: You've heard the motion. All in favor say aye. Opposed, the same. Motion carried. [LB626]

CLERK: Mr. President, the first amendment I have to the bill, Senator Lautenbaugh, AM1322. (Legislative Journal page 1324.) [LB626]

SENATOR CARLSON: Senator Lautenbaugh, you are recognized to open on your amendment. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. You've heard a lot of this before as we've just discussed this last week and I agreed to pull this amendment and bring it back now. And so now here we are and we're going to be talking about this for awhile, I have a funny feeling, but that's okay because, honestly, that's why we're here. One of the most irritating parts about this discussion last time around was the people who came up to me and said, we appreciate your courage in bringing this; we may not be with you but, boy, this is such a courageous thing to do. It isn't and don't say that. To paraphrase someone I admire, I didn't come here to seek your good opinion. A good friend of mine said one time, hey, we aren't friends here, and we are because I just called him a friend so obviously he was mistaken, but it was funny when he said it to me at least. I'm not doing this so you will, you know, coo appreciatively, oh gosh, look it, he's taking on campaign finance, this is so difficult, who would do that. That's not what this is about. Don't stroke my ego. It's big enough to take care of itself. This is about doing the right thing and facing up and making the right call. This is about doing away with a system that I'll describe as indefensible. And I say that confidently because, if you listened last time, no one could defend it and no one bothered to try. And that was a rerun of our committee hearing on this where the people who opposed this bill, the League of Women Voters and Common Cause, conceded, as did members of the committee, that there was a problem here that I had nailed the issue as far as the problem but they just didn't agree with the solution. The opponents who testified said, oh gosh, you can't put that...you know, take away the Campaign Finance Limitation Act; we put that in to get money out of politics. Well, we are where we are and I think to say that something is an utter and unabashed failure is not an overstatement in this case. The system we've set up has not taken money out of politics, has not made campaigns cheaper, has not improved the system one whit, quite

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the opposite I would argue, and it's time for it to go. It's time for it to be over and this is the time to make that call. My bill doesn't do away with Accountability and Disclosure; far from it. My bill says you will disclose everything you get, \$50 and up, right away, my amendment, I should say. Everything you get, everyone is going to know what it is. That's openness. That's transparency. There's no, you know, waiting for the next report. There's no wondering what we get and who we get it from. You disclose it and that's it. In exchange, there are no limits to what someone can give you, what some entity can give you, how much you can take from any group of entities that we artificially carve out. It's just full, open disclosure and let the chips fall where they may. And as I said before, I believe that's honest. I believe it's fair. I believe the public would prefer that rather than the system we have now where you really have to work to see who's saying what about who, and who's funding them and who they are and why are they doing it. When it comes straight from the candidates, at least you know who we are. Even when it comes from the political parties, you can at least call the party and say, you know, cancel my membership or whatever; I'm really upset with you. But when you're faced with citizens for a nicer Nebraska or people for good things, you don't know who that is, you don't know where to call. All you know is you have some disgusting piece of mail in your mailbox that no one is accountable for. Accountability and Disclosure will go on. We'll need to disclose where our contributions come from. And I have no beef with them. I believe Frank does a good job, Mr. Daley. He's been very helpful to me in the past. But even this year I ran afoul of the rules when I think January 4 or so I realized that I was required to file a statement by the first of the year as to whether or not I was going to be abiding or not abiding by 2010 or in 2010. I hadn't even announced I was running for anything in 2010, but I had to decide whether or not to abide and give them an estimate as to how much I thought I would spend in this hypothetical campaign that remained unannounced. And I said, well, Frank, this really gives one an incentive not to abide if we have to make the call now, not knowing anything about what the future holds. And their response was, well, we don't care what you do, it's just the law. And that's true. This isn't Accountability and Disclosure's fault. They're up there trying to deal with this Rube Goldberg mechanism that we've set up to get money out of politics. They didn't make this up. Again, my amendment is very simple. It takes off the limits and requires full disclosure, full transparency. Everyone will know who we are and what we're doing. And this is going to take time today. And I stood up and made some comments yesterday that may have been perplexing, maybe not. As I understand it, there may be some legal issues with my amendment and I, like the rest of you, are waiting to hear what those are. I spoke to the Chairman of the Government Committee and it was explained to me that because the committee, as a majority, did not endorse this bill that the committee legal counsel would not be available to me and that she was busy anyway. I guess it never stops in mid-May when you're the legal counsel for the Government Affairs Committee. So I don't know what legal issues are coming, so I filed four or five floor amendments this morning and if there's an issue that needs to be addressed then we'll talk and talk and then I'll withdraw this amendment and move to substitute a revised version of this for one of the nonsensical floor amendments I filed,

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and we will hash this out in an excruciating and time-consuming manner rather than getting to the issue and actually getting to the merits of this relatively expeditiously. But hash it out we will and hash it out we should. And don't be deceived. This is not one of these where this would be, oh, it's a tough issue I'm going to check out, and not be here for the vote. We need to know where you stand on this, and you know where I think you should stand on it and stand in favor of transparency and honesty. Let me give you some for instances of what the current system allows as we force the money underground. There was a group last year that was set up by the Nebraska State Transportation Political Education Committee, the Railroad Workers Union, the State Education Association PAC, and, well, I won't call them the Visiting Nurses but they were in on it, too, and they raised \$70,000-some. And Ken Winston set it up and they ran the attack ads. They had \$70,000 to play with and attack they did. And I don't remember the name of their group and neither will you, and I think it's gone now. It came and it went. But it spent \$70,000 somehow in this process where I understood money was removed. You know, we have the CFLA in place, the big money is gone, but yet that didn't stop the Trial Attorneys, the Education Association, and the Railroad Workers Union from pooling together \$70,000 and going on the attack. They weren't alone. They weren't the only ones who did this. There was a group set up by, I think, the chamber and the Farm Bureau, a few other groups that escape me at the moment. They worked to the other side of it. And they had a name that sounded nice and benign, as they always do, and no one knows who they are and no one knows who funds them until the reports are eventually filed and someone has to take the time to go read the reports and see that citizens for whatever... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: ...was funded by groups X, Y, and Z. And by then, the attacks are over, the circus has left town, often the campaign is over. What I'm offering to you is something better. It at least has the virtue of being honest and transparent, which I would submit to you the prevailing system utterly lacks. This is a shell game. This is a scam. I don't think it was the intent of the people who introduced this bill originally to put the Campaign Finance Limitation Act in place, but I don't care what their intent was. I'm dealing with what we have and what we have is an abomination. It's ridiculous, it infringes upon speech, it urges people to play hide the ball with campaign funds, and it rewards that behavior. It rewards it and I can't believe that was anyone's goal. And I can't believe anyone here would tolerate that for another minute. [LB626]

SENATOR CARLSON: Time. Thank you, Senator Lautenbaugh. You've heard the opening on AM1322. Floor is open for discussion. (Visitors introduced.) The floor is now open for debate. Senator Karpisek, you are recognized. [LB626]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I felt that I should stand up and give you a little bit of my thoughts on this since it's being attached

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to my bill. I want to remind you that Senator Lautenbaugh is what's between us and the rest of the day, not only lunch. There's a number of amendments on this bill and I support all of them either entirely or in part. I absolutely agree with Senator Lautenbaugh that there is something wrong with our campaign finance. We've all been through the election process and we know, and it's nothing but frustrating when these negative campaign ads show up against us and we don't even know who it comes from. What I plan to do on all of these amendments is to not vote on any of them, and I plan just to stay quiet and listen. All of you that know me probably won't believe that will happen and I'm not making any promises. But I do plan on not voting unless one of them needs a 25th vote to push it over. My bottom line, as you can well imagine, is I don't want to kill my bill, LB626. Senator Avery and the Government Committee staff has worked long hours on LB626, along with the committee. We've gotten it out here. We've spent numerous hours, disagreed, came to some sort of agreement to get it out on the floor, and I appreciate the Speaker putting it up. I feel there's a lot in LB626 that needs to be done. That's why I don't want to see it go away. I think there's a lot of things that we need to do to get LB626 going and make sure that people know what kind of rules they're playing by. I guess I don't mind any of the bills coming on amendments now onto my bill. I've talked to everyone. I may talk on a couple because maybe they're not the way they came out of committee, and I don't know that that's the right way to do things but we'll talk about that as we get there. But I did just want to say up front that I did know these were coming this time and I have said I'm not going to try to kill any of them. I'm no even going to try to speak on them. Maybe, if nothing else, we can get some good conversation. We did on General File on Senator Lautenbaugh's amendment. I think someone needs to stand up and we need to look at this because we are going down the wrong path. We're making it harder all the time for the average Nebraskan to run for this position. And we all realize that's what we need here, is average people to come in, especially with term limits, and do a job that most people would probably like to do, put in some time and go back about their lives. That's what makes this place so great. And we need Nebraskans to help Nebraskans get here. And we need to know who's funding things and where these...especially negative, as Senator Lautenbaugh has said, despicable campaign attacks come from. So if anyone does have any other questions of me, I would be more than happy to acknowledge them, try to tell you where we've been along this road. With that,... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR KARPISEK: Thank you, Mr. President. With that, I will sit and listen to the debate. Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Karpisek. Senators wishing to speak include Janssen, Avery, Schilz, Price, Friend, and others. Senator Janssen, you're recognized. [LB626]

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SENATOR JANSSEN: Thank you, Mr. President, members of the body. This reminds me of an old car, an old junky car you have sitting at your property that may or may not work, some time it had some use to it. And the junky car I'm referring to it is LB626. But then you find a great performance, a high performance engine that you can dump into this junky car, which I'll call AM1322, and now we have something. Now we have something good. Now we have a junky car that has a great engine in it and we can work with it, and I'll help put a paint job on this one because now I like LB626. LB626 came out of committee without my support. I didn't like it. I believe I voted against it on...well, I guess I didn't, but I spoke against it after I said I wouldn't speak against it, so I did. But now I get to speak for it. So this is a happy day. I get to go with my friend Senator Karpisek and help him support this. You know, it's, for me, a happy day. In the words of Ken Schilz, I want to take this bill home with this amendment now. I want to take it to bed. I want to read it before I go to bed at night. I like it. This is absolutely necessary. I agree with everything Senator Lautenbaugh said about the campaign process and the way the ads come out, and if we get this thing passed today...I'm willing to stay here till noon to see that this thing gets done today, nonetheless. (Laughter) I'll let you know, and I will meet you possibly even for a cigar outdoors somewhere today, even though I don't smoke and neither should anybody. But with that, I'll throw my support behind LB1322. I will sit back and enjoy the show of amendments. And since Senator Lautenbaugh is doing this, he either wants to go to lunch or he wants me to yield the balance of my time, and I will yield the balance of my time to Senator Lautenbaugh. [LB626]

SENATOR CARLSON: Thank you, Senator Janssen. Senator Lautenbaugh, 3 minutes. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President. And I am willing to work through lunch on this, if necessary. I like to say I'm drought and famine resistant, so I can stay here as long as it takes. Turnout, the thing that's in vogue among the concerned citizens in the election area is voter turnout. What do we do? It's appalling. Well, maybe the turnout would be less appalling if our campaigns were less appalling. And Senator Ashford says that's not a bad point, so I'm on to something here. I'm going to roll with it. Think about it, we are...and I say "we," but it isn't us really. The way our campaigns are run today with these faceless groups sending out attack piece after attack piece, sometimes true, sometimes false, it doesn't matter, there's no resource really. You can...well, there's no recourse against these groups. I won't belabor that point. Are we really shocked why people don't turn out and vote? When you are inundated with mail saying both sides are just vile candidates for one reason or another, what do you do? Do you go vote for the less vile candidate? Is that really going to get you to get up and move? Well, I'm going to vote for candidate A because from what I've been reading he's less vile than candidate B? That's no way to run a railroad. That's no way to run a political system. And again as I said previously, if you want to know who's at fault for this look to the left, look to the right, look in the mirror, because you're

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allowing it to continue if you don't support this amendment. You're allowing it to continue. And again, I'm willing to hear other solutions and I think it will be a good long wait because I don't think we can regulate those independent expenditure groups. They're going to be there. There are First Amendment implications here. The best way we can take care of that problem is to "defund" it, and I would submit to you that the way we "defund" those groups is to allow contributors to contribute directly to our campaigns. And when you put limits on it, you just distort the process. I told the story of the luxury tax on General File where we slap the tax on luxury items to soak the rich. [LB626]

SENATOR CARLSON: Thirty seconds. [LB626]

SENATOR LAUTENBAUGH: And what we did was force all the yacht makers out of business in this country and put a bunch of blue-collar workers out of work, as the wealthy went overseas to buy their expensive luxury items. This is the same principle. This is the exact same principle. When you try to regulate behavior in an area like this, the law of unintended consequences comes back with a vengeance, especially in this area, and we have what we have because of the current system that we have which is supposed to prevent this. [LB626]

SENATOR CARLSON: Time. Thank you, Senator Lautenbaugh. (Visitors introduced.) Senator Avery, you're recognized. [LB626]

SENATOR AVERY: Thank you, Mr. President. Throughout the course of this debate I think you can expect that I'm going to be actively involved. I am going to argue that this amendment should be defeated. That will not surprise you. I will make four basic points. I probably won't get to them all in this time at the mike. First will be a procedural point, and that is that the procedure being employed is inappropriate and violates an important norm of this body. I will also argue that AM1322, in its current form, is inconsistent and unworkable. I will also criticize the amendment for its large and unaffordable fiscal note. And I will finally argue that repealing the Campaign Finance Limitation Act is not good public policy. Let me start with the procedural issue. This amendment was brought to the Government Committee as LB638. The Government Committee had an extensive public hearing on the bill. No one showed up to testify in support of this bill at the hearing, none. Two groups testified in opposition, and the Accountability and Disclosure Commission testified in a neutral capacity, as they always do on policy issues. The committee held two Executive Sessions on the bill, not one but two. Those discussions did not produce a majority to advance the bill. Part of the reason the bill did not have enough votes to advance had to do with the amount of work needed to make the bill workable and worthy of reporting to the floor. But several committee members also had policy and philosophical objections to the bill; others objected to the large fiscal note. Let me just say quite bluntly that I don't think this Legislature should be doing business in this manner and the manner that is being pursued by this amendment. Procedurally, I

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believe it is inappropriate to attempt to put a bill, that has been fully discussed in committee and not advanced from the committee, onto another bill that is meritorious and moving through the stages of debate in an orderly manner. We must be very protective of our procedures. They're important. These are the rules that guide how we conduct our business. They inform our behavior. They guide us. They guarantee fairness in how we do our business. They are what we used to make the process work for all of us. It's important to understand that we have formal procedures and informal ones. The formal procedures are clearly and carefully spelled out in the written rules. You all have a copy. But we also have a set of procedures that are not formally spelled out and written. They are what I refer to as the folkways of this body--unwritten rules that are every bit as important as the formal rules. These folkways, these informal rules have developed over decades of lawmaking in this body, rules that help us conduct our business in an orderly and civil manner, and that one of those rules is respect for the work of committees. That is one of the most important folkways of this Legislature--respect for the committees and the work of committees. This, this amendment... [LB626 LB638]

SENATOR CARLSON: One minute. [LB626]

SENATOR AVERY: ...is an attempt to achieve an outcome on the floor that could not be achieved in committee. I ask you, is this the path you want to pursue? Is this the precedent you want to set? Is this the kind of procedure you want to establish for this body? If we permit disrespect for the committee process to prevail today, then the work of every committee in this body will be in jeopardy. The message will be clear that when a member is unhappy about the fate of a bill in committee, it's okay to maneuver around the committee on the floor. I know we have formal written rules that will permit the discharge of a bill from committee, but that is not the rule that is being employed today and that rule, in my opinion, is reserved for those limited cases where a minority in a committee is thwarting the obvious and overwhelming will of the majority of the larger body, and this is not one of those instances. It does not rise to that level. It's a blatant attempt to circumvent the committee, short-circuiting the important work that we have done, the important work that hones and fine-tunes bills,... [LB626]

SENATOR CARLSON: Time. [LB626]

SENATOR AVERY: ...making them ready to become law. Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Avery. Senator Schilz, you're recognized. [LB626]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. You know, in the debate the other day, we heard a few things on this amendment or bill or whatever

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you want to call it. You know, the Campaign Finance Limitation Act, I mean, we've...we go over and over. I mean, and Senator Haar is correct. Yeah, negative ads didn't start with CFLA. CFLA is complicated. I mean it really is. Anybody that's filled one out, I mean, I would like...I'd like to ask the whole body but I won't, but just a rhetorical question, has anybody ever filled one out that hasn't had to go back and be revised? Maybe I wasn't that smart I guess. I didn't get there. So, I mean, we have those kind of problems with it. When I was campaigning and running, I actually had some supporters of my opponent that would cherry-pick numbers out of there and use them because the Web site is so difficult to understand. Now did they know exactly whether or not they were using numbers that in another area were reported someplace differently? I'm not sure. But, boy, when it came out in an editorial that I had spent a bunch of money for paying for gas for my car to go back and forth, it looked pretty bad. I mean, they twisted it. So as I look at that, you know, attacks that are made with half-truths from this information, attacks that come from people that you really don't have any recourse towards, I mean, what it does is it distracts from the real issues of a campaign. That's my big issue with the way things are now. Is Senator Lautenbaugh's amendment exactly correct in what it does? You know, I don't know for sure. None of us will know for sure, just like we didn't know what the unintended consequences of CFLA would do. But I know this: Everybody talks about leveling the playing field. I stand here in support of simplifying the process, simplifying what's going on. I stand here in support of transparency in what's going on and knowing exactly who's actually doing things, who's paying for things, and what that means. And if we get it back to the candidates themselves, I think there will be...there could be a level of decorum. And then in the end, because of that, I am in support of AM1322. And with that, I'll yield the rest of my time to Senator Lautenbaugh. [LB626]

SENATOR CARLSON: Thank you, Senator Schilz. Senator Lautenbaugh, 2 minutes. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President. Thank you, Senator Schilz, for that. I don't rise in disrespect of the committee process but, by the same token, I wasn't sent here because my constituents have a deep and abiding passion for the committee process and they sent me to here to serve it. That's not why I'm here. If there is something procedurally wrong with what I'm doing, if there's something regarding germaneness that someone wants to bring about this, there's a way to do that. I'm bringing an amendment to the bill. But in response to some of the comments from the Chairman of the Government Committee, you might see why this is really the only way to do this because so far the first talking points were all procedural and what I would describe as hand wringing about the process. Well, we're ignoring the elephant in the room if we stand here and wring our hands about, ah, you know, the process being violated somehow, not violating the rules, that much is clear, but apparently this just isn't how it's done. I can see us all kind of getting the vapors and swooning with them,... [LB626]

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SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: ...you know, distaste for this coming to the floor this way. But this is going to turn into a rerun of the committee process where, again, I was told at the committee time there were technical problems with your bill, it needs work. We are told on General File, there are technical problems with your amendment, it needs work. I endeavored to find out what those were; I still don't know. Maybe the hand will be tipped today at long last on the mike, in front of God and everyone here, so we can actually discuss what's actually wrong with this bill and actually discuss the problem. But so far all we're hearing is this is the wrong way to do this; this is disrespectful. No. This is handling an abomination in the only way available this session at this point, and at the right time, in my opinion. And I'm not going to stand here and argue the process. I'm going to argue the merits of what I'm trying to do and I would urge you all to do the same, because I believe there's merit in this. And there's even... [LB626]

SENATOR CARLSON: Time. Thank you, Senator Lautenbaugh. Senator Price, you're recognized. [LB626]

SENATOR PRICE: Thank you, Mr. President, members of the body. I rise somewhat conflicted with this amendment. A part of me says I want to do this. When you've heard the headaches of the CFLA, when you've dealt with attacks, when we see that in the Omaha elections less than two people out of every ten voters decided the mayoral race for the largest city in our state. So what that tells you is that attacks are more effective. And from my military background, I'll guarantee you this, if I have fewer targets to shoot I have a better chance of making a bigger impact. So if you have fewer voters you're trying to reach, you can make a bigger impact with bigger statements. Having been on the receiving end of that incoming round wasn't very fun. But does this amendment fix bad actors? I'm not sure of that. And here's what I think, and Senator Lautenbaugh asked for what are some of the procedural issues or not procedure but the mechanics of possible flaws. If we don't have CFLA then you don't have to declare. If I don't have to declare how do we account for, say, matching funds? What's the threshold when we would help a candidate who can't raise funds? Now having been in a race where I ran against an incumbent, you don't get funded. (Laugh) You just don't. It's a business thing. People didn't tell me, hey, we don't like you. It's a business thing. Incumbents generally win. You put your money behind the horse that's going to win. So if we go forward with it as it is, and I don't know if it's going to be amended, how will we account to help candidates? Would it always be and forever be incumbents? So again, I'm concerned for the election process. I'm concerned that this doesn't...or in fixing one problem we create another problem. So I'll be listening carefully to see if amendments and actions taken here will address this. I want to support this. I want it to be good. I want it to be easier or, if not easier, clearer. Maybe ease isn't really what we're after. How about if we were to say that I believe there's a \$50 threshold and you go out golfing? Well, I hope

