

January 14, 1981

LB 140-151

SPEAKER MARVEL: Item #5, resolutions.

CLERK: Mr. President, LR 4 is found on page 127 of the Legislative Journal. (Read LR 4.)

SPEAKER MARVEL: The Chair recognizes Senator Koch.

SENATOR KOCH: Thank you, Mr. Speaker. I will be very brief. This resolution is self-explanatory. Those of you who remember the recent election, the effect that it had was rather profound on certain local officials in terms of their re-election or defeat. At seven o'clock as you recall the newsmedia, television primarily, declared the winner to be President Reagan-elect and as a result it has been brought to my attention that not only on the west coast but even it affected our own state. Those who were going to the polls suddenly decided the election was resolved and why stand in lines. So what this resolution does is encourages Congress to seriously review the problems and try to correct them by the next presidential election so this does not reoccur. This resolution is being introduced by numbers of other states and the same resolution is being sent to Congress and hopefully they will act positively. Thank you.

SPEAKER MARVEL: The motion is the adoption of LR 4 as explained by Senator Koch. Is there any other discussion? All those in favor of that resolution vote aye, opposed vote no. Record the vote.

CLERK: 27 ayes, 0 nays on adoption of the resolution, Mr. President.

SPEAKER MARVEL: The motion is carried. The resolution is adopted. Do you want to go to the next one? Do you have another resolution? Okay, the next item is the introduction of new bills.

CLERK: (Read LB 140-142.) (See pages 144-145 of the Journal.)

SPEAKER MARVEL: ...(mike not turned on)...need to be processed so if you have some or anticipate some maybe we can get some more in today before we proceed with other business. The Clerk has some items on the desk that he may read in.

CLERK: (Read LB 143-151.)

Mr. President, Senator Koch would like to be excused on Wednesday, January 14 through Friday, January 16 and Senator Marsh would like to be excused all day January 15 and 16.

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LB 17, 22, 86, 123, 151,
155, 169, 171, 190,
220, 247, 294, 482,
537-540, 175

and February 19.

Your committee on Urban Affairs reports LB 175 (sic. 171) to General File with amendments; LB 220, General File with amendments, (Signed) Senator Landis.

Government Committee reports LB 247 to indefinitely postpone; 29th indefinitely postponed.

Your committee on Miscellaneous Subjects report LB 482 indefinitely postponed.

The Appropriations Committee reports LB 155 advanced to General File with amendments.

Your committee on Revenue whose chairman is Senator Carsten reports LB 17 to General File with amendments; 169 to General File with amendments and LB 86 indefinitely postponed.

The Public Works Committee whose chairman is Senator Kremer reports LB 22 to General File with amendments; 190 to General File with amendments; 123 indefinitely postponed.

Your committee on Revenue reports LB 151 to General File with amendments. (See pages 612-615 of the Journal.)

Mr. President, Senator DeCamp makes a motion to withdraw LB 537, 538, 539 and 540 and cancel the public hearings on those bills. So in order to do that we will need to suspend rules to cancel those hearings which were scheduled for next week and I understand we are going to lay that motion over.

SPEAKER MARVEL: We will lay the motion over until next Monday. Senator DeCamp. Senator Marsh, for what purpose do you arise?

SENATOR MARSH: I have misplaced my black purse briefcase. Thank you.

SPEAKER MARVEL: Senator DeCamp, for what purpose do you arise?

SENATOR DeCAMP: Mr. President, members of the Legislature, you all heard what the motion was. Senator Marvel asked that we take it up next week rather than today and I would agree to that. I would simply point out that a couple of these hearings are set for next week and so I would hope that we could take it up right away Monday morning and at that time detail the future of the Task Force and so on and so forth.

SPEAKER MARVEL: The motion is carried. The bill is advanced. The next bill we will pass over. There still is some information they need to gather and go to 151.

CLERK: Mr. President, LB 151 was offered by Senator Ward Johnson. (Title read.) The bill was read on January 14, referred to the Revenue Committee. The bill was advanced to General File. There are committee amendments pending, Mr. President.

