

SPEAKER NICHOL: (Gavel.) May we please have it a little quieter in here so we can hear Senator Rod Johnson. Thank you. Rod.

SENATOR R. JOHNSON: Thank you, Mr. Speaker. Once again I will try my best not to be redundant in what Senator Hoagland presented as both the bill and the committee amendments and the reason that we struck Section 13. It became apparent a couple of months after the passage of LB 999 that there were some problems, side effects, as I call them, that came about because of the passage of the Homestead Act. Specifically, the lenders were concerned that their security in the property was being jeopardized and because of that we had a number of farmers who were confronted by the insurance people and the farm credit people that simply were not receiving notes. We began, several senators I know, Senator Schmit, Lamb, Vickers and others of us began to talk to the Governor about the problem and we...or the Governor finally decided to put together a task force. The task force had a number of goals presented to it, but specifically what LB 3 does, since I won't go into all the negotiations that went on during the summer, we have really, as I see it, two subjects in LB 3. The one, and the one that brought us back this special session is dealing with the credit issue, the future credit issue. The first goal of this special session, I think, was to correct that problem. And, yes, some people have asked me, do you perceive that the credit problem is real? I said, yes, I think it is real. If one farmer in this state did not receive credit because he was told that LB 999 was the cause of him not receiving the credit, then it is real to me and it needs to be corrected in a way that would be, that the lenders and the borrowers are both able to live with the new law. The task force met to discuss that problem and they have, hopefully, resolved that difference in prospective application of the law. We have a procedure with predesignation that allows the lender and the borrower and, possibly down the line, the judge to understand where that homestead is at, what I predesignated at the time I took out the note and all of that procedure will, hopefully, clarify the situation to a point that the lender and the borrower can come to some agreement with what kind of money they can borrow. The second issue is the issue that has been very difficult and very touchy and I look at it more as a social issue, as Senator Vickers, I believe, discussed in the committee hearing process, the retroactive application. And really that, in the end, folks, is what we are going to fight this afternoon over and over again, as I see it, whether or not we can apply this new law in a retroactive sense to help farmers who are