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you report those greens fees, I mean that \$50. So the lower level threshold, there may need to be work on that. So I don't want to be causing problems in raising questions, but we definitely have to do something and the something we have right now I don't think is getting to where we need to be. And with that, Mr. President, I would yield the rest of my time to Senator Lautenbaugh, if he would like it. [LB626]

SENATOR CARLSON: Thank you, Senator Price. Senator Lautenbaugh, 1 minutes and 10 seconds. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President. Thank you, Senator Price. The short answer is, we don't. And the question was, how do we help candidates with funding? We don't. And from where I'm sitting, we should not ever be in the business of funding campaigns. That was part of the deal, as I understand it, that came in with the limits. We'll place the limits on, and if you agree to abide and someone blows past the limits you can get public funds. I think in the...I don't know how often anyone has availed themselves of it. I can think of one example in the Legislature ever where you've gotten public funds. And I don't think that's a good thing. When I first heard of that years ago I thought, my gosh, the state is going to get in the business of funding campaigns in a way. Now it comes from fines and whatnot collected by Accountability and Disclosure, so it's not like tax dollars, but I just...I don't feel like that's a good system. I don't think that's something we should, as a government, should be involved in, and that is funding candidates that individuals and others aren't funding with their own...voting with their dollars, I guess would be the best way to put it. It's possible... [LB626]

SENATOR CARLSON: Time. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Lautenbaugh. Senators wishing to speak include Friend, Utter, Gay, Loudon, Lautenbaugh, and others. Senator Friend, you're recognized. [LB626]

SENATOR FRIEND: Thank you, Mr. President, members of the Legislature. No conflict here, no problem. We ought to blow this law away today, if we can. CFLA is a joke, always has been. No conflict. Senator Price was conflicted. Other people are hem hawing around. Look at the legislative...look at the legislative findings in the Campaign Finance Limitation Act. Look at this glowing language of what the Legislature did when they made this: The Legislature finds that the costs of running statewide offices and legislative seats has risen greatly and that many qualified candidates are excluded from the democratic system as a result of such rising cost. Oh, thank you, Legislature. Thank you for taking care of us once again. Let me tell you something. Fact: I ran up and against an incumbent that had a lot more money than me. Nobody would give me the time of day. I went out, wore out a pair shoes and won, simple as that. Fact: That

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legislative finding is a joke. My version of facts, I think that's a joke. I proved it to be a joke. The Legislature further finds that using public funds to assist in the financing of campaigns for certain statewide offices and legislative seats, in conjunction with voluntary campaign spending limitations, will increase the number of qualified candidates to run for office. Oh, that's pie in the sky. First of all, we have term limits. Forget it. The game is over. The jig is up. Qualified candidates? Yeah, let's limit the amount that you can spend so that we can go get qualified candidates. Last time I looked, virtually everyone in here is pretty darn qualified. That, to me, is fact too. I've worked with all of you. The Legislature...(laugh) oh, this is a beauty: The Legislature finds that there are compelling state interests in preserving the integrity of the electoral...you know what? This makes me ill just to speak into the microphone about it. Look, it's the old adage, politics...money and politics is free speech. This is an ideological issue. I've heard people talk about the practical piece. Well, filing every day, that's difficult, blah, blah, blah. What happens if you're four days before an election? What he's talking about is full disclosure. You tell the people of Nebraska what you're going to be spending. Oh, I can't get down there and report it every day. Well, then, you know what, don't run. And don't sell me this malarkey that we're going to control the cost of a political campaign. By the way, last time I looked, it didn't stop the Regents and it didn't stop a lot of the legislative campaigns along the way. They're still spending an awful lot of money. Money, whether you like it or not, is free speech. Money spoke to my opponent when I first ran. Everybody said, we certainly don't want to interrupt this incumbent because we're afraid of the way this person will vote. They should have been afraid of the way I'd vote because they had no idea what I was prepared to do. That's where free speech comes in. That's where I was able to raise a little bit of money after the primary, not much. I still was outspent four to one. Unless I hear really, really good arguments that this is a totally dysfunctional bill, and I haven't heard it yet, people should have done that when they got their five minutes, by the way, because this...because this thing is going to be a free-for-all. But unless I hear really good arguments as to why this is a bad piece of legislation,... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR FRIEND: ...I don't want to hear the committee process or anything else. The committee didn't like this? They should have killed it and then we'd be out here trying to get 30 votes for it. We are following the committee process. He is following the committee process: 25 votes, we attach it to this bad boy and we run forward. And, by the way, one more point: Sometimes it takes intestinal fortitude. Somebody says, easy for you to say, Friend, you're termed out. Really? Well, I've got news for you and I think you're probably going to agree with this. I don't care if I was running for five more terms, I would be for blowing this thing away. It's a bad idea. It was bad back when they made it. And if we're going to spend all afternoon on this, I'll dig into why it's bad. Thank you, Mr. President. [LB626]

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SENATOR CARLSON: Thank you, Senator Friend. Senator Utter, you're recognized.
[LB626]

SENATOR UTTER: Thank you very much, Mr. President and colleagues. To my good friend Senator Lautenbaugh, and I don't think this is a cigar bill and I'm glad of that, but I sure wish, Senator Lautenbaugh, that you would find some different phraseology other than "utter failure." (Laughter) Folks, I, too, am concerned about the independent expenditures and how they relate to our political campaigns, to our campaigns for this body. I was the victim of what I thought was probably the most sleazy, inappropriate, disgusting, irresponsible, gutter politics that I'd ever had the opportunity to be close to, and they were trying to support me. And I, frankly, think that independent expenditures belong in the realm of responsibility, that a candidate should be responsible for those independent expenditures, and I think they should be disclosed and reported. And I am all for the transparency issues that Senator Lautenbaugh has in this, in this amendment. I must admit, though, to some concerns. I have concerns about completely throwing away the limits to a campaign. Admittedly, maybe they need to be adjusted. In my particular race, I guess I never completely finally divided it out because, well, I didn't divide it out because I hadn't...I don't have an idea what the independent expenditures amounted to. But I would say between myself and my opponent, after the election was over, it came to close to \$20 a vote and, to me, that seems a little bit over the top. And so, Senator Lautenbaugh, I applaud what you're trying to do and I think the transparency, I think accountability on the part of the candidate for everything that goes on in a campaign is important and I appreciate that part of it. I do have some concerns about completely removing campaign limits as to what kind of a runaway we could actually have in the money that is spent in running a campaign. But I'm going to listen to this debate this afternoon because I think the matter of clearing up the independent expenditure issue could be a very important issue to Nebraskans and, from that standpoint, it is important. To my good friend Senator Avery and the disruption that this is throwing into the committee processes, I understand those arguments also and appreciate those arguments. But I obviously think that this is a topic that needs discussion and I look forward to the balance of the debate. Thank you. [LB626]

SENATOR CARLSON: Thank you, Senator Utter. Senator Gay, you are recognized.
[LB626]

SENATOR GAY: Thank you, Mr. President. I'm not familiar with Senator Utter's campaign, how that went, but I do know campaigns enough. If there were \$20 per vote cast, those constituents and those voters were getting an awful lot of mail and I can only imagine what it said on both sides. I think the issue, what we're discussing, I'm intrigued by this and I don't have a mind made up one way or another. We're all...we've all had to deal in this campaign finance issues, and they're complex and I don't think either party likes them. There's a certain point here, though, what's going to be good, long term. Not us. I think we need to look at this and, if we do something, we look at it and put it out a

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campaign or two so it really doesn't affect us and let's take an objective view of the thing, you know, whatever. Many of us are up for reelection or two years from now, but we should at least push it out a little bit. I think Senator Lautenbaugh keeps saying if we do this it will--and I'm not going to paraphrase him, I'm going to let him have a little bit of my time--but if we do this, it will take some of this negative special interest money out of the campaign and they're all going to be cleaner and those things won't happen. I'd like to know how this does that because I'm not so sure. If it did, boy, I'd vote for this and I would sell it to my constituents and I'd say, you know, this gutter garbage, which that is why people are turned off and that's why people...we probably rank probably lowest on the scale if you're looking for people, what they think of politicians. But there's a certain point here, if this could remove that, I'd be happy. I think we need to look at something that says, listen, if you're going to combine...if you make it harder for these people to put these groups together and you list every single member that contributed to this group. So if you've got the citizens for great government committee that wants to go bash Senator Gay next election, that's fine, but I'd like to know who's in that group. And I don't know what the current law is, if they have to do that and disclose it. I like the idea of if you get some money, you put it on-line. It's easy today to do. But there's probably somewhere in the middle here where we have some work here that we could get done. Senator Utter and I were talking in the back and I think we're both in the same idea of, well, there's probably somewhere in the middle. I do think we don't need to spend millions. There has to be some limit possibly to allow challengers. But I'd yield the rest of my time to Senator Lautenbaugh to answer the question of how could this cleanup politics, because I'm not so sure this does that. So I'd yield the balance of my time to Senator Lautenbaugh. [LB626]

SENATOR CARLSON: Thank you, Senator Gay. Senator Lautenbaugh, 2 minutes and 10 seconds. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President and thank you, Senator Gay. To answer your question, as I understood it, is how will this help? It's my theory that this will help because this is really the only thing we can do. We cannot regulate content. My belief is that we created these underground groups that feel free to say whatever and do whatever when we limited the ability of candidates to receive contributions from nonindividuals. We face a limit that these independent expenditure groups don't face. And so the money is driven underground and it's these faceless groups that are running the worst of the worst stuff, I would argue. And the only way I can see towards hoping to address this is that if the limits are removed, my hope and belief is that people will then just, if you will, dial direct and contribute to the candidates of their choice, not fund these independent expenditure groups. I'm not naive enough to think these groups will 100 percent go away, and I don't think we can make them go away. I do know that in my own experience... [LB626]

SENATOR CARLSON: One minute. [LB626]

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SENATOR LAUTENBAUGH: ...they weighed in heavily late in the game in my own race with funds that I couldn't match. I had no way to raise the money in the last 30 days to match what was being spent against me by independent expenditure groups. The limits that we have in place disarm us in the face of these groups. So I believe by removing the limits on our contributions we will remove a lot of the incentive to fund these other groups and, equally as important, I would argue, enable us to respond effectively when attacked by these groups. I mean that is the rationale. That's the thought process. That's how I believe that this will help cleanup campaigns. With the limits, we have what I would say is a failed experiment, and we are where we are. So are you telling me, Scott, can you guarantee this will clean it up and have you set a date? No. But I can't think of anything else to do and I don't think constitutionally we can limit what these groups do or what they raise so... [LB626]

SENATOR CARLSON: Time. Thank you, Senator Lautenbaugh. [LB626]

SENATOR LAUTENBAUGH: Thank you. [LB626]

SENATOR CARLSON: (Visitors introduced.) Senators still wishing to speak include Louden, Lautenbaugh, Fulton, Hadley, Mello, McCoy, and others. Senator Louden, you're recognized. [LB626]

SENATOR LOUDEN: Thank you, Mr. President and members of the body. As I look this bill over and especially this amendment, AM1322, I have some questions that I'm quite concerned about. Would Senator Lautenbaugh yield for questions, please? [LB626]

SENATOR CARLSON: Senator Lautenbaugh, will you yield? [LB626]

SENATOR LAUTENBAUGH: Yes, I will. [LB626]

SENATOR LOUDEN: With your amendment then, does this include every election in the state of Nebraska, every school board, county commissioner, and every election there is that anybody takes in over \$50? [LB626]

SENATOR LAUTENBAUGH: No. My intent is to have it...this basically replace the Campaign Finance Limitation Act. [LB626]

SENATOR LOUDEN: Where in there then does it exclude these people? Because you have in there if they take in over \$50 then they got to...got to report that to the Accountability. And so I'm wondering then if you do that then you would have to have a committee right away if you were...if you took in any money, any significant amount whatsoever. [LB626]

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SENATOR LAUTENBAUGH: Well, it was not my intent again to ensnare the smaller races in that reporting requirement. And just as surely as we limit the CFLA's application to state races, excluding the Governor I think, I'd be willing to consider such a limitation as well. But... [LB626]

SENATOR LOUDEN: Okay. Thank you, Senator Lautenbaugh. This is my concern about, as it's written. That's the reason I think it needs more work on the thing, and I don't know if the legislative floor here is the place to do that work on it. If it was a bill introduced and somewhere along the line that probably should have been worked on and either had an interim study and...because this is serious business that you're doing here. When we start talking about these, we have this \$5,000 limit at the present time and that, in a way, that's probably, what does it say, that's good, and then the other guy says, no, that's bad. And part of it is that if a person can go in there and spend under \$5,000 and campaign against someone and not really have to turn in any accountability. On the other hand, they, when they don't turn in any accountability of what they're doing, why, you don't have any idea of where they came up with their money and what they done with it. I've had some concern with the accountability situation the way it's been since I've run some campaigns now for the last few years. There is a lot of work that comes to filing. And when you look at this amendment here, AM1322, with all the filing that goes on in it, it looks like to me you could generate a huge amount of bookkeeping. I don't know if the Accountability can handle all that with the staff they have up there or not. But if you're going to file everything that you get within a few days and your expenditures and all of it as you're running around campaigning in a district like I have, you're buying gas all the time, you're buying probably some campaign supplies but most part you're purchasing a lot of gas and that sort of thing to help get around the district. So you're having expenditures every day so then, consequently, the way I read the amendment, you would be filing every day, even if it is electronic. Now when you get out in some of these western areas, the filing electronically isn't all that easy because we don't have Internet service everywhere, you want to remember, and it isn't...and it certainly isn't dial-up Internet that has any speed to it. So this isn't the easiest thing to do. This works fine, I understand, what Senator Lautenbaugh may be doing for his area, Blair and Omaha, in some of these big races where they spend big money or you have a university Regent's race, and that's where the big money is spent a lot of time and that's one thing. But when you put it for the whole state all over, I think it's going to be a big problem. I think Senator Janssen tried to recollect the thing as to an automobile... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LOUDEN: ...and you could put a high-speed engine there, this high-performance engine in this automobile and you really had something. But it looks like to me, if we put AM1322, this high-performance piece into this legislation here, you're probably going to have some trouble with transmission and you're darn sure

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going to tear your rear end out. Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Louden. Senator Lautenbaugh, you're recognized. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. I would like to expand a little bit on the comments I made to Senator Gay, because I believe this is an important point to make here. There's nothing in this bill that does away with independent expenditure groups. There's nothing in this bill that regulates what they do, this amendment, I'm sorry, that regulates what they do. What this amendment does is at least takes the limits off of us and allows us to respond with equal fund-raising sources, I guess is the best way to put it. We put limits on ourselves but we don't put limits on these groups. We disarm ourselves and all other candidates in the face of independent expenditure groups. That's the long and the short of it, so I don't want to give anyone the impression that I'm saying my amendment will do away with independent expenditure groups tomorrow. That's not the case and I don't think we can do that really. What this does is at least takes the limits off of the candidates so that they can respond, so that they can raise funds the same way. I know of no reason why we are requiring candidates to limit their sources of funds to, after you raise X amount, you can only raise from individuals, but we don't place the same limits on independent expenditure groups. And I don't know that we can. I don't know that we can put limits on that. And so here we have a system in place where we are disarmed, I would argue, in the face of these well-funded groups. And when I say well-funded groups, I, too, as Senator Friend, went back and looked through the history, some of the comments from Common Cause at the time about what a great accomplishment this was and, again, it's the same thing--we think politics is too expensive, we think it's chasing candidates away. I would submit to you if that was the stated goal of the CFLA, it is, I won't say an utter failure anymore, I'll say a complete and total failure, complete and total failure, because the money is still there. It's just gone somewhere else. And you know, we still aren't attracting candidates. With the promises of riches if your opponent doesn't abide by the spending limits, you can get these funds, under the CFLA, from Accountability and Disclosure. I don't think we've done anything to encourage people to get into politics with this act, and I don't think we've done anything to limit money. The cash flows into races but now it just flows into independent expenditure groups more heavily. I've got another litany here from one of the other groups here. I probably won't even go through that right now. But suffice it to say my goal here is to have absolute transparency, full and swift disclosure as to where we get our money, from who and what amounts, coupled with the ability to actually raise funds to compete with independent expenditure groups. That is my goal. That's what this amendment does. I'm not going to stand here and promise you something it isn't. That is what this sets out to do. And again, if Senator Louden has a concern that we are somehow putting a burden on smaller races, I'd certainly be willing to talk. I understand his discomfort that we're working on this on the floor. I don't think we're setting any history here by working

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on a bill on the floor. I think we do that day in, day out. And I think this is an important topic. It's worth the discussion, it's worth the debate, and it's worth the work, frankly, and the inconvenience this causes all of us. I mean we are here. I keep reading about how the session might end early this year because we've just done so much so far, come so far so quickly. [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: I could swear we have another 400 bills that weren't priority that are just sitting there waiting for action, so maybe we should stay the full time. I don't know. I planned for it. But I think this is important and this is worth spending the time on. I'm happy to answer questions on this, but I do want it to move forward. I don't bring this as a way to chew up mike time or a way to guarantee that we're here until June 4 or 5 or whatever it is. I say this because I mean it and I ask for your support. [LB626]

SENATOR CARLSON: Thank you, Senator Lautenbaugh. Mr. Clerk for an announcement. [LB626]

CLERK: Mr. President, a new resolution: Senator Nordquist offers LR135. It calls for an interim study. That will be referred to the Executive Board. Government Committee will have an Executive Session at 1:15 under the south balcony; Government Committee, 1:15 today. And the Revenue Committee will have an Executive session at 2:00, 2:00 p.m., in Room 2022; Revenue Committee at 2:00 p.m. Senator Karpisek would like to add his name to LB155 and to LB476 as cointroducer. (Legislative Journal pages 1468-1469.) [LR135 LB155 LB476]

And, Mr. President, I have a priority motion. Senator Fischer would move to recess until 1:30 p.m.

SENATOR CARLSON: Thank you, Mr. Clerk. You've heard the motion to recess until 1:30 p.m. Those in favor say aye. Opposed, nay. We are recessed until 1:30.

RECESS

SENATOR LANGEMEIER PRESIDING

SENATOR LANGEMEIER: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please return to the Chamber and record your presence. Mr. Clerk, please record.

ASSISTANT CLERK: There is a quorum present, Mr. President.

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SENATOR LANGEMEIER: Thank you, Mr. Clerk. Do you have any items for the record?

ASSISTANT CLERK: None at this time.