SPEAKER MARVEL: Senator Johnson, would you excuse me just a minute? We have in the North balcony, 17 students from the Nebraska School for the Deaf of Omaha, Jerry Siders, Virginia Thompson, teachers. Where are you located? Will you hold up your hands please? Also a few minutes ago Ralston Senior High American Government Class with their teacher, Larry Koenig, was in the North balcony and Dan Miller and Bill Miller, Omaha South High student council members also in the North balcony. Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, I have passed out on your desks the text of the constitutional amendment number three which was submitted to the voters in November, 1980, and approved by them overwhelmingly. LB 151 is an implementation bill but the first thing I would like for the body to do is to approve the committee amendments to the bill. They are totally technical amendments but once they are approved I will then be in a position to go ahead and discuss the bill as amended and at that time to encourage your advancement. So at this time I would move the committee amendments.

SPEAKER MARVEL: The motion is the adoption of the committee amendments to LB 151. All those in favor vote aye, opposed vote no. Record.

CLERK: 25 ayes, 0 nays on adoption of the committee amendments, Mr. President.

SPEAKER MARVEL: The committee amendments are adopted. Senator Johnson.

SENATOR V. JOHNSON: Let me go ahead at this time and speak to the bill itself. As you know it from the material passed out on your desk, the voters provided in November, the following, that is, "The Legislature by general law and upon any terms, conditions and restrictions it prescribes, may provide that the increased value of real property resulting from improvements designed primarily for energy conservation may be exempted from taxation." That was the amendment that the voters approved. So what LB 151 does

is it attempts to provide a fairly inexpensive and rational system for establishing, for implementing the constitutional amendment. The first thing it does is it defines those energy conservation sources that can trigger, in effect, this exemption from real property taxation and you will find the devices described at Section 2 of the bill. Now there have been some amendments to it so not every device that is described in Section 2 of the bill is a covered device. This particular phraseology, this terminology comes from existing statutes that we have in our state concerning a sales tax exemption from tax and what that means very simply is that when a person buys a passive solar system, that person will be exempted from the sales tax on that passive solar system. Secondly, the bill then provides, with the amendments on, that whatever the increase in valuation is in the real estate by virtue of this particularly energy conservation improvement, that increase in valuation shall be exempted from the real property tax for a period not to exceed five years and that is it. The exemption lasts for a five year period and no more and at the end of that time then the exemption falls off and the property will be subjected to full and complete and absolute property taxation. The bill then goes on to provide, incidentally the price tag on this, the initial price tag that came down from the fiscal analyst's office was several hundred thousands of dollars. The committee worked the bill over to narrow the price tag down. If you will look in your bill book you will discover that our fiscal analyst says the most probable price tag is about \$70,000. We would expect to lose about \$70,000 in property tax revenue for each of the five years that this exemption is in effect and that is approximately it. It is a very small price tag that the bill now has. Then it goes on to provide that the exemption itself, that for one to be able to get the exemption, the facility itself has to be approved by the State Energy Office. That means that after you put the facility up, you then have to send your plans, your specs or your costs to the State Energy Office and they in turn will determine whether it comes within the concept of this bill. If they do, they will send you a certificate to that effect. You then take the certificate to the county assessor. The county assessor shall allow you the exemption. Now in terms of figuring out the amount of exemption, obviously the amount of exemption will not necessarily be the cost of the improvement. For example, if I put a solar collector I guess, in my own house, it might cost me \$10,000 to do that but that collector won't necessarily increase the value of my house by \$10,000. In fact, it may only increase the ultimate value for valuation purposes by \$2,000 and it is only that increase in valuation, that \$2,000, which will be exempted from the property tax for a period of five years. Then that is it.