SENATOR LANGEMEIER: Thank you. We will proceed now to the first item on this afternoon's agenda, which is a continuance of discussion on LB626 and the amendment offered by Senator Lautenbaugh, AM1322. Those wishing to speak on AM1322 we have Senators Fulton, Hadley, Mello, McCoy, Ashford, Janssen, Wallman, Avery, Schilz, and others. Senator Fulton, you're recognized. (AM1322, Legislative Journal page 1324.) [LB626]

SENATOR FULTON: Thank you, Mr. President, members of the body. Interesting things happened over the lunch hour, I understand. This, you know, amendment, I've seen enough of these debates to get an idea of where people are and where people don't want to be. And I think this is one of those amendments where a lot of folks are in a place where they don't want to be because at issue here is, is that which we have in place working or not? And I don't know that there will be a lot of people who will say that it's working with regard to campaign finance reform, at least at the state level. We just had elections in two of the...in our two largest cities. In Lincoln, voter turnout was something like...I think it was 19 percent; in Omaha, where they picked their mayor recently, it was 30 percent. That means there are more people who didn't vote in the populace than who did vote. That also means there are just a few people who have chosen and who have taken control of the democratic process. And that's not what our founders envisioned. And you have to ask yourself why are people so turned off. I suspect that what Senator Lautenbaugh has touched on is at least partly envisioned...at least it has partly envisioned that which is turning people off to politics. Now I'm hoping that we have debate. We have a little bit of time on this bill and we have someone who's willing to run with the amendment. I'm hoping to have some debate and that means we're going to have to have some people get up and say, that's wrong and here's why it's wrong. That's a good thing. In debate to say that someone's wrong is to be explicating a position that maybe someone else hasn't thought of. I wonder if Senator Mello...is Senator Mello still here? He was here a minute ago. [LB626]

SENATOR LANGEMEIER: Senator Mello, would you yield? [LB626]

SENATOR FULTON: I have spied Senator Mello from my perch and I can see him perfectly from where I was situated. And I believe that Senator Mello is... [LB626]

SENATOR MELLO: Yes. [LB626]

SENATOR FULTON: ...I believe he's opposed to this amendment. And, Senator,

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reminding you that you're on my time, I'd like you to explain why you're opposed to this amendment, if indeed you are. [LB626]

SENATOR MELLO: Thank you, Mr. President. Thank you, Senator Fulton, for the question. The reason I'm opposed to AM1322 is because, while Senator Lautenbaugh brings up valid concerns regarding independent committees, his amendment does nothing to affect independent committees. Simply what his amendment does is it removes the spending and contribution limit on campaigns which, under the current CFLA law you can abide...you can choose to abide or not abide to deal with his concern regarding to combat independent...the materials that come from independent committees. So I look at AM1322 as more of a, I mean there's no other way to look at it. It's to gut CFLA crouched in the argument that we're being transparent with our campaign finance. [LB626]

SENATOR FULTON: So would you say then by enacting AM1322 we would not be transparent in campaign finance? [LB626]

SENATOR MELLO: Right now, under AM1322, the simple...the lone change that it affects regarding independent committees is lowering the threshold in regards to reporting. Because independent committees report contributions over \$250 as well as all of their expenditures. And what this bill...what this amendment does is it lowers the reporting threshold for contributions. [LB626]

SENATOR FULTON: So there will be more that has to be reported. [LB626]

SENATOR MELLO: Yes. But it is not, once again though,... [LB626]

SENATOR FULTON: Does that militate against transparency, I guess, is my... [LB626]

SENATOR LANGEMEIER: One minute. [LB626]

SENATOR FULTON: ...is the question for now anyway? [LB626]

SENATOR MELLO: My perspective of transparency with independent committees would be putting more regulations on regards to how they report the information. Because I can pull up various reports on the Nebraska Alliance for the Private Sector and show you that the contributions that came into that independent committee were in chunks of \$10,000 to \$20,000, not \$200, not \$100. While I applaud what Senator Lautenbaugh is doing of lowering the threshold, which I'm supportive of that concept, getting rid of the CFLA and the process is not something I support. [LB626]

SENATOR FULTON: So you do recognize that there is something which needs to occur. In voting against AM1322 will you offer an alternative to improve our situation at

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present? [LB626]

SENATOR MELLO: While this is your time, I will talk about that on my time. In conversations I've had with Senator Pirsch, who shares some similar concerns regarding the current law that independent committees and political parties operate under, that's something that we can look to explore as we go on with the debate. [LB626]

SENATOR FULTON: Okay. Well, I'm hopeful, as we move forward, that we will do something more than be opposed... [LB626]

SENATOR LANGEMEIER: Time. [LB626]

SENATOR FULTON: Thank you, Mr. President. [LB626]

SENATOR LANGEMEIER: Thank you, Senator Fulton. Speaker Flood for an announcement. [LB626]

SPEAKER FLOOD: Thank you, Mr. President. Good afternoon, members. To give you a little heads up today with respect to the schedule we will be adjourning at or before 6:00 p.m. this evening. There will be no dinner in the Capitol tonight. Tomorrow we will be working through the lunch hour and adjourning early to midafternoon depending upon our progress. Of course, beginning in the morning we'll be taking up General File debate of LB675, Senator Fulton's bill regarding ultrasounds for women receiving abortions. Following that bill will be some Select File priority bills. On Monday we will begin General File debate of LB36. I anticipate the debate could well last into Tuesday. Additionally, we will be doing some Final Reading of bills that have no General Fund impact the first part of next week. Also, and this is very important, I want to provide you with a reminder that tomorrow morning, at 10:00 a.m., there will be an evacuation drill of the State Capitol. Over the summer, the State Patrol and the Capitol Security Division developed an evacuation and sheltering plan for the State Capitol. In order to properly evaluate the evacuation plan, the State Patrol and Capitol Security are requesting all occupants of the Capitol participate in the drill, and that does include state senators. Evacuation procedures vary by quadrant. When the Legislature is in session, as we will be tomorrow, there are evacuation procedures for senators located in the Legislative Chamber, staff in their offices, and staff in the Chamber will follow the evacuation guidelines provided to them in advance by their evacuation floor captains. The following applies to senators only. Once the alarm is sounded, members will be escorted out of the front doors of the Chamber by the Sergeant at Arms and State Troopers. You will be escorted out the west doors of the State Capitol. Once outside, as senators we will be escorted across the street to the parking lot behind the Executive Office Building. Capitol Security and the State Patrol anticipate the drill will take 20 to 30 minutes. As the building is being vacated they will be assessing where in the building evacuation

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procedures may need to be revised in the event of a real emergency. A lot of time has been spent to develop a plan to keep everybody safe in the Capitol in the event of an emergency. I would ask that all members of the Legislature and legislative staff participate in the drill. I appreciate the work of the State Patrol and the Capitol Security Division to be thinking about these types of situations in the event, God forbid, anything should ever happen. But I want to remind you that tomorrow the evacuation drill is just that, it's a test. Thank you, Mr. President.

SENATOR LANGEMEIER: Thank you, Speaker Flood. Returning to discussion on AM1322 offered to LB626. Those wishing to speak, we have Senator Hadley, Mello, McCoy, and others. Senator Hadley, you're recognized. [LB626]

SENATOR HADLEY: Mr. President, members of the body, I have to admit I've never run for a partisan office in my life. And I thought I was running for a nonpartisan office when I ran for the Legislature. And my campaign did not have any of the third party expenditures, just a small amount. But I have to admit I was appalled looking across the state at some of the third party expenditures. So, you know, I do stand in favor of something we can...anything we can do to help do that. And Senator Haar has mentioned at least two or three times that he and his opponents spend something like a half a million...or a half a million dollars each were spent on a race. Well, what in the world would somebody spend a half a million dollars on a race that pays \$12,000 a year? There must be a lot of power around here that somebody hasn't told me that I have. Senator Lautenbaugh, would you yield to a question? [LB626]

SENATOR LANGEMEIER: Senator Lautenbaugh, would you yield? [LB626]

SENATOR LAUTENBAUGH: Yes, I will. [LB626]

SENATOR HADLEY: Senator Lautenbaugh, do you truly believe that AM1322 will help the third party expenditure problem? [LB626]

SENATOR LAUTENBAUGH: Yes. [LB626]

SENATOR HADLEY: How? [LB626]

SENATOR LAUTENBAUGH: I believe that a lot of entities, certainly individuals, but even other groups would prefer, if they could, to give money directly to campaigns rather than to third parties. The limits we have in place limit the ability of nonindividuals to contribute to campaigns. And so if there's an amount of money allotted to be spent on the race and you can't give it to the candidate you want, well, where does it go? It goes to the third party independent expenditure groups. [LB626]

SENATOR HADLEY: Thank you, Senator Lautenbaugh. I have to be honest and say

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I've not made up my mind on AM1322 yet and I want to listen to the rest of the debate. With that, I would yield the rest of my time to Senator Avery, if he wishes to use it. [LB626]

SENATOR LANGEMEIER: Senator Avery, 3 minutes. [LB626]

SENATOR AVERY: Thank you, Mr. President and thank you, Senator Hadley. Several questions were raised in the morning debate about the technical problems with this amendment. And I have had my light on for quite awhile to try to answer some of those. I think fundamentally the bill, this was a bill first, never went through the cleaning process and the tightening process that committees do. And the reason for that is that at the time the bill did not have majority support in the committee. And my decision was, as committee Chair, not to ask the staff to spend additional staff time working on a bill that did not have majority support. Senator Lautenbaugh yesterday, late yesterday asked the committee staff to identify problems with the bill. I had already assigned the staff to other things. And they asked me what should they do. And I said, you have already been given other assignments, this bill did not make...have majority support in committee, you're not obliged to work on it now. That, I think, was a proper decision. The committee staff works for the committee. They are under no obligation to try to improve a bill that I believe was a bill that was trying to do an end run around the committee process. The committee, however, met in Executive Session a few minutes ago and we now advanced the bill. It will not surprise you that I didn't vote to advance it. I still think it's a bad bill; let me tell you some of the reasons why. One of the most troublesome provisions is the requirement that every expenditure and contribution be reported within... [LB626]

SENATOR LANGEMEIER: One minute. [LB626]

SENATOR AVERY: ...five business days and in some cases the next business day. For example, in Section 11, campaign statements are required to be filed electronically within five days after receipt of a contribution or making an expenditure of more than \$50. This language appears to require the entire campaign statement be filed for every contribution or expenditure over \$50. In reality, this would require campaign statements to be filed almost every day at certain times of the year. That is unreasonable. Additionally, under current law failure to file a timely periodic campaign statement results in late fees of \$25 per day, not to exceed \$750. The amendment we're talking about has the effect of making every contribution, every expenditure subject to late filing fees. That I don't think is what we want. In Section 12, ballot question committees will be required to file campaign statements the next... [LB626]

SENATOR LANGEMEIER: Time. [LB626]

SENATOR AVERY: ...business day after receipt of a contribution. Thank you, Mr.

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President. [LB626]

SENATOR LANGEMEIER: Time. Thank you, Senator Avery and Senator Hadley. (Visitors introduced.) Returning to discussion on AM1322, Senator Mello, you're recognized. [LB626]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I rise in opposition to AM1322 not because I disagree with Senator Lautenbaugh's perspective and opinions that we should look to regulate independent committees but more because AM1322 goes about trying to tie independent committee regulation with getting rid of the Campaign Finance Limitation Act. As I was having the conversation with Senator Fulton on his time, currently right now we have fairly stringent federal campaign finance laws that do impact outside committees. That would be equivalent to an independent committee. They're called 527s and 501(c)(4)s. And there's court cases from the Supreme Court on that shows that there have been limitations put on what they can and can't do while still respecting their freedom of speech. Now I've an amendment that will come up later today in the debate that deals with independent expenditures. But it deals with them on another level, which is the political party committees that abide by a whole nother standard than independent expenditure committees. But in this process, as Senator Fulton and myself were just talking off the mike, there are ways to go about what Senator Lautenbaugh wants to do that doesn't gut our current CFLA. And the reason why is because philosophically, I think, you either have a position or you don't, that you might find getting rid of the CFLA campaign contributions and spending limits that you feel it's all right and it's an acceptable relationship between public officials and special interest groups to exchange large, six figure contributions, possibly right out in the Rotunda. Senator Fulton or myself could go out and accept five \$100,000 contributions in the Rotunda in the sake of saying we're going to combat independent expenditure committees. I do not find that to be an acceptable argument in regards to trying to deal with shadow groups. Senator Pirsch, I'd like to give Senator Pirsch some credit in conversations we've been having this week, after Senator Lautenbaugh made some very insightful comments regarding these committees, of why not look to enforce more regulation on these committees. If we really want to get to the crux of the issue, which is we have groups that get formed, that we have concerns about the transparency, why isn't it that we do not make them file daily reports in the last 60 days of an election? If we really want to talk about transparency, that is what we would do because then we would know who these people are, we would know what they would be doing, and we would know on a daily basis what is going on. I mentioned before to Senator Fulton a majority of these groups are not being contributed or being supported by small dollar contributions. I have right here the Nebraska Alliance for the Private Sector, \$30,000 contribution, was almost 60 percent of what they raised last election cycled in one contribution of an out-of-state organization nonetheless. It's not so much about the Nebraska Alliance for the Private Sector or any other group for that matter. The question goes back to if we want to transparency and we would like to find a way to

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crack down on these shadowy groups that we know do the negative attack campaigns that we as legislators and we as candidates do not do, as I was talking with Senator Harms and Senator McCoy, individual candidates do not do television commercials, as far as I've seen or direct mail or telephone calls, calling their opponent a slime, a tax cheat, someone who's a fraud. We don't use that language in regards to civilized public debate. [LB626]

SENATOR CARLSON PRESIDING

SENATOR CARLSON: One minute. [LB626]

SENATOR MELLO: Instead what we see is organizations will go do that instead. So if you really want to crack down on that problem, ultimately what we're going to have to do is we will have to craft a bill that balances the First Amendment and the freedom of speech, but also balances the transparency that's needed to ensure that we have fair elections. And that really is what it comes down to. Senator Pirsch, the other day, mentioned an idea that I'm open to, is requiring disclaimers on everything these committees do. So the committee sends out a mailing attacking Senator Fulton, they have to put a disclaimer in regards to who are their contributors, who are they funded by, make sure they have a physical address, make sure they have a phone number. Put individuals' names on these mailings, on these television ads so we know who's actually behind this. That is how you deal with this independent committee problem, not by gutting and getting rid of campaign spending and contribution limits. [LB626]

SENATOR CARLSON: Time. [LB626]

SENATOR MELLO: Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Mello. Senator McCoy, you're recognized. [LB626]

SENATOR McCOY: Thank you, Mr. President, members of the body. I stand in support of AM1322 and would yield the remainder of my time to Senator Lautenbaugh, if he would so wish. [LB626]

SENATOR CARLSON: Thank you, Senator McCoy. Senator Lautenbaugh, you have 4 minutes and 45 seconds. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President and thank you, Senator McCoy. I am pleased that we are actually talking about the meat of the amendment at this point and actually getting to the nature of the problem. I don't agree necessarily with Senator Mello's contention that this is not about transparency. We're not requiring greater reporting of these independent expenditure groups. And you're right, they raise money

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in big chunks so they're reporting it anyway. I understand that. The transparency comes vis-a-vis us, I guess, requiring greater reporting, putting a greater reporting burden on us. But I will say that I believe it is absolutely false to say that you can just raise as much as you want to compete with independent expenditure groups under existing law, and we all know that's not true. The way it works is you can raise 50 percent of your money in a campaign from nonindividual entities. The rest has to all come from individuals. If you have a bunch of wealthy friends that's great. But otherwise the nonindividual money is the low hanging fruit in politics. And the independent expenditure groups can raise as much as they want and spend as much as they want. And I don't believe that the 527 regulations have done much at the federal level to address the problem in that way. I would note that the...I don't believe that the federal candidates disarm themselves like we do. I don't believe the President abided by the spending limits. I don't think it affects him the way it does us. And I would note again that if the CFLA is such a great success it's curious that no one is advocating expanding it to city races. All it applies to is state offices. Doesn't...no one seems to want to extend this thing any that some of us are proud of. So what are we trying to do here? My amendment does exactly what I said it would do, maybe more, hopefully more. But what it does is it requires greater transparency, greater reporting and it allows us to match the contributions, if we can, that we...that the independent expenditure groups can raise from nonindividual entities. And I'm not a big fan of increasing regulation which is why perhaps some of the things that Senator Mello is proposing I probably may not...would not ultimately agree with. That's not the route I want to go on this. And I don't have a problem. I think the voters are grown up enough to understand that when we sit here and say, well, this is who we got our money from, they're not going to say, oh my gosh, that's terrible that that's where the money came from. I'm not going to stand here and rail against big money in politics because it's there. We can all rail against it and it will make nice sound bites or we can stand and say what I'm about to say and that will end up in some negative mailing piece in the next election, but money is always going to be in politics. Anybody who stands here at the microphone and says we can do something different about this is just saying it...well, is incorrect let me say, I don't believe it. It hasn't happened. There's nothing effective we can do to limit money in politics. What we've done with this, however, is hamstringing the candidates and make it easier for groups that don't have responsibility, that don't...that aren't actually affiliated with any candidate even, made it easier for them to say and do as they please and raise as much as they want. [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: We have disarmed ourselves in the face of that kind of thing. And I don't think that's what anyone intended. But that is where we are and that is why I brought this. Additionally we did have discussions about requiring disclosures of all the contributors to these groups and etcetera, for independent expenditure mailings and whatnot. I have some constitutional concerns about that because I don't know

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where you draw the line on how much...if we required every contributor to be disclosed in every mailing, the whole mailing would be the list of contributors. I don't think that will work. I think that would be a constitutional problem. So this is what I've come up with and it is very straightforward. No more CFLA, no more public funding of campaigns, no more abiding and not abiding. You raise money as you used to, you spend it as you used to, and hopefully that draws the money away from the independent expenditure groups. [LB626]

SENATOR CARLSON: Time. Thank you, Senator Lautenbaugh. Senator Ashford is recognized. Okay. Senator Janssen, you're recognized. And those wishing to speak, Wallman, Avery, Schilz, Friend, Lautenbaugh, Gloor, and others. Senator Janssen. [LB626]

SENATOR JANSSEN: Thank you, Mr. President, members of the body. Caught me a little bit off guard there. I did want to say, I wrote these notes this morning and some things have changed since this morning's debate. I see that Dennis Utter isn't here and I was going to throw out that I am utterly impressed with the fact that we have this idea to consider. So now Senator Utter can feel better about the use of his name. I do respect the committee procedures and respect my committee Chair, Senator Avery. I think he's a great committee Chair and listens to what everybody has to say during committee work. And so that's why I do disagree that everything has to be done in the committee. But I did want to...we had the opportunity, over the lunch hour, we had an Exec Session to Exec on one of Senator Mello's bills, which I think he'll be bringing as an amendment here shortly. And what we found, and I think this would be interesting, this morning one of the reasons that we were not supposed to like this amendment, AM1322, was because it didn't follow the committee procedure. I was in the committee procedure. I don't recall being against this bill. I don't recall having the same concerns. So I wanted to see where the vote was at. And it turns out there was never an actual vote taken on this. And we've all seen that several times, you kind of get a straw poll, you know where people are at and maybe we decide not to vote. But there was never a vote taken on this measure. We took one, I moved to place this bill on General File, which is now the amendment. And the bill only had one vote in committee against it, Senator Avery, it had one vote against it. So if that gives you any guide to where the committee was at on this, it finished with 5 yeas, 2 not voting and 1 against. So clearly some people did have some things that they liked about this bill. There are several things to like about what is AM1322 currently. I think it's fair to say there are things that need to be fixed within the amendment and they will always need to be fixed because it's a moving machine. So is the CFLA, it is a moving parts machine. I'll give you a real life example. I think all of us got an e-mail this morning talking about the concealed carry law or not the law but offering us a free concealed carry, go through this training, it was sent out to us. It's a \$125 value. I said, huh, that sounds kind of neat. I talked, I said, I'd like to check into that. Let's call, let's see if I can do that. Can I accept that? Let's call Frank and see where that's at. Well, then I get an e-mail back, Frank is out this morning, he'll be back

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this afternoon. So I know Frank is out because he's standing right behind me right now against the glass. But that wouldn't have had to happen if we had AM1322, I could have accepted it, reported it, it would have been out there. It would have been very transparent. And we would have known what we were dealing with. We would have known that I had accepted that. It turns out...Frank did get back to me, by the way. I'm not throwing Frank under the bus. The first thing after lunch he got back and gave me the reasoning behind why I couldn't accept that. So those are my reasons. At least I wanted to clarify for the whole body so you did know that AM1322 has gone through the committee process now. It has been advanced out with only one person opposing it, which is Senator Avery, as the Chairman of the committee, that's a pretty big opposition point. But we did have 5 people and the committee process is intact. And we supported that bill as a committee. And therefore I think we should support AM1322 and I think you should as well. And with that, I will yield my time to Senator Lautenbaugh, if he wants it. [LB626]

SENATOR CARLSON: Thank you, Senator Janssen. Senator Lautenbaugh, 1 minute and 20 seconds. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President. And I do want to be clear that this is taking time, as I warned this morning. And I did tip my hand yesterday. And I was a little annoyed yesterday because on General File I brought this bill as an amendment. And if anything was clear it was that it was coming back on Select File as I agreed to pull it and filed it immediately thereafter for Select File. The word did come back to me through members of the committee that the Chairman was not interested in working with me on this and he was going to defeat this bill, my amendment I should say. That's all well and good. Yesterday the word started circulating again that committee counsel had some concerns with the provisions of the bill. And I accept Senator Avery's explanation that apparently she had other things to do, other duties assigned. But yet today Senator Avery is standing here telling us his specific concerns with the bill, which I can only assume were arrived at between lunch and now after the committee advanced the bill. Otherwise they were readily detailed out previously and were available to be acted upon yesterday even. We could have filed a cleanup amendment this morning and be having a completely much more streamlined discussion. I would have appreciated those concerns being shared with me ahead of time, regardless of what the committee did with the bill. [LB626]

SENATOR CARLSON: Time. Thank you, Senator Lautenbaugh. (Visitors introduced.) Senators wishing to speak, Wallman, Avery, Schilz, Friend, Lautenbaugh, Gloor, and others. Senator Wallman, you're recognized. [LB626]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. Boy, we've been all over the place this morning: why people don't vote, why people don't run. Part of it is campaign laws, regulations, rules. But part of it also what we pass, rules and

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regulations. You know every time we pass another rule, we pass another regulation the general populace gets a little upset. So I'd yield the rest of my time to Senator Lathrop. [LB626]

SENATOR CARLSON: Senator Lathrop, you have 4 minutes and 30 seconds. [LB626]

SENATOR LATHROP: Thank you. Thank you, Senator Wallman, I appreciate the time and the opportunity to speak. I stand in opposition to AM1322 and I have waited to speak until I've had an opportunity to listen to some of the arguments. And I'll give you my assessment for whatever it's worth. I hear a legitimate concern, which I share with Senator Lautenbaugh, about the independent expenditures. And I can...if you want sometime, I can sit down and tell you what happened in my race, we all have a story but few of them are...I mean, I feel like I was at the ground zero at the beginning point where this took off and it's awful. The stuff that's going on in these independent expenditures is awful. But you don't fix that problem by going over to the individual candidate and then changing what they can and cannot raise, which is what this amendment does. If the problem is the independent expenditures and the difficulty, and I think Senator Lautenbaugh has acknowledged this, is constitutionally they have a right to free speech and there's not speech more important than political speech even if it borders on lies, which it often does with the independent expenditures. The fix isn't to go over to the individual and say, you can now raise more money on the assumption that people will quit contributing to the independent expenditures. That's not their purpose. Their purpose is to be the attack dog. And we're not going to fix the problem by lifting the cap, we're just going to give people who can raise money from big business interests an advantage in these races. It's that simple. They can go out and raise...you take this lid off of here and campaign finance doesn't apply. And pretty soon the guy that knows the biggest fat cats in the state is going to be able to raise \$200,000 or \$300,000 and then send to or have a...there will still be an independent expenditure making the attack ads. The candidate is not...the candidate is out of the business. I'll tell you what I think needs to happen and it's not a law and it's not a statute and it's not something we're going to do inside here, it's a gentlemen's agreement. We need to stop it. It has become an arms race. It's become an arms race. And I can't tell you how much, literally can't tell you how much money was spent in my race but it was silly. These things shouldn't be about scaring people away that say, I'm not going to do it because I don't want to spend all my time raising \$200,000 to run for that job. People ought to be going to the fish fries and knocking doors and meeting people at lunches and at church groups and at neighborhood association meetings. And we've turned this into an arms race. And I will tell you frankly I don't know that it changes the composition of this. If you look at the number of Democrats and the number of Republicans, do we change, do we change the outcome? Have we changed this because we spent enormous amounts of money in some of the races? I don't think so, that's what makes it so foolish. The solution is not to change this law or to repeal this as this amendment would, but for the chairmen of the parties to sit down and say, we got to stop doing this.