Now our state revenue commissioner, Mr. Fred Herrington, testified to the Revenue Committee about how he would work out the calculation for exempting the increases in valuations. He said it can be done. He said there are plenty of guides to be used right now because there are other states that have similar laws and he has given the authority in this bill by regulation to work out the various factors to be considered in ascertaining precisely how much of an improvement to a parcel of property resulting from the use of an alternate energy conservation source will be exempted from the tax. That, I think, essentially is the bill. The county assessor has no discretion to allow or disallow the exemption because once the State Energy Office has said that the improvement is one that meets its standards, then the county assessor must allow the exemption. The amount of exemption may be subjected to some question and of course appeal procedures are provided just like any other tax exemption process. It is a fairly straightforward piece of legislation. It doesn't cost a lot of money. If fairly conscientiously implements the constitutional amendment that our voters overwhelmingly approved. It adds one additional chip so to speak in terms of the saleability of energy conservation devices. As you and I well know from debates that have occurred on this floor and as you and I well know the kind of readings that we have done over the last several years, the greatest alternate energy source that you and I can develop in this country is energy conservation. That is really what it is and what this bill is doing is it is designed to again to encourage in a very small way, there is not a lot of dollars involved, to encourage in a very small way the decision by a homeowner or anyone else to buy that piece of solar equipment, to put in that passive system, to take these steps and make his or her home more energy efficient. So not only, because we have already provided, not only because we have already provided will that piece of equipment be exempted from the sales tax, but so too, will the improvement to that real estate resulting from that addition be exempted from the real estate tax for a period of five years. And of course, in addition, under federal tax law, so too will some of the cost of that piece of equipment be a credit against one's income tax. So we will have gone about as far as one can reasonably go in providing various credits, exemptions, allowances, and the like to really help people make the kind of decision that you and I know they need to make for us to be far less dependent on foreign oil and far more independent and self-supporting. I would urge the adoption of this bill by the body.

SENATOR CHAMBERS PRESIDING

SENATOR CHAMBERS: Senator Newell, you are next but just before that there will be an executive board under the North balcony at eleven o'clock.

SENATOR NEWELL: Mr. Chairman, it is seldom that I rise to support an exemption bill. In this case we have a responsibility, one that is mandated upon us by the voters to do something in this regard and Senator Johnson has provided us a vehicle to do that. This vehicle I think is a reasonable attempt to provide some incentives, as meager as they may be, without a great deal of loss to the tax base. So I rise to support this exemption even though that is kind of contrary to my general philosophy and I would argue very simply for those who are concerned about the tax base that this bill almost fits Senator Schmit's criteria, it doesn't do anything, it doesn't hurt anybody, it doesn't cost very much, so with that I would urge you to adopt, to accept LB 151 and advance it to Select File.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Haberman.

SENATOR HABERMAN: Mr. President, members of the Unicameral, may I ask Senator Johnson a couple of questions, please?

SPEAKER MARVEL: Senator Johnson.

SENATOR HABERMAN: I heard you say that the fiscal impact flew away...in other words it is not going to cost Lancaster County \$110,000 plus a new employee any more?

SENATOR V. JOHNSON: No, it is not, Senator Haberman. When we wrote this bill initially we provided that if you insulated your house you could get an exemption and we did that because that was a provision in the sales tax bill. We suddenly realized the error of our ways and we stripped that out. So it is a cheap bill.

SENATOR HABERMAN: Also, Douglas County, it is not going to cost them \$60,000?

SENATOR V. JOHNSON: No, it is not for the same reason, Senator Haberman.

SENATOR HABERMAN: Thank you, Senator Johnson. Thank you, Mr. President.

SPEAKER MARVEL: Senator Vickers.

SENATOR VICKERS: Mr. Speaker, members, I wonder if Senator Johnson would yield to a question, please. Senator Johnson,

are we dealing right now with the committee amendments or with the bill itself?

SENATOR V. JOHNSON: We are dealing with the bill as we just amended it, so the bill as amended, Senator Vickers.

SENATOR VICKERS: Okay, thank you. Now, second question, you mentioned that we were talking about active or passive solar systems. Are we talking about both active and passive in this piece of legislation then as amended?

SENATOR V. JOHNSON: Yes, we are talking about both active and passive.

SENATOR VICKERS: And you indicated that the total cost was going to be very minimal.

SENATOR V. JOHNSON: That is correct.

SENATOR VICKERS: Because, if I understood you correctly, you also indicated that even though the cost of installing this equipment might be rather expensive, the total additional cost as far as the evaluation to the property might be very minimal.

SENATOR V. JOHNSON: Very modest.

SENATOR VICKERS: How did you...how were you told in the committee by the tax assessors that they would approach that subject? How do they determine what the actual value is?