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And for the people involved in the independent expenditures to say, let's get out of the business... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LATHROP: ...and let the candidates go back to running their races and doing this grass-roots. So I do have strong opposition to AM1322 because it's based on the faulted premise that if we take the limit off of the individual the money will stop going to the independent expenditures, and that's not the problem. The problem is they've become a way to hide the attack dog. And as long as we're going to have negative politics involved in running for these races or any others for that matter this is what we're going to get and AM1322 isn't the solution. Thank you. [LB626]

SENATOR CARLSON: Thank you, Senator Lathrop and Senator Wallman. Senator Avery, you're recognized. [LB626]

SENATOR AVERY: Thank you, Mr. President. I think I have horror stories that I could tell about independent expenditures in my campaign too. This is not the solution. This is not the solution. We have to, in my opinion, we have to keep our eye on the public interest. What is the public interest here? The public interest here, if you ask the people outside this Chamber, and I don't mean the Rotunda, I'm talking about ordinary voters, ask them about what they think of the influence, money and politics. What do they think about special interest money and you will find out that what they think about it and what we think about it in here might be very different. If you approve this amendment you will be changing fundamentally contributions to campaigns that go to candidates. There will be no limits on spending. And by the way, those spending limits are voluntary. If Senator Lautenbaugh doesn't like them, don't abide by them. What he is doing here though, he is going to lift all limits on contributions. Lifting the limits on contributions will undermine what little respect we have outside this Chamber with the average voters. We already have spending limits at a very generous level of \$92,000. You can't run a successful campaign on \$92,000? I think most of us in '06 ran a successful campaigns on much less than that because the spending limit was lower. There's an index now, it indexes the spending limit to inflation, so it keeps going up every election. But do you really want to eliminate all limits on contributions? The contribution limit goes up with the spending limit because it's half of the spending limit, it's not half of all you raise, it's half of the spending limit. And it goes up every two years. Let me tell you something else. The rest of the country is going in the other direction. And some of them are going in the other direction for very painful reasons. In North Carolina they relaxed their campaign finance laws and the speaker went to jail for five years because he got a little bit too loose with the law. Do we want our legacy to be that we unleashed special interest money in a runaway arms race just so we can get elected? This is an incumbent protection amendment, it should not be here. It is not good policy. The public interest needs to be kept in mind here, not what's good for us. Yeah, I know that the Campaign

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Finance Limitation Act is a little bit complex. You know, I had pain and discomfort in trying to figure out all the rules and abide, but I did it and you did too. And why? Because it's in the public interest for us to make sure that we don't have runaway private interest money in our campaigns, that we do not have undue influence to special interests in our campaigns in how we conduct our business, that we need to be accountable to the people, individual contributors far better than special interest money. I think that we want to be remembered for making good policy. I don't think we want to be remembered for protecting ourselves. I didn't come here to advance legislation that only benefits me. The public interest matters to me. And it matters to you, too, I believe. Somebody said, and I believe it was Senator Lautenbaugh, that he would like to see more turnout. Unlimited special interest money will help with that? That will cause more people... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR AVERY: ...more people to look with us with disfavor and more people to be turned off to the political process. Right now we know that independent expenditures cannot be limited. We cannot limit the content or regulate the content. Why don't we work on the real problem which is independent expenditures. I offered Senator Lautenbaugh an interim study on that if he would withdraw this amendment. He didn't want that. Why? That's what we need to be doing, looking at independent expenditures. Maybe what you really want to do here is to get rid of the special interest limitations or the interests...the limits on special interest money. That, I think, would be bad policy. One more point. Somebody said that speech is money or money is speech. It is not. The Supreme Court ruled, in 1974, in Buckley v. Valeo, that money is not speech. And when you regulate money in campaigns you're saying that money can potentially corrupt the political process and it needs to be restricted. That's what we did in 1993. [LB626]

SENATOR CARLSON: Time. [LB626]

SENATOR AVERY: This is established law, settled law for 15 years. Thank you. [LB626]

SENATOR CARLSON: Thank you, Senator Avery. Senator Schilz, you're recognized. [LB626]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. You know, we sit here and talk and debate and discuss what I think is a pretty important issue. I know that in looking at this amendment and what we want to do, like Senator Avery said, yeah, we all have horror stories, you know, about being attacked or something like that. But what about the horror story of somebody actually taking this law and intentionally using it to steal elections? That's happened. Members of this body have had to deal with

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that. Members of this body have had to impeach somebody for doing that. Do we want to keep laws on the books that are hard to understand, that are difficult to implement when we could turn around and simplify? Because I believe, you know, that simpler is usually better wherever you can find it. I think it makes sense. I look at this and I see time and time again, and Senator Avery, you know, notwithstanding I think...notwithstanding the First Amendment and free speech rights, I don't think you'd find anybody that wouldn't be interested in just banning special interest expenditures in elections. I mean, we've all had to deal with that wrath. And so, you know, I think we could go...you know, we can just sit here and peck on each other all day. I think the first thing is let's attack the problem head on. I'm not afraid, I'm not afraid to stand up and take on somebody else that may be better or may be worse at fund-raising. That's okay. My predecessor, when he first ran, he raised \$16,000, and the incumbent that was there raised \$80,000, beat him by eight points. If you got the right candidate, the right issues the money is nice, it makes it easier but it's not impossible. And I think that you can show that. So we shouldn't get so hung up on how much money is donated and who does it. I just think that having a simpler process, having more transparency than what we have here makes some sense. And with that, I'd yield the rest of my time to Senator Lautenbaugh. [LB626]

SENATOR CARLSON: Senator Lautenbaugh, 2 minutes and 30 seconds. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President and thank you, Senator Schilz. I do want to respond to some of the arguments we just heard that this is a faulty premise. I would submit to you, and I've stood at this mike and argued this previously in the session that we are still bound by the laws of supply and demand and economics. And money, like anything else, is a finite resource. There's only so much that groups are actually willing to spend on campaigns. And so my point here is if the groups are free to give to candidates they will be less inclined to go to the independent expenditure groups. Are we going to be able to ever put the genie back in the bottle here? No. But I don't believe it's a solution to say, well, we need people to agree not to be so mean to each other or...you know, there's always going to be someone that violates the agreement. There's always going to be someone that comes in from out of state. There's always going to be a way that doesn't violate this gentlemen's agreement. And to stand here and say, well, the public, the public, apparently the premise is, holds this in higher regard because we passed these campaign limits previously. The public is not represented by the few people of Common Cause that populate the Government Committee hearings. The public is outside of this building. And the public has never once asked me about these absurd limits we have or praised my predecessors, whoever they were,... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: ...for putting them in place. And special interest money,

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what is special interest money? Special interest money is from the groups that you don't like. Everything, everyone has a special interest. We've got the teamsters, we've got the chamber, you know we've got the Sierra Club. And who could be against them? They're all about windmills and flowers and whatnot. They're not a special interest, they're just good-hearted people giving money. Everyone has a special interest. They aren't all out there every day but they're all free to contribute to these campaigns. They aren't special interests, they're interests and we all have them. And we either agree to be up-front and take the gloves off and let this be what it is and disclose everything so that everybody knows who we are or we can continue this system we have, which I would argue is a sham, and we should study it a little more because it might be a worse sham if we look a little harder. [LB626]

SENATOR CARLSON: Time. Thank you, Senator Lautenbaugh and Senator Schilz. Senator Friend, you're recognized. [LB626]

SENATOR FRIEND: Thank you, Mr. President. I thought you'd never say those sweet words. It's been a long time (laugh) since I've been on the mike. I don't mean to make light of this. This is obviously a very important subject matter and Senator Avery has exuded that at the very least. I respect his opinion on this. I think he's wrong. I thought he was wrong last year, he won't be surprised by my attitude. He would never be surprised by my attitude, I don't think, but particularly on this subject matter. Members of the Legislature, term limits have changed life forever, at the very least for members of this body. This morning I wasn't brownnosing this Legislature. I have had a good working relationship, at least I believe from this standpoint, with every one of you in here and I think you're all qualify. You're not here because of CFLA. Term limits got you here, a good portion of you. A very, very, very...well, it did. I mean you're all qualified individuals. I like you. But, I mean, the fact of the matter is you didn't sit there and go, wow, that incumbent is now capped, I'm going to be able to go attack that incumbent. It just didn't happen, did it? Term limits have changed life. And CFLA is archaic, at least from the standpoint of a state Legislature that we live in, it's archaic. It doesn't work anymore. By the way, even if you like CFLA, I think you would have to submit that nobody stood out and looked at the periphery and said, boy, I'm going to go get that guy, I don't think he can raise very much money. The caps are archaic in general. But let's dig into this. I also promised you that I would dig into the current law. We can go through Senator Lautenbaugh's amendment, and if we all have time, and we've had that opportunity a little bit, but we all had time. I don't have time. I'm going to tell you what has been done in the past here. I don't believe campaigns should ever for any reason be funded with public funding. Ideologically, I don't believe that at all. And here's what we have, 32-1604, subsection (3)(a), I'm paraphrasing, the Legislature shall limit his or her spending, other than restricted spending, for the election period to \$89,000, and a candidate for Public Service Commission, for example, or the State Board of Education shall limit his or her spending, other than unrestricted spending, for the election period to \$70,000. After that you can go...if somebody violates that, after they've abided by the

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restrictions, you are eligible for public funding. I don't think...and like I said, this is ideological, I don't think under any circumstances that should be the case ever. So I have a huge philosophical disagreement with this whole section. 32-1604 is 3 pages long on normal Word document type as to how we're supposed to adhere and how we're supposed to maintain our ability during an election cycle and during a campaign. Under that same section, under (3)(b) we adjust...we could potentially adjust those spending limits through the Consumer Price Index. Not only that, but we make it really simple. What we do is the Nebraska Accountability and Disclosure Commission shall use the Consumer Price Index, all urban consumers, all items, United States city average to calculate the adjustments for spending limits. The spending limits shall be rounded... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR FRIEND: ...to the next, thank you, Mr. President. The spending limit shall be rounded to the next highest one-thousandth dollar amount. Huh? I mean, we're kidding, right? No, it's in law. This is the problem, this is just one problem. Now say what you want about Senator Lautenbaugh's amendment. Okay? If all his amendment did, just for fun, if all his amendment did was get rid of these two sections I would be jumping up and down with glee. I would be one happy old curmudgeon. That's not all it does. Senator Hadley asked me earlier, are you for this bill or against it? I said, Senator Hadley, what about blowing away CFLA are you a little bit confused by? (laugh) [LB626]

SENATOR CARLSON: Time. [LB626]

SENATOR FRIEND: Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Friend. Senator Lautenbaugh, you're recognized. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. I kind of trailed off in a thought earlier about why I really wasn't excited about an interim study. What do we need to learn about this system that we don't already know? I mean, this is something...this is a unique thing, it is something we are all experts in by virtue of the fact that we are here. You're not going to find 49 more people...49 people anywhere else that know this campaign system better. I don't want to study it, I want to kill it, at least the parts that I'm trying to remove here and take care of and increase disclosure at the same time. I don't know what we would glean from a study. I mean, we can sit here and say, oh, this is terrible, we're going to give the money...we're going to give politics over to special interests. Well, they already are able to do whatever they want with independent expenditure groups. And I don't know that anyone has proposed a bill to control that. My bill at least tries to ""defund"" them a little by letting the money come to the candidates so there's someone responsible for what is said. But no one to date has

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proposed a bill that says how we're going to make our groups more like 527's if that would be preferable in some way. So here we are. I don't want to go down the road of talking about this year after year. I don't want this to be one of those chronic problems and then in the end we pass something that does nothing and say, oh, whew, thank goodness that's off our plate now. This amendment is here and now and it's, in my opinion, smacking us all in the face with this problem. And I heard one of our colleagues cautioning other members this morning, oh, this is the third rail, stay away from this. This isn't the third rail. But this is the other thought I didn't complete this morning, among many, was when I was starting to get worked up about someone saying, oh, thank you, thank you, Senator Lautenbaugh, for your courage in bringing this. This is not some courageous thing to do because it's our job to do what we think is right and then explain to the voters why we did it. And if anyone wants to know why I brought this, well, heck, I wrote a column in the Blair paper about this two or three months ago and no one...saying I want to repeal this, it's a horrible system, here's what happened in the last race, it stinks. And no one, no one called, wrote, faxed, e-mailed, complained and said, my gosh, how could you think about taking the limits off? That shocks our sensibilities. That would suggest that District 18 is not heavily populated with Common Cause members, to me, because I heard nothing, nothing at all. A lot of times we forget that there is a world outside the Capitol. And those people don't think of these things the same way we do and they are not out there buzzing about this right now. What they would like us to do is run clean campaigns and tell them where we stand. And in my last race when I got down to the last 30 days and all I could do to counter the attacks was to try to raise money from individuals, which is the toughest thing to do when everyone else is doing it, and we're talking about individuals who often don't have it. What are you supposed to do? You just sit in silence and take it. This amendment at least tries to address that and I think it will. And I think it's the right thing to do. And, I guess, maybe I'll rely on the courage thing myself and ask all of you to be courageous and do what's right then. And, of course, I'm defining right very narrowly at this point, which would be voting for this amendment for the reasons I've stated and I'll continue to state. There may be some technical amendments we need to work out on this,... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: ...that's fine. As I indicated before, I was happy to do that in the interim between General and Select. But we are where we are. So I'm not going to...actually, I lost my place in my notes here so I'm probably going to stop talking right now, but I'll be back. Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Lautenbaugh. (Visitors introduced.) Senator Gloor, you're recognized. [LB626]

SENATOR GLOOR: Thank you, Mr. President, members of the body. Some of you may have noted that earlier in the week I was mentioned in the local media as having said

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that I was a bit bemused by the fact that I had expected to spend more time on meatier issues. And so I want to thank Senator Lautenbaugh for something we can sink our teeth into, to coin a phrase. I wonder if Senator Lautenbaugh would yield to a question. [LB626]

SENATOR CARLSON: Senator Lautenbaugh, would you yield? [LB626]

SENATOR LAUTENBAUGH: Yes, I will. [LB626]

SENATOR GLOOR: Senator Lautenbaugh, I believe Senator Avery said that during the testimony when you introduced this concept to the committee that no one spoke in favor of this particular bill. Was that correct? [LB626]

SENATOR LAUTENBAUGH: That's correct, Senator. I work alone. [LB626]

SENATOR GLOOR: (Laugh) Yes, I've noticed. (Laugh) And I would say that my personal reflection is when I've been passionate on bills I don't work alone. I try and line up a cadre of people who also might expose or espouse maybe the similar interests but from a different perspective. And so your comment would be you didn't see the need, because of your own personal passion for this you carried the mail yourself. Is that correct? [LB626]

SENATOR LAUTENBAUGH: As I said regarding all of us, it's true of me as well. This was one of those issues where I don't even think I wrote out notes for what I was going to say at the committee hearing. I knew exactly where I wanted to go. I knew exactly what needed to be said. I didn't know anyone who would be particularly more familiar with this than me, having just been a candidate. I did not...I didn't ask a soul to come to the committee hearing. I went and said my piece with vigor and we moved on. But, no, I did not ask anyone to come. I didn't tell anyone it was coming up on the calendar. No, I sought no support whatsoever. [LB626]

SENATOR GLOOR: Okay. Thank you. And I would agree that your own personal persuasive powers are exceptional. And I stand in awe at your presence for a variety of reasons. I have, though, in my own way a little bit of a concern about some provisions of this. The fact that you might have to file updated campaign reports every day bothers me and that it may discourage otherwise reasonably qualified candidates from pursuing state office. I can foresee that people may find themselves having to hire half-time treasurers just to keep up with campaign filing if they want to free themselves to be able to get out and do the face-to-face canvassing. That's a perspective of this that bothers me somewhat. Obviously, if we remove caps you've got the ability to go out and pay treasurers. But I'm not sure that that's an appropriate or a comfortable level of expenditure that I have. The other issue I'm trying to wrestle with here is I try to as best I can, I'm sure you're all the same, stay up-to-date on things. But sometimes I feel like I'm

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running to catchup with an issue. And this is such a significant issue, so important in a variety of ways that I am running as fast as I can. I'm listening as closely as I can. I've got notes spread out from, a full arms length on me, on my desk that relate to this bill alone. I hate to make decisions this weighty and not feel completely comfortable. And so I will continue to listen. But I am yet to be completely comfortable with something this weighty going through. And with that, I would, because Senator Lautenbaugh lost his notes, obviously, he doesn't have a photographic memory. I'm glad to know he has that small fault. [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR GLOOR: I would yield the remainder of my time to Senator Lautenbaugh to jump into his notes. Thank you. [LB626]

SENATOR CARLSON: Senator Lautenbaugh, 45 seconds. [LB626]

SENATOR LAUTENBAUGH: One minute would not be enough time to catalogue my faults. So we'll go back to the issue here. Again, I'm sorry, I was on the phone for a little bit of what you just said, so I hope I'm responding to it. Again, I believe that this issue is one that we are all up on. Normally, and honestly, I'm not a big interim study fan anyway, unless it's something new under the sun, which this isn't. We are where we are and we're all familiar with the problem. But I'll run the risk of repetition here, probably too late for that. I am proposing a solution that at least doesn't disarm us in the face of these outside groups and hopefully take some of their funding away by a healthy dose of competition, if you will. [LB626]

SENATOR CARLSON: Time. Thank you, Senator Lautenbaugh and Senator Gloor. Senators wishing to speak, Karpisek, Hansen, Lathrop, Nordquist, Wightman, Fulton, and others. Senator Karpisek, you're recognized. [LB626]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I'm not going to count this as a time getting up when I said I wouldn't, so in case anybody is betting me. I just wanted to stand again and say that this amendment and others that are following, especially after the noonhour what happened in committee, I did vote for this bill and Senator Mello's to come out of committee. They're already here and it's time to talk about them. I will be not voting on both of them. I do like parts of this bill, there's parts I don't like. I don't know that we want to take the cap completely off. I understand Senator Lautenbaugh's train of thought. I like lowering the amount that you have to report under. I like people having to report more frequently. I don't know that blowing the cap completely off is a great idea. Again, I did vote for it out of committee so we could talk about it on the floor more or if there was a thought that people didn't think we should be talking about it. Senator Mello's bill that will be up later I also voted out of committee because I thought let's give them both a chance. I would hope that, if either one are

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adopted or make LB626 look like it's going to go south, that either introducer would think about pulling it on Final Reading. LB626 has a lot of good points in it, a lot of things that we did work very hard. Senator Janssen almost got me to punch my light right away when I said I wouldn't, calling it a junkie car. Man, this thing, it might not have been a brand new Corvette, but it is maybe a...I don't know, no (laugh) not a Gremlin. Whatever I say I'm going to offend someone again. I'm getting good at that. So anyway, it does have some good points in it and we'll try to keep some people out of trouble and let everybody run by the rules on that. I think this is good to talk about these issues. Senator Lautenbaugh is completely right. We have a system that isn't always working. I'm not blaming a person or people or a commission, but I think we need to look at the issues. I have to agree with him that we all do know this subject matter. And sometimes that interim studies don't get to where I think they need to be. However, this is a huge step to move on this bill. I don't want to knock it too much because then I should be bringing an amendment to try to fix what I think is the problem. I don't want to do that, I'm trying to stay neutral on all these amendments that are coming. As the day wears on, I am getting a little more nervous for LB626 all the time. I hope that everyone thinks about this. I don't know how long we want to go on this. We start to hear a little bit of the same repetitive things. We do need to think about it. We need to work through some things. Senator Lautenbaugh's bill is out of committee now, we can work on it over the interim, we can work on it next year if the body chooses to. And I feel better about that, but I don't fault him for bringing the amendment. It's good we're talking about it. And again, I just wanted to put in where I'm at on it because a lot of people have asked where am I at, what am I thinking. I'm worried about LB626. And if that comes into jeopardy, then I will jump back in the fight. Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Karpisek. Senator Hansen, you're recognized. [LB626]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. Just a little bit different view on it. Senator Karpisek said we haven't...we're becoming repetitive. Senator Pahls, two weeks ago, pulled a bill out as an amendment, did not get cleared from committee first. I agreed with the bill and it was talking about sales tax exemptions. I agreed with the bill to the point where it needed some discussion, but it hadn't cleared committee and I wouldn't vote for it. This is different. It's different over the noon hour. I talked to Senator Avery about this yesterday and he said, well, it hasn't come out of committee. Now it has. I think it's different. I think that the incumbent's ability to raise money is not necessarily good. I've always thought that. And everyone in here, when you were a candidate, the day you were elected you became an incumbent. This bill does not need an interim study. I agree with Senator Lautenbaugh, it does not need an interim study. We're the ones that it's going to affect. There's people out there beyond the doors that are going to run some day, but they don't know who they are yet more than likely, unless they're a senator that is sitting out the four years of term limits and then they'll run again. They'll know the rules anyway. If you have five interim hearings

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across the state there won't be anybody come to them because we're the ones that it's going to affect. Mr. President, in a gesture of full and fair debate, I'd yield the rest of my time to Senator Avery. [LB626]

SENATOR CARLSON: Senator Avery, you have 3 minutes and 20 seconds. [LB626]

SENATOR AVERY: Thank you, Senator Hansen. The statement was made by Senator Schilz that we should attack the problem head on. Absolutely, that is exactly what we ought to do. We ought to attack this problem head on. So what is the problem? The problem is not that there is too much special interest money in politics. The problem is not that we have limits on what we can spend if we choose to voluntarily abide by the CFLA. That's not the problem. The problem has been properly identified as runaway independent committees. So why are we trying to destroy the Campaign Finance Limitation Act in order to fix a problem that that simply will not fix? The independent expenditure problem is a serious one, we all know that. But lifting the limits on special interest money will not solve that problem, it will create another problem. And I don't think we want to do that. I don't want that to be the legacy of this Legislature. Senator Lautenbaugh asked what do we need to know that we don't already know. I think the answer is simple to that. And I will have to disagree with my friend, Senator Hansen. We don't know the appropriate remedy to the independent committee yet. We do not know. We know that the Supreme Court has put certain limits on what we can do with independent expenditures, that we know. But is it possible that we might be able to come up with some additional reporting requirements for independent expenditures and independent committees that might help control them. I think that's a possibility. But we don't know that yet and we certainly can't know it in the hours that we would spend on this floor about how to do that. I tell you this, if you pass this amendment you're going to do two things. You're going to repeal the Campaign Finance Limitation Act, which is bad enough and creates a bigger problem, and you're going to create reporting requirements that you are not going to like. You're going to wind up spending all of your time trying to catch... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR AVERY: ...up with and keep up with reporting requirements that will be completely overwhelming. You will probably have to hire a full-time treasurer to get it done. And if you happen to miss a deadline, you're going to get zinged, you're going to get fined. This is not a good bill, it's not been well drafted. Now it has been reported out of committee, it's on General File. If you approve this amendment it goes to Final Reading. That is not the proper way to do this. It's not a rational way to do it, and it's not a way to make good legislation. I think that you ought to consider defeating this and letting the Government Committee do a thorough independent or an interim study on independent committees and let us come back next year with some ideas on tighter reporting requirements to get a better handle on these independent committees. That is

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a possibility. We would do that. [LB626]

SENATOR CARLSON: Time. [LB626]

SENATOR AVERY: We have confident people, we can work on it. Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Avery and Senator Hansen. Senator Lathrop, you're recognized. [LB626]

SENATOR LATHROP: Thank you, Mr. President and colleagues. I've been making notes as I've been listening to the debate and so I'm going to kind of jump around a little bit. I'd start by saying that I think Senator Lautenbaugh and I probably had a similar experience and we probably feel similarly about the process having gone through it. It's just a difference about whether or not we agree that the solution is to take the limit off of the individual. And when he last spoke, Senator Lautenbaugh said, money is finite and that if people can spend all they want there will be less or none of it in the independent groups. And interestingly my race was a case example in just the opposite proposition. Both my opponent and myself opted out of the limit. And so we raised and spent well over the limit ourselves. But that didn't stop both sides from...the independent expenditures from dropping countless pieces of mail on their opponent. So I still believe that if you look at a race where there have...where the candidates have not abided, you'll still find the independent expenditures there in spades. And what's that tell us? That tells us that lifting the limit on the individual isn't the solution. The problem is at the independent expenditure level. And if we appreciate that we do have a problem, and I think the solution for us today is to allow the Government Committee to do an independent study or a study over the interim on the independent expenditures, what can we do constitutionally to limit independent expenditures so that when they come back next session they can say, here are the things that we can do. And then we can come out here and have a debate about what to do. I also have some concerns, and I want to agree with Senator Gloor, if we...if this amendment puts us in a position where we need to report contributions daily, that's a problem. I can tell you that when I was knocking on doors there were days when I didn't even open the mail for two or three days. And so now am I going to be a campaign violator because I didn't get to the mail and that may be. And I suppose it's worse if you live in Senator Fischer's district. She might have to get in her car and spend the night on the other side of the district and not get to her mailbox. So I do think that those things are real and practical concerns. I do think that the independent expenditures are fairly a proper topic for an interim study. And let the Government Committee find out what we can do with them permissibly, constitutionally. And then we can come in and have a decent discussion about whether we want to limit them and to what extent we can. And with the independent expenditures I'd probably put the political parties in there too. Frankly, they've been very active in these races. And I will tell you that this is my third session and this is different

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than the first two. And I think each session gets a little more difficult to work with your colleagues because there's a little distrust after going through these elections that we've seen the last three years. So with that, I would encourage you to oppose AM1322 and allow the Government Committee to look at this issue over the interim. Thank you. [LB626]

SENATOR FISCHER PRESIDING

SENATOR FISCHER: Thank you, Senator Lathrop. Senator Nordquist, you are recognized. [LB626]

SENATOR NORDQUIST: Thank you, Madam President. I rise in opposition to AM1322 because no one has answered the question what this is going to do. It certainly doesn't address the underlying issue of controlling independent expenditure groups. All...you know, we hear, you know, this turnout is depressed, people are fed up with politics. Well, putting more money in the system, generating more negative attacks isn't going to solve that because that's what this is going to do. It's going to open up the bank accounts. It's going to let corporations, it's going to let any special interest on either side write as much as they want, hand you a \$100,000 check to beat the heck out of your opponent. And that's not what we need in politics here in Nebraska. Senator Fulton mentioned about the transparency aspect, the \$50 reporting limit. I think that's a great idea. As a matter of fact, I got an amendment coming down from Bill Drafting. So we go down that road. Let's do the \$50, open, transparent reporting, but let's not go down this road to take the caps off. Because you don't have to be a member of Common Cause, you don't have to be a member of the public and not a member of Common Cause to oppose unlimited money, unlimited special interest money in politics. That's...there are well-intentioned members of the public, thoughtful members of the public who aren't members of Common Cause who don't think we should go down that road either. So, you know, you can throw around Common Cause and that's, you know, that's the buzz word, I guess. But Senator Lathrop mentioned, you know, that under this bill it's going to be the biggest...whoever knows the biggest fat cats in the state are going to control this fight. Well, I disagree with him on that. It's the biggest fat cats anywhere, you don't have to be in the state. You can...there can be checks flowing in from the East Coast, the West Coast, the south, the north in any amounts. And, you know, it's nothing for a corporation to write \$490,000 checks. And one point of clarification. Somebody mentioned about the e-mail we all received this morning about the concealed carry limit. I checked with Frank and a couple other people, this bill would have nothing to do with that reporting limit. That's a separate gift limit issue. So just for clarification AM1322 doesn't address gift limitations. Thank you, Mr. President...Madam President. [LB626]

SENATOR FISCHER: Thank you, Senator Nordquist. Senator Wightman, you are recognized. [LB626]

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SENATOR WIGHTMAN: Thank you, Madam President, members of the body. I'm rising in opposition to AM1322. And I know there will be those that think I'm on the wrong side of the aisle. I realize that sometimes they have a hard time telling whether I'm on the right or left, it always depends upon whether you're facing the Chambers or sitting in the Chamber. So at any rate, I agree it's an important issue. At the same time, I think that the public is best served by some sort of a limit on contributions. I think that if we went out to our districts, out in central Nebraska, and I'm sure there are those who would disagree with me, I think that people are very concerned over the fact that you might spend \$200,000 or \$300,000, and I think Senator Hadley mentioned this, to try to acquire a position, whatever you may call it, that pays \$12,000 a year. I think they are concerned that there is a lot more power or a lot more influence or something when people are paying that much into your campaign. And that's a concern to me. What that limit ought to be I don't know. But right now there is no limit in that if you want to decide not to be bound by the limitations, you can spend as much as you want. It bothers me a little bit that there's public financing. I was one of the few, probably, in this body perhaps that voted for term limits. I thought that leveled the playing field between an incumbent and someone else who might seek to obtain that office. I think we are going to take away a lot of that balance if we take away expenditure limits and all campaign finance limits. So I further would say that I'm not much in favor of the additional reporting requirements of candidates that would require us to report even a \$50 expenditure within originally up to five days, I think, but that eventually would be the next business day. So...but mostly I'm concerned over the perception that you have if you're running for a \$12,000 job, and obviously we don't run for it for the money, but I think to the public they look upon that, that we're buying influence and that somebody is buying our influence. And so I'm very concerned over the fact, admittedly you can spend as much as you want anyway. But I do think we're going to scare off anyone who would challenge an incumbent. I'm sure that many people sitting in this body did not run against an incumbent because they felt it would be such an uphill struggle. I think we will have more of an uphill struggle if we take away spending limits. I think it is true that money buys power and power corrupts. Maybe money corrupts as well. So I do agree that everybody has a special interest, whether it's a person who has \$1, whether it's a person that's talking to you in a coffee shop on a Saturday morning or Friday morning when you're back, he has a special interest usually in legislation as well as the person who might spend \$50,000 or \$100,000 to buy your vote. And I don't think any of us have vote for sale. But I think certainly \$100,000 to your campaign might make some difference in how you would vote in many instances. So I'm very concerned over removing the campaign finance limits. With that, I would yield the rest of my time to Senator Avery, if he wants to use it. [LB626]

SENATOR FISCHER: Senator Avery, you have 1 minute, 8 seconds. [LB626]

SENATOR AVERY: Thank you, Senator Wightman. Let me go back to the bill...to the amendment itself and finish up what I had started earlier this morning. In Section 12,

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ballot question committees will be required to file campaign statements the next business day after receipt of a contribution or making an expenditure. This requirement is more onerous than the five-day requirement. Why does the amendment treat ballot questions different from other committees? That's not clear at all. The issue with late filing fees becomes even more problematic when the deadline for filing is the next business day. Additionally, the amendment does not eliminate the current filing requirements for ballot committees. The current requirement requires ballot committees to report...the first statement is filed no later than the last day of the calendar year in which the petition is filed with the Secretary of State. Also, additional campaign statements are filed on the last day each calendar month thereafter. And a final statement is filed later... [LB626]

SENATOR FISCHER: Time. [LB626]

SENATOR AVERY: ...not later than 30 days. Thank you, Madam President. [LB626]

SENATOR FISCHER: Thank you, Senator Wightman and Senator Avery. Senator Fulton, you are recognized. [LB626]

SENATOR FULTON: Thank you, Madam President, members of the body. Earlier my colleagues, Senator Lathrop and I think Senator Nordquist, had talked about big business interests, and I think it was fat cats was the line. I just...let's be fair on both sides because it's not just business interests. There are also labor interests that are involved in politics, and I think we've experienced both sides of that here within this body anyway. I would like to yield the remainder of my time to Senator Lautenbaugh, Madam President, if he would take it. Could I yield my time to Senator Lautenbaugh, Madam President? [LB626]

SENATOR FISCHER: Thank you, Senator Fulton. Senator Lautenbaugh, you have 4 minutes 20 seconds. [LB626]

SENATOR LAUTENBAUGH: Thank you, Madam President and thank you, Senator Fulton. Yes, I will take the time, maybe not all of it. I do want to respond to some of the points Senator Nordquist made. And I think this points out a philosophical difference that stretches well beyond this issue. There was talk of allowing unlimited money in politics if this amendment passes. Existing law does not create the amount of money in politics. While some in Washington might be trying to prove us wrong currently, we cannot legislate more money. There is a finite amount of money to be spent in politics. Groups budget and they spend. We aren't changing the amount of money in politics, we're trying to change where it goes. And to say we're removing these limits somehow that's going to create unlimited money in politics, I don't think the money has been on the sidelines waiting for the limits to go away. And then I heard the thing that almost took my breath away: that the money will come in from the coasts, from the coasts

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money will start coming in. Well, consider 2008. The Brotherhood of Locomotive Engineers and Trainmen out of Cleveland, Ohio, \$10,000 to an independent expenditure group; the boilermakers out of Kansas City, \$500. They don't care as much as the Brotherhood of Locomotive Engineers of Cincinnati, apparently. The Carpenters District Council of Kansas City and Vicinity, \$30,000--\$30,000 rolled in from Kansas City for some reason; Richard Holland, \$50,000 out of Omaha, at least he's not on the coast; The International Brotherhood of Teamsters from Washington, D.C., \$5,000; Iowa Drive, whatever that is, D-r-i-v-e, \$5,000; Kerrey for Senate, \$5,000; Nebraska Association of Trial Attorneys, \$15,000--they are local at least; Nebraska Association of Trial Attorneys, \$25,000; and NELPAC, \$5,000. Do we all know what NELPAC is? Thank you, Senator Nelson. That's what NELPAC is, \$5,000; the NSEA, \$15,000; the Sierra Club Political Committee, \$1,500. We're not doing a good job of keeping that money from the coasts out of Nebraska at this point or from Kansas City or from Cleveland. Hello, Cleveland. Thank you for the contribution. We are deluding ourselves if we think that what we have now is clean or pure or even desirable in any way. I'm beating a dead horse here, but I'll flail away. At least with the limits gone, that same finite amount of money, because I'm underlining the point we don't create money by what we do here, quite the opposite sometimes, but we don't create more money by what we do here, that money will at least flow into campaigns where there is responsibility and a candidate with a face and a record and a phone number and an address that you can vote against if you don't like. [LB626]

SENATOR FISCHER: One minute. [LB626]

SENATOR LAUTENBAUGH: And that's not happening now. Right now we've surrendered the field, I think, to a lot of faceless groups that are getting money from the coast, and it's not just labor. By reading that list, because that's the one I had in front of me, I gave the impression that the money is coming from labor from the coasts. That's not it. The money is coming from all sides, from everywhere. It's not a labor problem. It's not a trial attorney problem. It's not a Sierra Club problem. It's everyone, everyone. We aren't doing anything to keep it out. We can't do anything to keep it out. At least by doing this we make ourselves responsible for what it is. And with term limits, there's no such thing as an incumbent protection act. We'll all be gone sooner rather than later. So we might as well be up front and honest with what we're doing with the money. Thank you. [LB626]

SENATOR FISCHER: Thank you, Senator Lautenbaugh and Senator Fulton. Senator Haar, you are recognized. [LB626]

SENATOR HAAR: Madam President, members of the body, first of all, some of these things I take kind of personally, and I wish this wouldn't have to happen, for example, very direct put-downs of Common Cause and the Sierra Club. I'm not a member of Common Cause. I am a member of the Sierra Club, and we have all kinds of good

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people involved with the Sierra Club who have interests other than flowers and windmills, and I take that personally. I think that's offensive to characterize groups like that. Then on to the main topic I guess is we all share the concern about independent expenditures. Again, to talk about my campaign when you consider what I spent and I abided, but I got some fair fight money and what my opponent spent, and he didn't abide and that's why I got the fair fight money plus the independent expenditures, I figure that about a half a million dollars got spent on my race altogether. It's a problem. It's a problem. However, and I don't know what kind of error you would call this, but the argument today seems to be coming, if you don't bring a solution you must accept mine. And I think we could pick at this resolution or, I'm sorry, this amendment for quite a long time because, and it still would be bad legislation. The thing of saying if you didn't bring a solution you've got to accept mine force...and try to force us into doing a solution today is certainly not the way we make good policy. Again, as I pointed out when we talked about this the other day, dirty politics started way back, probably the first time there was any kind of race. And we can go into that some more if you like. But I think Senator Price hit it on the head and other people have said this, too, but he said, does this fix the bad actors? And I don't see how anything that's been said...I think the premise that getting rid of the CFLA will draw money away from third parties is totally unproven. There's no proof of that. So I will not be pushed into a solution just because I don't have one at this time. I do have some suggestions, though, and I think if a study gets done of this over the interim or whatever is what I'd like to see, because I was very disturbed about some of the negative campaigning that was done against me by third parties, I'd like to see a limit on contributing by the candidate. There are some candidates who can fund their own campaign, and I think that's unfair. I'd like to see some up-front announcement for the phone calls. I think instead of having an identification at the end of a phone call it should clearly come at the front of a phone call telling who is calling. I'd like to see better disclaimers. I'd like to see more detailed disclaimers, something that told a little bit about the organization. I would like an up-front announcement if somebody is doing a push poll. And, you know, obviously this is the kind of polling where you're called and you answer a certain way and then you're said, well, if you know that Ken Haar is this and this, in this campaign it was, did you know Ken Haar's wife is CEO of Planned Parenthood, would that change your attitude? And that's a push poll. And I think people ought to know that up front. So I think we could do a lot more to... [LB626]

SENATOR FISCHER: One minute. [LB626]

SENATOR HAAR: ...without abridging, thank you, without abridging the First Amendment. I think there are things we can do that will definitely curb negative campaigning, not to go out on another tangent that says, gee, if we take the cap off of individual campaigning, individual campaigns, that's going to draw all the money away from these third parties. I think that argument is false and there's absolutely nothing to support it. Thank you. [LB626]

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SENATOR FISCHER: Thank you, Senator Haar. We have a number of senators wishing to speak: Senators Mello, McCoy, Nelson, Campbell, Janssen, and others. Senator Mello, you are recognized. [LB626]

SENATOR MELLO: Thank you, Madam President, members of the Legislature. It's been an interesting debate so far, and in all due respect to my colleague, Senator Lautenbaugh, there's money that does come from all over the country. You know, I'd rather not name some of the contributors that come and not from around the country and around the state to some of these independent committees. But, for an example, there are some that do come in from out of state, like the Entertainment Software Association, Washington, D.C. You have Pfizer, Inc., from Austin, Texas; Phillip Morris USA, Austin, Texas; Purdue Pharma, Stamford, Connecticut; Smithfield Foods, Smithfield, Virginia; Tyson Foods, Springdale, Arizona; UST Public Affairs, Stamford, Connecticut, the point being that, yes, there's money that comes in from out of state. And there are independent committees that I will not name or name individuals involved in it. But we know that there's money that comes from all sides of the political spectrum. And I think it's not being honest with the entire scope of this conversation to single out individual donors or individual organizations for the sake of making a political point. So with that, there are these individuals and there are the individuals you mentioned. But taking it to a wider scope, I'd like to give credit to Senator McCoy and Senator Fulton who pulled me aside and asked where can we go with this? If you do not support Senator Lautenbaugh's amendment, where is it that we can go to deal with independent committees? And I applaud their leadership of trying to find a solution to this because I believe my later amendment on LB626 deals with partial independent expenditures with political parties because the fact is, read their reports. Independent committees are the equivalent of political party committees, and political party committees do not file the same reports, they do not file the same reporting time lines, which allows majority of the independent expenditures to go through political parties. And that is the problem that has yet to be brought up in today's debate. These shadow groups you're right--we don't know enough about them. But the fact is this: They're not doing the heavy lifting. The political parties are doing the heavy lifting, and that's what my amendment does. So that is part of the solution to this problem. But the other solution, and I'm getting it drafted right now in Bill Drafters, is what I mentioned earlier. We'll do a 14-day, every single day, every day reporting requirement of these committees. We will find out then with the amendment I will draft and introduce every day what these independent committees are doing for the last 14 days of an election. That sheds transparency, that sheds light in regards to who these groups are. And in a conversation off the mike, part of the issue is, is who's held accountable? Who ultimately is held accountable at the end of the day? I believe that the job of the mainstream media is to help provide accountability, and that is what they did. There is a story on Omaha.com dated May 11, 2008, shortly after the primary, that discusses exactly what the arguments for AM1322 discusses. They did a long article discussing all of the independent committees and who all were involved in it,