SENATOR V. JOHNSON: They had a long conversation about that, Senator Vickers. They said simply that what you do, you take a house that you put in, say an active solar system and you ask yourself what that house would probably sell for on the real estate market with that solar system and you compare what the house would have sold for without it and whatever that difference in valuation is, that represents the increase that is attributable to the solar system.

SENATOR VICKERS: Okay, then in other words, as energy costs go up the value of that active solar system as far as the valuation of the property is concerned will probably increase also. Would that be correct?

SENATOR V. JOHNSON: Yes, I would say that.

SENATOR VICKERS: So then the total cost of this program could conceivably be a considerable amount down the road if energy costs continue to climb. Would that be fair to assume that?

SENATOR V. JOHNSON: Fair to assume that, yes.

SENATOR VICKERS: Okay now, one final question, Senator Johnson. If this is so important that we do this as it was indicated by Senator Newell, this was a mandate of the voters, and if this is going to assist some people, why doesn't this bill have the emergency clause on it?

SENATOR V. JOHNSON: I can't think of everything. I ran out of gas.

SENATOR VICKERS: Thank you, Senator Johnson. I have a little bit of a problem with this type of exemption and I will explain a little bit. First of all, I probably should stand up here and be for it and fight for it because I am involved with a company that is in the process of making, manufacturing active solar systems but I will remind you that those systems are expensive. You don't give them away and it seems to me that what we are doing here, we are giving an exception to those that probably could afford the taxes. Whenever we give exceptions somebody has to wind up taking up the difference and I would submit to you that the people that are going to pick up the difference are those people that cannot afford these alternate energy sources. Alternate energy sources, even though the cost of operations are very cheap, the original cost is very expensive. So, what happens then is the people that are of moderate income, the lower income, and are not able to afford the alternate energy source are going to find their taxes going up as a result of those people that can afford the alternate energy sources getting a tax exemption. Now as I indicate, that is probably backwards from the way I should stand if we are going to sell more of these alternate energy sources. I think the idea is to promote the use of alternate energy sources obviously. I just have a little problem with the government doing the advertising for us.

SENATOR CULLAN PRESIDING

SENATOR CULLAN: You have thirty seconds, Senator.

SENATOR VICKERS: ...and it seems to me that is what it is. So, I would urge this body to be very careful in their consideration of this, of LB 151 because I think it is going to penalize some people that can least afford that penalty. Thank you, Mr. President.

SENATOR CULLAN: Senator Kahle.

SENATOR KAHLE: Mr. President, members, I have a question or two I would like to ask Senator Johnson if possible.

SENATOR CULLAN: Senator Johnson, will you yield?

SENATOR KAHLE: Well, I guess I lost a little bit as to what amendments you were talking about. Now this pertains to additions to buildings and also new buildings, new homes?

SENATOR V. JOHNSON: Yes.

SENATOR KAHLE: What if I decide to put two by six studs in my home with six inches of insulation instead of four? Can I get it deducted?

SENATOR V. JOHNSON: No, that does not apply. When we wrote that bill initially we allowed for insulation but the amendments have taken it out.

SENATOR KAHLE: What about certain types of windows which would be much more weatherproof than others?

SENATOR V. JOHNSON: We basically have taken out anything that would refer to windows unless the Office of Energy wants to conclude that a window of some sort was a passive solar system which I don't believe that it would but it could. It could, Senator Kahle.

SENATOR KAHLE: Okay, thank you. I guess what I am concerned about is the mechanics and it looks to me like it is going to be a real mish mash of problems for the assessor and for county boards and for taxpayers. I have heard Mr. Herrington talk about it and saying that it could be done and I wondered if there was going to be a special manual printed for this sort of deduction because if it isn't, if there isn't going to be some sort of rules and regulations by Mr. Herrington's office or the assessors' organization or by some group, we are going to have ninety-three different ways of doing it and one county may allow a deduction and another one may not. So I would hope that we are not creating a monster here in trying to do this. I remember what happened in my own area when we began to get a lot of air conditioners and people did not declare them and our assessor went up and down the alleys counting them and got criticized for it. So I think it is a good idea but I think maybe we are...I guess my whole philosophy is if solar systems or energy conservation is practical, I'm just not sure we need to take the tax off of it. I think if it is practical, people are going to buy it and as Senator Vickers says, the ones that are using it now are those that probably can afford the system as well as the tax on it so I'm just not sure we are going in the right direction. I would a whole lot rather see more money put into the insulation of the housing for the poor that we

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have been working on. I think that would help more people. Thank you.

SPEAKER MARVEL: Senator Fenger.

SENATOR FENGER: Mr. Speaker, members of the body, I, too share Senator Vickers' concern. I am concerned that an exemption in real estate is going to be one more step down the same path as the watering down of the personal property tax which has put us in serious jeopardy in some of our counties and political subdivisions. I am also not concerned, so concerned about the additional credit inasmuch as the federal government has seen to...fit to give considerable credit for the implementation of this very type of program and a part of that credit is watered down by virtue of our piggyback system in the income tax but there is one other thing that concerns me. I am exposed to cable t.v. and I see the ads on television of these new products in a new field. Time has proven that some of them are without merit and do not live up to the claims of the manufacturers and I, for one, hesitate just a little bit to be a party of the fast peddler through the state who uses as a reason to purchase the fact that this body has seen fit to allow it to be placed on somebody's home or somebody's farm tax free. Thank you.

SPEAKER MARVEL: Senator Barrett.

SENATOR BARRETT: Mr. Speaker, a question of Senator Johnson.

SPEAKER MARVEL: Senator Johnson, do you yield?

SENATOR BARRETT: Senator Johnson, this is of course the implementation of constitutional amendment number three.

SENATOR JOHNSON: Yes.

SENATOR BATTETT: In which the voters indicated that they of course preferred that avenue.

SENATOR JOHNSON: Yes.

SENATOR BARRETT: The question in my mind and perhaps in the minds of others in the body, is this mandatory that the Legislature take action on this or is this permissive? Do we have...

SENATOR JOHNSON: It is permissive.

SENATOR BARRETT: ...must we take some action today on this affirmatively?

SENATOR JOHNSON: No, it is permissive.

SENATOR BARRETT: It is permissive.

SENATOR JOHNSON: Right.

SENATOR BARRETT: Thank you very much.

SPEAKER MARVEL: Senator Johnson, do you want to close?

SENATOR JOHNSON: Yes, thank you, Mr. Speaker. A number of members have raised questions about this bill. I can certainly appreciate virtually every question that has been raised because I think they are all good questions. Let me start with the last question first and that is Senator Barrett's comment that this constitutional amendment is permissive as opposed to mandatory. In other words, when the voters passed constitutional amendment three they just said the Legislature may provide by law some exemptions with respect to alternate energy sources and that is a discretionary act but the truth of the matter was, is that that bill passed, or that constitutional amendment passed two to one. That was the greatest supported constitutional amendment we had the last time around and without any question the voters were showing to us their concern, their concern, over our need to conserve gas and oil. So, I think that you and I engage in an act of pretty high responsibility when we come up with a bill such as 151 which is a very modest price tag, which very thoughtfully implements the constitutional amendment and you should be mindful of the fact that this bill does not provide that there shall be an eternal exemption from the property tax. It only limits the life of the exemption for five years. You should be mindful of the fact that this bill does not allow in a sense a credit against the property tax of the full value of the alternate energy resource. It only allows the exemption of whatever increase in valuation might occur by virtue of the use of the new facility. This bill is a very conservative, very cautious bill. I should say, incidentally, that when Mr. Palmer from the State Energy Office testified on behalf of the bill, he said that if we limit the life of the exemption to five years we would have the Governor's support. So, what we have here is we have a bill that I think addresses an issue in a responsible fashion and not a profligate fashion. Now let me talk about the mish mash of standards. Please be mindful of the fact, Senator Kahle and others who are concerned about this, that the standards in this bill for the...the definition of this bill of alternate energy sources are those already in our law under our sales tax program and our sales tax exemption program is administered by the