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where they got the money, what they spent the money on. And I feel that's what the job of the media is and that's what they're there for--to provide an accountability, provide a watchdog to our government, to our federal government. And part of what we're talking about today is trying to shine more light into the underbelly of politics. I believe...Senator Nordquist is going to introduce an amendment that does that. I have an amendment that already does that, and I'm drafting another one that does that, all while keeping faith... [LB626]

SENATOR FISCHER: One minute. [LB626]

SENATOR MELLO: ...with the public interest, ensuring that our special interest groups, not only Nebraska but around the country, cannot buy an election in Nebraska, cannot send \$500,000 from one corporation to one candidate because that is exactly what can happen and that is exactly what will be done under AM1322. The buying of public office will happen if AM1322 is adopted. It has nothing to do with the underbelly of these independent committees. I hope that we can continue discussion and I look forward to introducing or discussing my future amendments. Thank you, Madam President. [LB626]

SENATOR FISCHER: Thank you, Senator Mello. Senator McCoy, you are recognized. [LB626]

SENATOR McCOY: Thank you, Madam President and members of the body. I'd yield the remainder of my time to Senator Lautenbaugh, if he'd so wish. [LB626]

SENATOR FISCHER: Senator Lautenbaugh, you have 4 minutes 54 seconds. [LB626]

SENATOR LAUTENBAUGH: Thank you, Madam Chairman. Thank you, Senator McCoy. I do want to clarify a couple of things with the time I have here. And, Senator Haar, it was not my intent today to attack the Sierra Club. What I'm trying to point out was that any time we don't like something we label it a special interest group. I wanted to remind people that a special interest group is not the Chamber, a special interest group is not the Teamsters, a special interest group is not just, I don't know, somebody else, the pharmacy reps, I don't know, the hygienists. How could I forget the hygienists? My point is we are all (Laugh)...there are every group out there, everyone out there, all of us, every citizen has an interest and that is represented. And the Sierra Club works just like any other group. They come in here and they lobby for the things they want, as does the AARP, as does everyone else. And my point is, is that, you know, a lot of people find it hard to attack a group on its face, like the Sierra Club, because of their mission and whatnot. Who could be against that? But it's a special interest. We all have special interests, and we only seem to refer to them that way is when we're upset about something that the special interests are doing. To say that this amendment would allow the buying of elections is just laughable because the press does report on what we do,

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and my amendment requires disclosure. What do you think would happen to a candidate out in the Panhandle who had to disclose that he was funded with a million dollars from Ted Turner? That was his contributor--Ted Turner, a million dollars, end of story. That's the example we're given here. I would submit to you that he or her would lose and handily because people want to know where our money comes from. And again, we are not somehow creating money or increasing the flow of money. And, yes, my point in reading the groups that contributed was a lot of them are from out of state. And one of the arguments against my amendment is, oh, my gosh, money is going to flow in from out of state to go to candidates. Well, it's flowing in now from out of state and going to independent expenditure groups. So what do we do? And, yes, I think it is okay to come to the microphone and say, yeah, we all identify a problem. We all agree there's a problem. I am throwing up a solution. And maybe if you don't like my solution but you know there's a problem, it's incumbent upon you to think of a solution. At least Senator Mello is talking about solutions. We may not agree. We don't get to the same place maybe. But, no, I think it is...if you agree with me that there's a problem, it is on you to come up with a solution or at least look favorably upon mine if you can't come up with one you like better. Or, or your other choice is just to say, yeah, it's a problem. What time are we going to adjourn today? That wasn't a question, Arnie. I was speaking rhetorically (laugh) but thank you. I hear it's 6:00 for those curious (laugh). I don't know where he gets his information, but apparently he has it. In any event, yes. Like I said, I at least applaud Senator Mello for being willing to talk about solutions to something that everyone has stood up and said was a problem, every single one of us. And interestingly, no one has stood up and said that our current system is great. We've talked about how the limits have, you know, increased our standing in the public's eyes. I don't know that that's true. Again... [LB626]

SENATOR CARLSON PRESIDING

SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: ...and, yes, I did mean to kind of take some potshots at Common Cause because they came into the Government Committee and sat there and said, in essence, you can't change this. We helped enact it. Well, that's not good enough. And the other statement was, well, we did this to get money out of politics. Well, you failed. You failed miserably. And it's up to us to clean it up. And if I seem like I'm going after that particular group on this topic, I am because they were one of my two opponents from outside the Legislature who came in, agreed there was a problem, but just had nothing to say about the solution. It just couldn't be this. It has to be something else. And I'm going to point that out every time it happens because I don't think it gets us anywhere to ignore a problem. And I don't think it gets us very far to study this particular problem. [LB626]

SENATOR CARLSON: Time. [LB626]

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SENATOR LAUTENBAUGH: Thank you. [LB626]

SENATOR CARLSON: Thank you, Senator Lautenbaugh and Senator McCoy. Senators still wishing to speak: Nelson, Campbell, Janssen, Avery, Friend, and others. Senator Nelson, you are recognized. [LB626]

SENATOR NELSON: Thank you, Mr. President, members of the body. I'd like to give Senator Lautenbaugh just a little bit of rest, but I do have some questions for him here if he would yield. [LB626]

SENATOR CARLSON: Senator Lautenbaugh, will you yield? [LB626]

SENATOR LAUTENBAUGH: Yes, I will. [LB626]

SENATOR NELSON: Senator, I...philosophically I like your solution here and I'm listening, but I do have perhaps some nitty-gritty questions here that I've not heard the answer to. Why are we under your amendment going from \$250 down to \$50 as far as the limit there? What's the rationale for that? [LB626]

SENATOR LAUTENBAUGH: Really and simply put, it's more disclosure than we currently have. And that does leave me, I don't want to take up your time. Senator Louden had a concern earlier about whether or not this would change requirements for smaller campaigns. No, the committees that are under \$5,000 aren't really committees as defined, so this wouldn't apply to more groups, more campaigns than it currently does. The increase in the level of disclosure shouldn't be too much of a burden because you have to keep records for the \$50 and ups anyway so it's already there. But the rationale from \$250 to \$50 is that was just more disclosure to, you know, let everyone know where we are. If you said you thought it should be \$100, I have no principled way to argue with you. If you said you thought it should be still \$250, I really don't know how to respond to that either. It's a number. [LB626]

SENATOR NELSON: That leads me to the next question and the matter of reporting on a daily basis. Is there some reason in your mind why a report could not be done on a weekly basis perhaps until toward the end of the campaign where you might want to know daily what kind of contributions are being made? [LB626]

SENATOR LAUTENBAUGH: No, there is no reason in my mind why that wouldn't work. [LB626]

SENATOR NELSON: All right. Your amendment will do away with the bide and not abide, is that correct? [LB626]

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SENATOR LAUTENBAUGH: Yes. [LB626]

SENATOR NELSON: I think a comment was made earlier that you don't have to abide, that you're unlimited in your amount of spending. That's not really true. You can spend your own money or you can spend individual donations, but under our current system, we're still limited to what, about \$42,000 that we can get from corporations or independent groups, regardless of what we do? [LB626]

SENATOR LAUTENBAUGH: I believe that's correct. And I would point out that one of the other proposals that was suggested was that we limit the amount individuals can spend on their own campaigns. That's specifically found to be unconstitutional in Buckley v. Valeo so we cannot limit that, but you are correct. [LB626]

SENATOR NELSON: Well, thank you, Senator, and this is a comment that I want to make. If we're going to be--and I'm going to have to run in another year and a half--if we're going to have to be subjected to attack ads from well-financed, independent groups, it seems to me that we at least ought to have the protection that we can attract our own independent contributions from corporations, from large groups, just as you're saying so that we've got the money to respond. That's part of the problem here in the past. Unless you want to kick in a lot of your own money, you're limited beyond that \$42,000 to raising \$10, \$50, \$100 wherever you can. And it's very, very difficult. And from that standpoint, if we're not going to be able to control the independent expenditure groups, then I think we deserve the protection ourselves of being able to attract money from such groups, from corporations, from whatever, to put us on a level playing field with those who are attacking us. Otherwise, all we can do is sit back and take it and try and get out door to door, and there's a lot to be said about that and we will. But you're limited nevertheless. And I think you get down into a close campaign, perhaps as what we just witnessed in Omaha in the mayoral race, that attack ads may make the difference and you've got to be able to respond to them, and that's going to take money. And I'm sorry. [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR NELSON: That's just the way it is. Thank you, Mr. President. I'll yield the rest of my time to Senator Lautenbaugh, if he cares to use it. [LB626]

SENATOR CARLSON: Senator Lautenbaugh, 51 seconds. [LB626]

SENATOR LAUTENBAUGH: (Laugh) Thank you, Mr. President and thank you, Senator Nelson, for those questions. I have a hard time disagreeing with anything you just said. And I would point out that the thought just occurred to me that the Governor's race is exempt from these limits and somehow we get by. And somehow the sun continues to come up every morning, and somehow no one looks askance at the Governor's race

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and says, oh, my gosh, look at all that money. Why can't you be more like the state senators? I've never heard anyone say that. So we have a bizarre, arbitrary system that only applies to a few, which almost brings us back to the underlying bill, and that's why I brought this amendment. Thank you. [LB626]

SENATOR CARLSON: Thank you, Senator Lautenbaugh and Senator Nelson. Mr. Clerk, for an announcement. [LB626]

CLERK: Mr. President, communication from the Governor to the Clerk. (Read re LB54, LB56, LB92, LB98, LB98A, LB158, LB162, LB286, LB322, LB436, LB495, LB497, LB497A, LB549, LB551, LB653, and LB188.) Study resolutions: LR136, Senator Avery; Senator Heidemann, LR137, also a study resolution. And I have notice of hearings, Mr. President, from Natural Resources Committee confirmation hearing. (Legislative Journal pages 1470-1472.) [LB54 LB56 LB92 LB98 LB98A LB158 LB162 LB286 LB322 LB436 LB495 LB497 LB497A LB549 LB551 LB653 LB188 LR136 LR137]

Mr. President, Senator Nordquist would move to amend Senator Lautenbaugh's amendment with AM1406. (Legislative Journal page 1472.) [LB626]

SENATOR CARLSON: Senator Nordquist, you're recognized to open on your amendment to AM1322. [LB626]

SENATOR NORDQUIST: Thank you, Mr. President and members. This is, as I mentioned the previous time I spoke, that this would replace the Lautenbaugh amendment, basically just keeping the \$50 reporting limit to open up transparency in the process to let people know who we're receiving dollars from. This doesn't get at the independent expenditure. Senator Mello is going to be bringing an amendment to address that issue. But I fully support more disclosure, more transparency in our campaigns here in Nebraska. You know, we talk about these independent groups and some of these groups, you know, Senator Lautenbaugh mentioned a few of them from out of state. And most of those organizations or many of those, I shouldn't say most, probably many of those have ties to Nebraska. They're working men and women in the state that pay dues to a national organization or it's, you know, the Omaha Chamber of Commerce, local ties. But some of these groups that come in are out of state, really no ties to the state and really questionable. One organization, Nebraska received nearly \$70,000 from this organization in Chicago named The Sam Adams Alliance or Team Sam and their founder is under indictment for petition fraud in Oklahoma. These are some of the shady characters that are coming into our state and dumping money in races and, you know, AM1322 doesn't go to that and my amendment necessarily doesn't either. Mine just opens up transparency, more transparent, more disclosure for candidates. But Senator Mello's amendment, I think, is a step forward. And Senator Pirsch had a solution and I'd like to have a little quick dialogue with him about his idea. I think it's something we need to consider. It's...Senator Pirsch, we've been having a

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dialogue over the last couple days on more disclosure on communications from these independent groups. And if you...I'd like to hear your thoughts on what potentially we could do and how that would have an impact here. [LB626]

SENATOR PIRSCH: I would yield [LB626]

SENATOR NORDQUIST: Could...would Senator Pirsch yield to question, answer my comments? [LB626]

SENATOR CARLSON: Senator Pirsch, would you yield? [LB626]

SENATOR PIRSCH: I would. I guess did you just want me to address your remarks? [LB626]

SENATOR NORDQUIST: Yeah, go ahead. [LB626]

SENATOR PIRSCH: Yeah, I tell you, you know, I don't know that I have a specific solution. I can take...that is the best solution. I can tell you, you know, are there today identified amongst the bodies a number of problems? Yes. And those occur in some of the legislators' concerns, as Senator Lautenbaugh has mentioned, lie with the independent expenditure committees. Others lie with the political parties, as Senator Mello has pointed out. I think in looking at these, you know, I certainly, you know, I can look at alternatives and brainstorm. I don't know that I've reached, in my mind, the best way to do it. And so, I mean, you can look at with respect to bits and parts of it, one...alternative ways of getting at that. But I think the important thing as far as I'm concerned is to approach...I'd like to figure out a way, and I'm not sure that we can do this on Select File, a comprehensive uniform approach, not just to bits and pieces of the problem, but a comprehensive solution to all of these. And so I can tell you, yes, with regards to independent expenditures, you know, we had discussed, you know, alternative ways (inaudible) and, you know, perhaps you can require with every communication, say, the flier that's handed out by these independent expenditure committees a requirement that they disclose, I don't know, the top three or five donors. But, you know, that's...you know, there's pros and cons of throwing these solutions out there. And I think the important thing is that whatever we decide it doesn't deal with just one of these potential problems that are brought to light but uniform amongst, whether they be independent expenditure committees or political parties and that we have well-thought-out the approach that we're going to take with that. And so I'm extremely hesitant to say that I have the answer. And, you know, obviously there are certain problems that are brought to light and different ways of approaching that. Some of the factors we have to look at is cost, if the approach to cure it is realistic, those type of considerations. And so, you know, I certainly understand and appreciate Senator Lautenbaugh's and Senator Mello's bringing forward these very meritorious concerns about, you know, transparency issues in it. But I'm not at all sure that I am, as I stand

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here today, know the best way to, in each case, proceed here today without a uniform and comprehensive review. And so I don't know that that is possible here today at this stage on Select File. So with that, you know, I don't know if that answers your question. [LB626]

SENATOR NORDQUIST: Yeah, thank you, Senator Pirsch. You know, I think this is just one possible solution that we should look at so when people get a flier in the mail they say, oh, who's Team Sam or, you know, the Chamber of Commerce or whoever, labor union, you know. People can think, okay, do I trust this information? Should I put a lot of stock in it? Is it something worth my time to consider? And I think that's ultimately what we need to get at to make this process more fair. Mr. President, how much time do I have? [LB626]

SENATOR CARLSON: Three minutes and 50 seconds. [LB626]

SENATOR NORDQUIST: Okay, I'll yield some time to Senator Mello. [LB626]

SENATOR CARLSON: Senator Mello, 3:45. [LB626]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. Thank you, Senator Nordquist, for the time. I would echo Senator Nordquist's sentiments as well as his amendment, which is if we see a problem, which we've all heard today on the mike and last time that Senator Lautenbaugh brought up the amendment on General File, that we need to find solutions. So the concern is this: You have groups, independent committees--I want to throw in political party committees as well because they do the same exact thing as independent expenditure committees--that need more transparency. We need to know who is contributing, we need to know where it's being spent at, and we need to know who it's being spent on. I commend Senator Nordquist for his amendment, AM1406, which hits at the crux of what Senator Lautenbaugh has been talking about all day on LB626. We need more transparency on these independent committees. That has been the argument from the git-go. We need more transparency on independent committees because people do not know who they are or who is supporting these groups. There's an aura that these groups are locally organized groups, that they're your neighbors trying to speak up to attack you on an issue, which is not the case and everyone knows that. But this also goes back to a conversation off the mike which is these committees do what candidates refuse to do. If you have a legitimate concern as an opponent of someone who is running for office about their attendance record, about the contributions they accept, about the issues they stand on, you as a candidate should be able to talk to them about that, and you should be able to engage them in respectful dialogue about those issues. Unfortunately, you have these committees that do the heavy lifting for candidates because we are not willing to hold ourselves to a higher standard and to engage our opponents in thoughtful debate about the future of the state. That's the crux of this issue, folks--that more than anything else,

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independent groups carrying the water because we're afraid to engage in meaningful debate about meaningful issues. So what Senator Nordquist's amendment does, provides more transparency who's funding these groups. My amendment that's still being drafted will require these groups to file a daily report the last 14 days of an election so that we can see who is giving money late in an election to these groups and what they're spending the money on. That should send... [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR MELLO: ...thank you, Mr. President. That should send light or shed light, I'm sorry, in regards to the darkness that has been discussed regarding independent committees. Also in my amendment I include political parties because in my amendment that was drafted earlier, I can't remember the number exactly to LB626, political party committees serve as identical twins to independent committees. So the amendment that you'll soon see says political parties have to report a daily report the last 14 days of an election to show who is giving late contributions to these parties, committees and what they're spending money on because I believe more light on this issue is better for Nebraskans and it's better for our democracy and it's better for this body. In the long run, it's better for this body. With that, I'd like to yield the remainder of my time back to Senator Nordquist. [LB626]

SENATOR CARLSON: Senator Nordquist, 5 seconds. [LB626]

SENATOR NORDQUIST: Mr. President, I move to withdraw AM1406. [LB626]

SENATOR CARLSON: You've heard the request. No objection, so ordered. We return to discussion on AM1322 and, Senator Campbell, you're recognized. [LB626]

SENATOR CAMPBELL: Thank you, Mr. President. You know, as I sat here all afternoon and listened to this, I thought about the many people that I talked to in the campaign I did last fall. And if I got 100 of those people together and I said, what just drives you crazy? And I would guess that the public would say, I'm appalled at two things. I'm appalled by the money that is spent in political campaigns. How many times didn't we hear that? And number two is I am appalled by all this third party stuff, the lies, the misconceptions. How do you get at those? In five elections that I've run in my lifetime, not once did any member of the public walk up to me and say, I want you to break the piggybank. I want you to spend as much money as you can. That is not what the voter expects. The problem here with AM1322 is that, first, I think it would be a hard time to find anybody who would be a treasurer for you. But you absolutely cannot just throw money at an election. The issue here clearly is the third party. And I commend Senator Lautenbaugh for saying that it is the third party. I agree. Voters in the state are watching so carefully that information because they are becoming madder and madder about it. Senator Lautenbaugh all afternoon has said what is the solution. We don't need an

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interim study. Well, I'd be one person that would say maybe we do. Part of the thing that goes on in an interim study is not that we just run around and hold hearings, but that we gather data. We actually begin to look at the records and what has happened in past elections and how prevalent is a problem and how do we get at that. Sometimes we say, don't bother me with the facts. Let's just keep moving. This is one situation where I do believe that we need more facts. And unbelievable as it may seem, because he has asked me, I will yield the rest of my time to Senator Lautenbaugh. [LB626]

SENATOR CARLSON: Senator Lautenbaugh, 2 minutes 10 seconds. [LB626]

SENATOR LAUTENBAUGH: Thank you, Senator Campbell and thank you, Mr. President. And that was particularly gracious because I called her and said, hey, can I have some of your time? And she said, I oppose you. And I said, well, that's okay. I still need the time and she gave it to me so thank you very much. Briefly I just want to address something that Senator Mello said. His plan is to require in the last 14 days disclosure by the independent expenditure groups of what they're doing, what they're raising, and what they're spending daily. So that will have the practical effect of telling you what's coming. All right then. One of my colleagues here compared that to getting a call the day before your colonoscopy to tell you how big the instrument is. What good does it do to know what's coming if you don't have the ability to raise the funds to counter it? What good does it do, how does it address the problem to know what's coming when your only recourse, when you should be out campaigning, is to try to contact individuals and hold a hasty fund-raiser? [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: That doesn't address the problem. That simply doesn't get us where we need to go. It would be nice to have the knowledge I guess, but again, when you're dealing with groups that have unlimited ability to raise money, the fact that you have a window into what their plans are a day or two in advance of when you get it in the mail, I don't know how that helps. I don't know what good that possibly does for you in addressing the problem that we all concede is here. Thank you, Mr. President. [LB626]

SENATOR CARLSON: Thank you, Senator Lautenbaugh and Senator Campbell. Senator Janssen, you are recognized, and this is your third time. [LB626]

SENATOR JANSSEN: Question. [LB626]

SENATOR CARLSON: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Senator Janssen? [LB626]

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SENATOR JANSSEN: I request a call of the house...regular order. [LB626]

SENATOR CARLSON: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB626]

CLERK: 29 ayes, 0 nays, Mr. President, to place the house under call. [LB626]

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. Senator Pankonin, Ashford, Council, Cornett, the house is under call. Senator Ashford, please check in. Senator Council, the house is under call. Senator Janssen? [LB626]

SENATOR JANSSEN: We can proceed. [LB626]

SENATOR CARLSON: Thank you. The question is, shall debate cease on AM1322? We have a request for a roll call vote in regular order. Please proceed, Mr. Clerk. [LB626]

CLERK: (Roll call vote taken, Legislative Journal pages 1472-1473.) 36 ayes, 8 nays, Mr. President, to cease debate. [LB626]

SENATOR CARLSON: Thank you, Mr. Clerk. Debate does cease. Senator Lautenbaugh, you're recognized to close on AM1322. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. And honestly, this has gone on so long that I guess I figured I was never going to close because I did not prepare closing comments. So there's no guarantee that's going to lead to brevity, but in any event we'll roll on. I think we did have a good discussion here today. And I didn't bring this bill, as you know, this amendment, so we would have a discussion, however. It's right to take it to a vote I think and that's obviously where we are. We've got a system that's broken. However good the intentions were, it doesn't work. Well, it works; it just doesn't work the way anyone would seem to want it to work in a rational world. What we've done is created a system where there are very strict limits placed upon us who we can raise funds from, in what amounts, but it doesn't apply to the other players in the field. And we unilaterally disarm ourselves as a result. Like I said, this wasn't the intent. I'm sure the intent was noble. Had I been here when this originally passed, I never would have voted for this in a million years because I think it is just the wrong thing to do. There was a quote here, a Supreme Court case, Justices O'Connor and Stevens wrote that money, like water, will always find an outlet, and that's true. The money will come regardless of what we do. Are we in a position to control it and have honorable campaigns, something we're proud to have our names attached to?

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Not currently. The money comes and it flows largely beyond our control. We get blamed for it, the system gets blamed for it, and the disgust is palpable, but that's the system we have. So, yes, I'm saying throw it out. Enough is enough. Disclose what we get. Disclose it swiftly. Let the voters decide. And if the press wants to cover who we're getting contributions from, that would be great. And they always get it right so I have no concerns in that regard. And everyone will know where the money is coming from, who is backing us, and they can ask us why, and we can tell them why. I had no difficulty filling out my campaign finance reports. Well, someone else filled them out for me, but I had no difficulty signing those reports and filing those reports and defending any contribution I received. I appreciated the support. I don't think it tainted me. I don't think it taints us. I think it's just a nod to reality that we receive money in this process and that we spend money in this process and we advance ideas. That's nothing we should shrink from. That's what we're here to do, and the election is a contest. It's a contest between individuals. It's a contest between ideas and philosophies, at least it should be. And if you want to look down the list of people who gave money to me and say, why did this group give you money, why did that guy give you money, they had a good reason for it I hope. And I'm happy to discuss it or you can ask them and they'll discuss it. And the people who didn't give me money had a good reason for it, and you can ask them why and they'll tell you. But people do vote with their dollars. And as the justices on the Supreme Court indicated, money will always find an outlet. It will find a way to make itself heard. Do we want to be driving the bus since they are our campaigns? We are responsible. Or do we want to just kind of say, well, gee, that wasn't me? That was someone who wants me to win and I don't know why they want me to win and I can't be responsible for what they said because I didn't say it. It was somebody else. [LB626]

SENATOR CARLSON: One minute. [LB626]

SENATOR LAUTENBAUGH: I don't think that's honorable. I don't think that's right. And I don't think a statutory regime that sets up a system like that is worth preserving. So, yes, I'm arguing that we should throw it away, disclose what we get, defend what we do, say who we are and why we received what we received. It doesn't control us. It helps us get our messages out there. And I don't shrink from that, and I don't think you should either. And I would ask...I thank you all for the debate today. I thank you all for your comments. And even people like Senator Campbell who disagree with me and still gave me time, that was heartwarming. Yes, I do have a heart and it was heartwarming. And I'd ask you to vote for this amendment. Thank you. [LB626]

SENATOR CARLSON: Thank you, Senator Lautenbaugh. You have heard the closing on the amendment. The question is, shall AM1322 to LB626 be adopted? Senator Nordquist, for what purpose do you rise? [LB626]

SENATOR NORDQUIST: Could we get a roll call vote, please? [LB626]

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SENATOR CARLSON: Request is for a roll call vote in regular order. Mr. Clerk. [LB626]

CLERK: (Roll call vote taken, Legislative Journal pages 1473-1474.) 13 ayes, 25 nays, Mr. President, on the amendment. [LB626]

SENATOR CARLSON: The amendment is not adopted. Mr. Clerk. The call is raised. [LB626]

CLERK: Mr. President, some items before I go to the next amendment, if I can. Mr. President, Enrollment and Review reports they've examined and engrossed LB263, LB392, LB440. Agriculture gives notice of confirmation hearing. And a study resolution: Senator Ashford offers LR138, be referred to the board. (Legislative Journal pages 1474-1475.) [LB263 LB392 LB440 LR138]

Mr. President, the next amendment I have, Senator Stuthman, AM1396. (Legislative Journal page 1475.) [LB626]

SENATOR CARLSON: Senator Stuthman, you're recognized to open on your amendment. [LB626]

SENATOR STUTHMAN: Thank you, Mr. President and members of the body. AM1396 is an amendment that I drafted for in LB475. What this amendment deals and what this bill originally was is the fact that in Douglas County and a county of over 300,000 population is the fact that in 1991 there was a bill introduced that created the position of the county clerk/comptroller. What this does is it has created some problems with the county board, and I will give you some experience that I've had serving as a county board member. A county board does not have the control over elected officials. A county board has control over the budget of elected officials, but does not have a direct control over the elected officials. What this county comptroller does is one that's in control of the receipts, the checks, the duties of performing the audits of other offices. And it is not under the direct supervision of the county board because of the fact that the county clerk/comptroller is an elected position. The majority of the county board were proponents on the hearing that we had at that time. And this is an issue that has surfaced because of the fact of what the county board is responsible for and has control over. Like I had stated, the county board is in control. When a county board is really in control of the internal audits of a county, but yet if there's an elected official that takes this position, the county board has no control over that portion of it. I felt as a county board member that I thought this issue should be raised, and in my opinion I feel that the county comptroller should be an appointed position. In the debate and the discussion there was some form of an agreement and I do respect the fact that the Government Committee has come up with something as far as separating the duties of the office of the clerk and the comptroller. Some individuals felt that there should be an elected position for the comptroller, but I am one not to try and create another elected

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position. I felt that this should be an appointed position. And with that, you know, I have raised this issue. There needs to be some more work done on this bill. And I think throughout the summer and before next year hopefully we can get some type of an agreement upon that as to how we want to proceed with this separation of the duties of the county clerk/comptroller. So I just wanted to get this on the record and I think there is a definite need for internal audits of the larger counties. But I think that should be under the control of the county board. And that is the reason why I brought this bill forward, you know, at the request of the Douglas County board. And I think they feel that they should have the control over it, and which I truly do believe also. So I think during this summer or the fall and before next year, you know, we want to work on this in trying to get an agreement with that. So with that, Mr. President and Mr. Clerk, I would ask to withdraw this amendment. [LB626]

SENATOR CARLSON: Thank you, Senator Stuthman. The amendment is withdrawn. [LB626]

CLERK: Mr. President, I now have, Senator Lautenbaugh, FA38, Senator. (Legislative Journal page 1476.) [LB626]

SENATOR CARLSON: Senator Lautenbaugh, you're recognized to open on FA38. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. And in all of the comments I made previously I realize the one thing I neglected to say is when I was upset about the lack of cooperation or that's not correct, lack of information I was getting from committee staff on the Government Committee. I believe that was a dispute between two senators and had nothing to do with the staff or its desire to not be cooperative. I've always had a good relationship with the legal counsel on that committee and I did not mean to say that somehow she was not doing her job or willing to cooperative with me if allowed, and I didn't mean to leave that impression, if I did, and I certainly didn't mean to seem like I was attacking her. So with that said, and I'm glad I had these amendments that I don't want now so I had a chance to say that, as I realized I neglected to, I'll withdraw this amendment. [LB626]

SENATOR CARLSON: Amendment is withdrawn. Mr. Clerk. [LB626]

CLERK: Mr. President, the next amendment I have, Senator Mello. Senator Lautenbaugh, I just wanted...withdraw the others as well, right? [LB626]

SENATOR LAUTENBAUGH: Yes, Mr. Clerk. [LB626]

CLERK: Thank you. Mr. President, Senator Mello would move to amend, AM1364. (Legislative Journal pages 1476-1479.) [LB626]

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SENATOR CARLSON: Senator Mello, you're recognized to open on your amendment. [LB626]

SENATOR MELLO: Thank you, Mr. President. Members of the Legislature, AM1364 incorporates the concepts of LB635 and the suggestions made by the Government, Military and Veterans Affairs Committee. I'd like to thank Senator Avery and the committee for their work in helping draft this amendment. AM1364 is fairly simple. What it does, it seeks to equalize reporting requirements under the Nebraska Political Accountability and Disclosure Act for political party committees that conduct independent expenditure activity. We've just heard throughout this morning's and this afternoon's debate about these type of activities that are done by independent expenditure committees and, ultimately, political parties, as I mentioned before, engage and perform the same activities. They send out mailings, they make phone calls, they do television ads and radio spots. And because they perform...because they perform similar functions, AM1364 would require political party committees to abide by the same reporting requirements as independent committees. Now currently, there are two types of political committees that are allowed to make independent expenditures, independent committees and political party committees. However, these two committees follow very different reporting requirements while conducting the same type of activities. Independent committees are required to follow a stringent reporting schedule that includes cash balance summaries, while political party committees do not. It does not make sense to have two different reports and set of reporting requirements for committees that engage in the same activity. What the pages will be handing out right now, and I apologize for the amount of paper that it consumes, but what the pages will be handing out is a copy of two reports that these committees are required to file. The NADC B-2 for political parties, and the NADC B-4 for independent committees. As you will see, independent committees are required to provide much more detail than political party committees. Independent committees are required to give a general financial summary of receipts and disbursements, including total amount spent during a given election period, cash on hand amounts, amount spent supporting or opposing candidates or ballot question committees, disbursements for administrative expenses and other miscellaneous transactions. Independent committees are also required to file a report of late independent expenditure for independent expenditures made over \$1,000 during the last 14 days leading up to an election. On the other hand, political party committees only report contributions and expenditures in direct support or opposition to a candidate or ballot question committee. They're not required to report cash on hand amounts, disbursements for administrative or miscellaneous transactions, nor are they required to file a report of late independent expenditure for independent expenditures made during the last 14 days of the election. I want to repeat that point because that is the crux of AM1364, is that political party committees do not file independent expenditure reports the last 14 days of an election. Independent committees are required to file reports within two days during the last 14 days of the

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election. Political parties essentially now, since they perform the same duties or same activities as independent committees, the problem lies that political party committees don't have to file any of their actions or any of their independent expenditures till postelection, which is roughly about 70 days after the election. So the public at large is kept in the dark in regards to what political party committees are doing in regards to independent expenditures until 70 days after the election. Frankly, it doesn't make sense to require different reporting requirements for two committees that undertake the same type of activities. All committees that undertake independent expenditures should be required to abide by the same reporting requirements and the same schedule. With that, I urge my colleagues to vote for AM1364. Thank you, Mr. President. [LB626 LB635]

SENATOR FRIEND PRESIDING

SENATOR FRIEND: Thank you, Senator Mello. Members, you have heard the opening on AM1364. (Visitors introduced.) On with discussion, Senator Avery, you are recognized. [LB626]

SENATOR AVERY: Thank you, Mr. President. I just want to point out a couple things on this amendment. Senator Mello brought this to the Government Committee. The Government Committee had a public hearing on it and we had an Executive Session and there was not, at the time, sufficient support to report it out. It was deadlocked. Senator Mello asked me what he could do. I said, well, you can talk to other members of the committee and see if you can flip somebody, if you can get another vote. He did that. He requested that we have another Exec Session on it so that he could have one more try at getting a majority. We did that over the noonhour and it was advanced. He played by what I think is a very important, informal rule of the committee work. He got the bill out of committee and I think that he is to be commended for his willingness to work within the procedures that I had advised him were most appropriate. Again, I would emphasize this is not a written rule anywhere, but we have to respect the committees, and I'm not talking about the tyranny of committees. I'm talking about the sovereignty of committees. Committees have to be respected, the work we do has to be respected, and that is what he did in this case. It was a rather tortured process but it did...he did follow proper procedure. What he is trying to do, as I understand it, is to have political parties subject to the same reporting rules as are independent committees. This may actually be a partial solution to the real problem we've been discussing for the last couple of days, certainly all of today. That is that independent expenditures are corrupting the process and many of us have been on the receiving end of that, I certainly was with at least nine consecutive negative mailings, financed by outsiders, and they weren't even true. Half of them were based on half-truths or simply made up. You do feel defenseless in situations like that. I would like to make sure, though, that at least we have fair reporting requirements. I voted to advance this out of committee. I think it's not a complete solution but it might be a partial solution. I would

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urge your support. Thank you. [LB626]

SENATOR FRIEND: Thank you, Senator Avery. Senator Hansen, you are recognized. Senator Haar, you are recognized. [LB626]

SENATOR HAAR: Mr. President, members of the body, I'm very encouraged by the vote that we just had. A couple things: Passing a bad law can do more harm than good, and I think putting that amendment to rest for now was in that vein. Also, quoting from a French philosopher, Voltaire, thanks to the Web, I don't know all this stuff but I got it off the Internet, perfect is the enemy of good, and I think sometimes we have to look at that in the laws that we make. And even though it's not perfect, we have to make sure that we don't make it worse. I would certainly urge the committee to study third-party expenditures. I'm all for increasing transparency. And I would like to bring up another issue that I think you ought to look at, the committee ought to look at when they study third-party and that's groups such as Nebraskans for a Better Tomorrow, and there are others and others and others. But these are groups, they're third party groups that give very large contributions to candidates and they're on both sides of the aisle. But I think this is another thing to look at because it's always interesting to look at the reports on some of these and to see that some of the friends I've made were putting money into something to support my opponent. So I think that's the other kind of third-party thing that we need to look at. And so I guess I have a question though for Senator Mello, if I could. Okay. Senator Mello,... [LB626]

SENATOR FRIEND: Will you yield, Senator Mello? [LB626]

SENATOR MELLO: Yes. [LB626]

SENATOR FRIEND: Okay. Do you think it's a good idea to go ahead then with your amendment when we're talking about now the committee doing a study this summer looking at these issues? [LB626]

SENATOR MELLO: Senator Haar, I think that my amendment is kind of a standalone issue than part of the conversation we are having today, because right now they're...in current Campaign Finance Limitation Act law, there is, you know, there's no other word to say it but it looks kind of like a loophole, a transparency loophole, so to speak, for political party committees and independent committees where political party committees do not report near as much information publicly in regards to their expenditures and particularly don't report their independent expenditures like an independent committee. So as I've had the conversation with Senator Pirsch and a few members on the Government, Military and Veterans Affairs Committee, is that this bill is...or this amendment, which was LB635, touches on another aspect of the campaign finance law and another aspect of the campaign finance problems that we're seeing regarding this independent activity. And so I think it's a standalone issue that warrants discussion.

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[LB626 LB635]

SENATOR HAAR: Okay. Senator Friend, how much time do I have left? [LB626]

SENATOR PIRSCH PRESIDING

SENATOR PIRSCH: Well, you have 1 minute and 24 seconds. Senator Pirsch, for your edification. [LB626]

SENATOR HAAR: Wow, what a transformation! (Laugh) Well, again, some of the issues I'd like the committee to look at are things like the push polls and that they be identified up front. I'd like to see better disclaimers. I'd like up-front announcements on phone calls to tell where they're coming from. I had the interesting experience when I... [LB626]

SENATOR PIRSCH: One minute. [LB626]

SENATOR HAAR: ...was doing calling and I had to tell people that this was really the candidate and not just a telephone call. Some of them were still angry. And then the thing of seeing if we need to limit what a candidate can contribute to their own campaign, because I think that unbalances things as well. So I will be looking at all these issues of things I've been thinking about since the campaign and get them to committee, and I hope other people do this as well. Thank you very much. [LB626]

SENATOR PIRSCH: Thank you, Senator Haar. Senator McCoy, you are recognized next, followed by Senators Lautenbaugh, Karpisek, Dubas, Pahls, and Friend. Senator McCoy is waiving. Senator Lautenbaugh, you are then recognized. [LB626]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. I do rise in opposition to Senator Mello's attempt to hijack this bill. (Laugh) In any event, briefly said, I don't see the parties as the same type of problem for some of the reasons I previously said and that is when the mailing comes from the party it says this comes from the Republican Party, the Democratic Party, whatever, and you know who that is. If you don't like it, you call the chairman and say, hey, I don't like this. I don't see this as the same problem as independent expenditure groups, set up with benign sounding names, doing what they please. I would like to look at this. I'm not going to be the one to suggest an interim study but everyone is telling me that that's what I should be doing now so we'll see. But I don't think it gets to the problem I identified. I think it's a different issue and I don't think that the parties are on the same level of anonymous attacks as the independent expenditure groups. We do have to be careful that what we do in this area actually meets constitutional muster. Again, I've heard someone suggest that there be limits on what an individual can spend on his own campaign. That's not necessary in my case because, you know, I work here. I have no money. But also what is clear from constitutional law is that you cannot limit the amount of money an individual can spend

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on his own campaign. That does not pass constitutional muster. I have some concerns again about the disclosure requirements, requiring the disclosure of all the people who contribute to a group on a mailing sent out by a group, because at some point the list becomes so long that you take over the mailing, which has the effect of eliminating the message, which I think would then be unconstitutional again. So this is a difficult area, obviously, as we've been talking about it for hours, with difficult votes to follow. But at this point, I don't believe I support this amendment. I'll yield the rest of my time to Senator Mello, I guess. [LB626]

SENATOR PIRSCH: Senator Mello, would you yield? [LB626]

SENATOR MELLO: I will, thank you. [LB626]

SENATOR PIRSCH: You have 2 minutes and 27 seconds. [LB626]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. Thank you, Senator Lautenbaugh, for the time. In this time, I want to make sure that I agree with some of the concerns you just stated but this bill has nothing to do with the constitutional concerns that you raised. AM1364 simply strikes a few words which says political party committees will file the same report, paper report, as you have been handed out by the pages as independent committees. As you can see, the political party report is three pages long. The independent committee report is about eight pages long. And the biggest crux is this, is that political party committees are engaging more in independent expenditure activity than independent committees are. The difference is, is that you don't know what they're doing though. You might see a mailing; you might not. You might get a phone call; you might not. Because they don't have to report that information because they fill out a three-page report and that's it. And then people will find out what they did, still in a very vague format, 70 days after the election. Obviously, political parties won't support AM1364 because it shines more light in regards to what political parties are doing. Everyone knows that. That's not...that's nothing new. But what it is, what is new, is trying to provide more information... [LB626]

SENATOR PIRSCH: One minute. [LB626]

SENATOR MELLO: ...to the general public--thank you, Mr. President--trying to provide more information to the general public about how money is being spent to influence the political process. Obviously, legislative races and a majority of other races around Nebraska are nonpartisan. Political parties are playing a larger role in regards to independent activity to influence these nonpartisan races and, thus, that is where AM1364 comes from; no constitutional problems or concerns, simply stating they need to file B-4 forms instead of B-2 forms, plain and simple. With that, thank you, Mr. President. [LB626]

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SENATOR PIRSCH: Thank you, Senator Mello. Senator Karpisek, you are recognized next, followed by Senator Dubas, Pahls, Friend, and Haar. [LB626]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I would just like to rise to say again, although I voted this bill out of committee and agree with it in principle, I don't want it dragging LB626 down. I feel the same as I felt about Senator Lautenbaugh's, same as I felt about Senator Stuthman's, and the same I would feel about Senator Pahls's if he would bring one, and he might. Again, I agree with these bills and I think that they have a great deal of merit. Everything we've talked about today, I don't want to lose sight of LB626. That's what's important to me. All of this transparency is fine. Again, if we don't vote Senator Mello's bill...or amendment on, his bill is still alive. Senator Lautenbaugh's bill is still alive, can be worked on. I don't want to say don't vote for Senator Mello's bill. If you want to, please do; if you don't, don't. I will be not voting again. I'm just trying not to pull down LB626. The committee, myself, and especially the committee staff have worked far too hard to see LB626 go down in flames because an amendment is put on that may be vetoed, I don't know, or just the rest of the body may not like or some of the body may take off after LB626 in a negative light if this does get on. Again, do as you feel. Senator Wallman says vote as you wish. But if LB626 gets in trouble, I will be back. Thank you, Mr. President. (Laugh) I didn't mean to say it that way. (Laughter) [LB626]

SENATOR PIRSCH: Thank you, Senator Karpisek. Senator Dubas, you are recognized next, followed by Senators Pahls, Friend, and Nelson. [LB626]

SENATOR DUBAS: Thank you, Mr. President, members of the body. I think it became very clear through the course of this discussion that we all can agree that there's a problem, and we've talked a variety of issues this afternoon. We've talked about raising money and reporting money and how much you can raise and how much do you report and who has to report and how often do you report and where does the money come from and then independent expenditures. So I think in my mind that points out that this is an issue that needs a very deliberative, comprehensive look at what types of changes do we need to make. And I believe that these laws were enacted in the early nineties and it's quite obvious that the environment has changed, term limits have put a different spin on things, other things have changed over the course of these years. So in my mind, that indicates to me that it is time for us, for the Government Committee and for us as a body, to step back and really examine these laws and how they work and what types of changes do need to be made. So would Senator Avery yield to some questions, please? [LB626]

SENATOR PIRSCH: Senator Avery, would you yield for a question? [LB626]

SENATOR AVERY: Yes, I will. [LB626]

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SENATOR DUBAS: Thank you, Senator Avery. I believe you stated earlier in the afternoon that you or your committee would be willing to conduct an interim study, and I think I was off the floor at that time. But would you be able to give me a little more detail about what you would envision that interim study looking like? [LB626]

SENATOR AVERY: Let me tell you a little bit of history. There has never been an interim study of the Accountability and Disclosure process. That probably needs to be done. There has never been an interim study done of the Campaign Finance Limitation Act and whether it's working as intended. That probably needs to be done. There has never been an interim study of independent expenditures, which also needs to be done. I am not sure if my committee can do it this interim, but we are certainly going to take a look at it, if not this year, next year. The reason this year we may not be able to is that we've already gotten probably about close to maybe a half dozen or more interim studies that we have to do, and I don't really know how many we can do and do well. But there is interest in that. [LB626]

SENATOR DUBAS: Thank you, Senator Avery. And I do certainly understand scheduling and the amounts of work that committees are expected to, but I think this a very, very important issue and will continue to generate struggles and problems the longer we don't take the time to look at them. So I am appreciative of the fact that you are...you and your committee are going to be willing to look at this. And while I agree with Senator Mello and his statement that this is different than what we've been talking about the rest of the afternoon, I think in light of the fact that we do need to sit back and take a very serious and in-depth look at campaign laws and finance laws, I'm not quite sure if I'm supportive of this amendment or not. And would yield the rest of my time to Senator Mello, should he like it. [LB626]

SENATOR PIRSCH: Senator Mello, you have 1 minute and 35 seconds. [LB626]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. Thank you, Senator Dubas, for the time. And I would...I would steer the conversation to maybe your concern which this is not a controversial amendment, which all this does is harmonizes existing CFLA reporting requirements that political party committees fill out a three-page form, very little information, and every other committee fills out the same form. So I don't see this... [LB626]

SENATOR PIRSCH: One minute. [LB626]

SENATOR MELLO: ...I don't see AM1364 as a groundbreaking campaign finance reform initiative. It just essentially says political party committees do the same thing as independent campaign committees or PACS and, thus, if they do the same thing, they should fill out the same report, nothing more, nothing less than that. It does shine more light in regards to what political party committees are doing but it doesn't get...also, it

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doesn't get to the root of what the debate really was on Senator Lautenbaugh's amendment, which is whether or not people know enough or have enough disclaimer information about independent committees. Because, while people do know a little bit about political party committees, it's still not always well-publicized on the piece of mail or the phone call or the ad. So once again, I don't think it's a very controversial amendment but I think it's needed because it harmonizes existing CFLA law. So with that, thank you, Mr. President. [LB626]

SENATOR PIRSCH: Thank you, Senator Mello. Senator Pahls, you are next recognized, followed by Senators Friend, Nelson, and Haar. [LB626]

SENATOR PAHLS: Thank you, Mr. President, members of the body. Apparently, the Government Committee is or was confused because we did not kick out Senator Mello's bill or Senator Lautenbaugh's bill. But I was listening to Senator Avery and he said, well, Senator Mello played more by the rules; he tried to get somebody to switch votes, etcetera, etcetera, and Lautenbaugh just didn't follow those rules so that makes one better than the other. That's at least how my interpretation. But the interesting thing about it is over the noonhour we sat down and we said, okay, let's get Senator Mello's bill out, so we said, okay, but we compromise, we get Lautenbaugh's. So it's really interesting how we go from being the evil giant to now we're the good giants. It's just really interesting how that stuff works. I do understand we need to follow the committee process. I've ran up against that earlier a couple weeks ago so I do understand that. But I saw this as an opportunity to give both of these senators a chance to bring their bill out, and the interesting thing about it, if they both go down in flames, they're still alive. They're still out there as bills. So I do think that we need to keep that in mind. And just a couple other comments: Senator Lautenbaugh, you got in a little bit of trouble because you said something, you used the word that offended Senator Utter because how you used that in a sentence. Well, you offended me a little bit too. And, Senator Campbell, you did, too, because you said you were appalled or it was appalling. And I...that brought back memories when Senator Chambers used to say, Pahls, every bill you have is appalling, so it did bring back some memories. But in all sincerity, I do see this, we are giving both senators an opportunity, maybe a very unique way of getting their bills out. If they do go down, they are not under water. But one thing that I...I think we cannot let this concept get away from us, because I heard Senator Avery use the word, we've never done this, we've never done this, on all these different aspects of this particular topic. It looks like, it appears that we need to take a very serious look at what needs to be done, because if we've never really analyzed these in-depth in the past, that's probably the reason why we have some concerns about what's happening now and also in the future. Thank you. [LB626]

SENATOR PIRSCH: Thank you, Senator Pahls. Senator Friend, you are recognized next. [LB626]

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SENATOR FRIEND: Thank you, Mr. President and members of the Legislature. I have obviously gone through this amendment and I agree with Senator Mello. I don't see this as extremely controversial. The problem is, I didn't see...in the world and the prism that I look through, I didn't see the previous amendment as extremely controversial either. So you probably got the wrong guy on the mike. Some senators have pointed out that they were heartened and happy by the last vote on the Senator Lautenbaugh amendment. Well, I'm not one of them. But here's a little word to the wise and you can take this for what it's worth. I'm not a vengeful person and I go by...I go by bill by bill and the credence of that bill. When you lose, you lose and you move on quick. When you win, you win and you move on quick in here. You say, Friend, we don't like you preaching to us. Well, no, I'm not really preaching. I'm just telling you, I don't like it and, if I were a vengeful type of senator, I might take offense and look at Senator Mello's AM1364 and do a little tap dance on it. And believe me, we're at the point in this session, at day seventy-eight, where I'm just catching my wind. I am ready to go. But I'm going to take my own advice and that last amendment of Senator Lautenbaugh's I liked. I liked it a lot. And I lost and I'm moving on. That game is over. If I stand up here long enough and I listen to enough folks out here, I may change my mind. Let's talk about Senator Mello's amendment for just a second. One thing Senator Lautenbaugh pointed out is, and I think it's true--and Senator Mello, by the way, and I'll reiterate, is right--I don't think this is excruciatingly controversial. However, there is a specific difference and there are general differences between independent committees set up in this state by statute and a political committee, political parties, huge difference. We have to weigh that. Last time I looked, and we can sit out here and we can bloviate about how we've been attacked by the Democratic or the Republican Party, because we all can do that, but if we have bills out here, and this is a warning, if we have bills out here because one party is more powerful than the other perceivably in a particular state, Nebraska for example, and we don't like the way they've treated us, that I wouldn't like. I'll say again, I don't think Senator Mello's bill has that intent or that mentality. If it did, I'd be beating on it right now as hard as I possibly could. I don't think that's in him. I've read this. I don't think that's the case. But I do think one thing needs to be made clear. You have to decide whether you want to treat a political party like that the same way you do as an independent committee structure, and you also have to understand that there are different statutes... [LB626]

SENATOR PIRSCH: One minute. [LB626]

SENATOR FRIEND: ...that relate to those entities. One more thing: What Senator Mello is doing here has nothing to do with Campaign Finance Limitation Act and it has nothing to do with campaign finance limitation reform. It doesn't make anything better, doesn't necessarily make anything worse. So that ship has sailed. And I'll let Senator Mello finish. I won't yield you any time, I would never do that, but I will let you finish your thought process probably the next time you come up in regard to the differences, particularly statutorily, between a political party and the committees they create and an

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independent committee. [LB626]

SENATOR PIRSCH: Time, Senator. [LB626]

SENATOR FRIEND: Thank you. Thank you, Mr. President. [LB626]

SENATOR PIRSCH: Senator Nelson, you are next recognized, followed by Senator Haar. [LB626]

SENATOR NELSON: Thank you, Mr. President, members of the body. I'd like to ask Senator Mello a question or two, if he will yield. [LB626]

SENATOR PIRSCH: Senator Mello, would you yield for a question? [LB626]

SENATOR MELLO: Yes. [LB626]

SENATOR NELSON: Thank you, Senator Mello. I appreciate your bringing this amendment and getting it out of the committee, even though I'm not sure that I'm in favor of it. But could you tell me the number of the underlying bill or the bill that did come out in committee, what the LB number was? [LB626]

SENATOR MELLO: LB635. [LB626 LB635]

SENATOR NELSON: LB635. All right. And so this amendment is basically just the same thing. [LB626 LB635]

SENATOR MELLO: Yes. [LB626]

SENATOR NELSON: And your bill is still alive, as I understand it. [LB626]

SENATOR MELLO: It is. [LB626]

SENATOR NELSON: All right. I appreciate your giving us the campaign statements and I notice quite a difference in them and that the campaign statement on political parties just consists of about three pages and yet, as I think others have mentioned, the independent committees go into a great amount of detail as the information that they need. Do you know why that is? [LB626]

SENATOR MELLO: Senator Nelson, that's a great question and actually it was asked, I believe, in the Government Affairs (sic) Committee, which I could not provide an answer, and Frank Daley from the Nebraska Accountability and Disclosure Commission was asked the same question and he could not answer that question. [LB626]

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SENATOR NELSON: Um-hum. [LB626]

SENATOR MELLO: So essentially, no one quite understands why political party committees and all other committees file two different reports, knowing in statute they are able to do the same exact activity. [LB626]

SENATOR NELSON: Well, thank you very much, Senator. Maybe there was a good reason for that when these acts were enacted years ago. And it just gives me pause to think that perhaps if we're going to study on an interim basis what Senator Lautenbaugh put forth in his amendment that was just defeated for good reason, I...you know, there were things I liked about that but I had some reservations, too, but, by and large, I decided to vote for it. I think perhaps maybe the same thing should be true of this, that there may be very valid reasons why we don't want to go into a lot of detail on the political party reports and that that could very well be part of an interim study. And I don't know whether you object to that or not, but that would be my position. I think before we move ahead on your amendment here, that it would be better off to make it part of an interim study and go into a little more depth and understanding of what the differences may be. I think it might be a mistake. If you'd like to respond to that, if you want to yield. [LB626]

SENATOR PIRSCH: Senator Mello, would you yield? [LB626]

SENATOR MELLO: I will, thank you. Senator Nelson, that's a great question and it's a great concept to think about, but currently right now political party committees file, if they raise more than \$5,000 a year, they file monthly reports with the Federal Election Commission in which the materials that are in, most of the materials, I should say, that are in the B-4 report that I handed out are on the same reports that would go into the Federal Election Commission, with the exception of political party committees that spend money on independent expenditures, on state and local candidates. So essentially what it is, is that they'd be duplicating, to some extent, putting in the same information they put in the federal report putting in the state report when they...when reporting requirements come around. But the most important aspect is the independent expenditure activity which right now is...there's a loophole. There's no other way to say it or look at it. And it's no ill will towards the individuals who wrote the Accountability and Disclosure Act, and I think Director Daley mentioned that as well, that just there seems to be a loophole that just didn't get covered which states that political party committees and all other committees,... [LB626]

SENATOR PIRSCH: One minute. [LB626]

SENATOR MELLO: ...while they do the same thing, there just is two different reporting requirements and no one could answer why. And there was no one in opposition to LB635 because it really is, in my view, a technical cleanup that we just haven't caught

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for a number of years and no one has asked why is it that committees that do the same activity file two different reports, one with a significantly more amount of information being shown to the public, as well as shown prior to an election, which is important. [LB626 LB635]

SENATOR NELSON: Well, thank you for that and I appreciate your response. And I think my predilection is, though, to still think that we ought to go a little deeper into this and make it part of an interim study so that we've got all these questions answered, even though there may not have been opposition to it. And therefore, I would stand in opposition to this amendment, Mr. President. Thank you. [LB626]

SENATOR PIRSCH: Thank you, Senator Nelson. Senator Haar, you are the last light on. [LB626]

SENATOR HAAR: Yes, Mr. President, members of the body, I'd like to yield my time to Senator Mello. [LB626]

SENATOR PIRSCH: Senator Mello, would you yield? [LB626]

SENATOR MELLO: Yes. Thank you, Mr. President, members of the Legislature. Thank you, Senator Haar. Senator Nelson brings up a valid concern, a valid issue, which is why not include this issue in an interim study, but I guess the counterpoint to that would be, to Senator Nelson, this doesn't change any...and Senator Friend actually asked a question. This doesn't change campaign finance law. Senator Lautenbaugh's amendment would have been, in all honesty, and I think everyone here would agree, the single biggest change to campaign finance law since we've enacted it. This, on the other hand, is a simple one-word strikeout amendment throughout part of the Accountability and Disclosure Act which says that we want to harmonize all political committees. We want to make sure that we show to the public who you're getting your money from, what you're spending your money on, and when it's close to an election, the last 14 days when the public generally sees a barrage of negative attacks on individual candidates, that you have to file reports letting the public know that you're doing it. So I would agree, and I thank Senator Friend for echoing my initial sentiment which is this is not controversial. This essentially is what independent committees and political action committees already do in the state, and political party committees serve as a similar role in both of those. They give money to candidates, they give money and spend money on individual campaigns in support or opposition to, and essentially fill the same role and void of these committees. So they're really is no distinction and that was something I mentioned on the previous debate, and I have a tough time seeing how there is a distinction because they engage in the same activities. Now I respect, and I've had discussion with a lot of colleagues during Senator Lautenbaugh's amendment, that we should do an interim study and look at possibly reforming our campaign finance laws. And I would be extremely supportive evaluating our current laws because there is

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gaping loopholes and there are issues that have arisen over the last ten years that weren't there when CFLA was enacted in the early nineties. So I think that's a valid concern. I think it's a good solution to the short term. But I think to influence the next election cycle where some of my colleagues in the body will be up for reelection no doubt, I have a tough time seeing anyone being opposed to more transparency in the political process that doesn't do anything except require more information to be disclosed on a report, that's all we're talking about, nothing more, nothing less, so the general public, individual candidates, the media, the public at large can see where money is going in the political process. I think that was the general consensus of questions I had in the Government Affairs (sic) Committee. It's questions that other members have brought up today and it's not that controversial. It's a...I guess it's...no other way to say it, either you believe in it or you don't, because this isn't land breaking or a landmark piece of legislation, and I've openly admitted that in committee and on the floor. All it does though is does...if you believe that we should shine more light in the political process then we should do it. And if you believe that it's wise public policy to have any political committee, for that matter, disclose what they're doing the last 14 days in an election, regardless of what party you belong to or what committee you might believe is right or might believe is wrong, then I think you'd support AM1364. Thank you, Mr. President. [LB626]

SENATOR PIRSCH: Thank you, Senator Mello. Senator Nelson, you are recognized next. [LB626]

SENATOR NELSON: Thank you, Mr. President, members of the body. There's so few members of the body on here, I guess it's up to Senator Mello and myself to debate on this issue. I'm not going to debate. I just simply would like to add that, while Senator Mello was speaking in such an articulate manner, that someone came to me and said, well, historically it was their understanding that we didn't make all of these requirements on the political party committees because they're not strictly campaign committees. They may seem to be that now but historically they did a lot of different things, a lot of different projects, whereas your independent committees are basically campaign committees. So I just throw out that information. If that's the case and if there was good reason because of the differences in the committees at the time that the bill was enacted, then perhaps we better take a look at that as part of the interim study to see if those differences still exist and whether we should, in fact, go with what Senator Mello proposes. Thank you very much, Mr. President. [LB626]

SENATOR PIRSCH: Thank you, Senator Nelson. Seeing no further lights on, Senator Mello, you are recognized to close on your amendment. [LB626]

SENATOR MELLO: Thank you, Mr. President. While I do my closing, can I have a call of the house? [LB626]

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SENATOR PIRSCH: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB626]

CLERK: 29 ayes, 0 nays to place the house under call. [LB626]

SENATOR PIRSCH: 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. [LB626]

SENATOR MELLO: Mr. President, I'll continue real quick with my closing. [LB626]

SENATOR PIRSCH: You are recognized to close on your amendment, Senator Mello. [LB626]

SENATOR MELLO: Thank you, Mr. President. Members of the Legislature, in no way do I disagree that we should be studying existing campaign finance law and/or political...the Nebraska Accountability and Disclosure Act. But AM1364 does one, small, very simple thing. And Senator Nelson brought up another concern which is political party committees do other things than independent committees, and to some extent he's right but to some extent that's open for debate, because an independent committee can do whatever it wants to do. They want to spend money on holding a county fair booth, it can do that because Nebraskans or the Nebraska Alliance for the Private Sector can do exactly that, and it does do other things besides just campaign activity. So they are...they essentially are the same kind of committee. Whether it's a political party committee or an independent campaign committee, they do the same things under law and the law states that they're able to do the same things in regards to what they report on. Once again, to reiterate what Senator Friend said, this is not controversial. All it does, it provides more transparency in our existing political campaign process and requires all political committees, the independent committees as well as political campaign committees and PACs, to file on the same report. They have to show the same information, which asks the amount of money that they're bringing in, where it's going and, in regards if they engage in political activity through an independent expenditure process, that they report it within 14 days of an election. As I said before, you're either for transparency in the political process or you're not. Senator Lautenbaugh agreed on the same issue regards to AM1362, which is either you support more transparency or you don't. That's why I supported aspects of his amendment, because it was more transparent. It provided more light in regards to what happens in our political process, where the money goes, and who's giving it, and who's the beneficiary of it. It's fairly simple. All I would ask, colleagues, is to consider, we have an upcoming election in two years. Some of you will be on the ballot. I would hope that all of us would want to see a political process that's changed, that would allow us to see

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more where political money is going and to be able to know more of what's happening from outside entities that affect our individual campaigns, and that's all this is. As I said before, the Democratic Party and the Republican Party both don't like this amendment, I'm sure of it, because it shines light on them, but the Nebraska citizens like this amendment because what it shows is, to the Nebraska citizens, where money is going and how individual entities outside of this body are influencing what happens inside of this body. So with that, Mr. President, thank you and I would request a roll call vote. [LB626]

SENATOR PIRSCH: Thank you, Senator Mello. You have heard the closing on the amendment. Senator Mello has called for a roll call vote. The question is, shall the amendment be adopted? Mr. Clerk, if you'd call the roll. [LB626]

CLERK: (Roll call vote taken, Legislative Journal pages 1479.) 15 ayes, 7 nays, Mr. President, on the amendment. [LB626]

SENATOR PIRSCH: The amendment fails. Raise the call. [LB626]

CLERK: I have nothing further on the bill, Mr. President. [LB626]

SENATOR PIRSCH: We have no further lights. Senator Nordquist for a motion. [LB626]

SENATOR NORDQUIST: Yes, Mr. President, I move LB626 to E&R for engrossing. [LB626]

SENATOR PIRSCH: You have heard the motion. All those in favor say aye. All opposed? The ayes have it. The bill is advanced. Items for the record, Mr. Clerk. [LB626]

CLERK: Mr. President, your Committee on Revenue, chaired by Senator Cornett, reports LB681 indefinitely postponed. Study resolutions: LR139, Senator Nordquist, and LR140; Senator Stuthman, LR141; Senator Fischer, LR142, LR143; Senator Carlson, LR144; Senator Pahls, LR145; Senator Nantkes, LR146, LR147. And a gubernatorial appointment letter, Mr. President; be referred to Reference. (Legislative Journal pages 1479-1485.) [LB681 LR139 LR140 LR141 LR142 LR143 LR144 LR145 LR146 LR147]

I do have a priority motion. Senator Flood would move to adjourn the body until Thursday morning, May 14, at 9:00 a.m.

SENATOR PIRSCH: You've heard the motion. All those in favor say aye. All those opposed say nay. The Chair says that we are adjourned.