State Energy Office. So the State Energy Office can very simply apply to LB 151's definitions the very same interpretations it is using in administering the sales tax exemption program. Secondly, the bill doesn't have an emergency clause. One reason why is because it is retroactive to November 11, 1980, the day we passed the constitutional amendment. It just says simply that if you put in such an improvement after that date, then you can go back and ask for the exemption. You don't ask for this exemption incidentally until December 31, 1985, so in effect, that has got an automatic sunset provision in it. The bill would be uniform across the state because it will be uniformly applied by the State Energy Office, the state tax commissioner and if local assessors interpret it or misinterpret it, everybody in this state has got the right to take an appeal to the local Board of Equalization in an assessment. I agree, I want to put more money into insulation programs for the low income as well as for the middle class. I think that is something we have to do. This is not the right bill to do that with but this is the right bill to make certain that you and I continue to show our encouragement, we consistently show our encouragement to every homeowner and farmer and commercial property owner in this state for making their properties more energy efficient and we show that encouragement in a very modest cost program. Now in terms of the quality of the particular devices that are used, we have consumer protection laws on our books right now under which aggrieved persons, people who feel that they have been stung by buying a solar collector or what have you, can ultimately have recourse against the seller of that and you should be mindful of the fact that in no way is the State of Nebraska endorsing a particular product or encouraging anybody to buy a particular product. All it says simply, and obviously this can be used in advertisement by various vendors, that if somebody does decide to use some ultimate energy source, then should there be an increase in valuation by virtue of that improvement, that increase may be exempted under rules and regulations established by the Department of Revenue and by the State Energy Office and that exemption can last for five years and no more. It seems to me that what we have provided is a very low cost and good incentive to be used to continue to move us along the right path with this problem. I encourage your vote for the bill.

SPEAKER MARVEL: Senator Johnson was closing. All those in favor of the adoption of...let's see, this is movement of the bill, right, to E & R for review vote aye, opposed vote no. Have you all voted? We are voting on the advancement of the bill. Have you all voted? Senator Johnson.

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LB 151

SENATOR JOHNSON: I would ask for a Call of the House.

SPEAKER MARVEL: Shall the House go under Call? All those in favor of placing the House under Call vote aye, opposed vote no. Record.

CLERK: 16 ayes, 0 nays to go under Call, Mr. President.

SPEAKER MARVEL: Okay, the House is under Call. All legislators please return to your seats, record your presence. Unauthorized personnel leave the floor. Will you please record your presence. Senator Wiitala. Who is absent? Senator Fowler, Senator Goodrich, Senator Kremer, Senator Newell. The Clerk is authorized to accept call-in votes.

SENATOR JOHNSON: ...ask for a roll call vote, Mr. Speaker. I'm just waiting for everybody to check but...

SPEAKER MARVEL: Everybody has recorded his presence except Senator Goodrich and Senator Newell, their presence. Senator Goodrich and Senator Newell.

SENATOR JOHNSON: Just two senators?

SPEAKER MARVEL: And there are two, four, five excused. Four now. Four excused and two missing. There is Senator Newell.

SENATOR JOHNSON: Go ahead and call the roll if you like.

SPEAKER MARVEL: Mr. Sergeant at Arms, do you have Senator Goodrich? Do you want to proceed with the roll call vote, Senator Johnson? Okay, call the roll.

CLERK: (Read roll call vote as found on page 832 of the Legislative Journal.) 25 ayes, 19 nays on the motion to advance the bill, Mr. President.

SPEAKER MARVEL: The motion carried. The bill is advanced. The next bill, 179.

CLERK: Mr. President, if I may, right before we proceed to that, I have reference reports regarding referral of gubernatorial appointments as well as referral of LB 548 and 549. (See page 833 of the Legislative Journal.)

Mr. President, Senator Kilgarin would like to offer an explanation of vote.

Mr. President, Senator Clark would like to be excused Monday.

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LB 204A, 205, 169, 151

SENATOR WAGNER: I would move the A bill, Mr. Speaker.

SPEAKER MARVEL: All those in favor of that motion vote aye, opposed vote no. Have you all voted? Record.

CLERK: 25 ayes, 0 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: The motion is carried. The bill is advanced. Now do you have something to read in?

CLERK: Yes, sir. Mr. President, first of all I have an announcement from the Speaker regarding the submission of priority bill deadline. That will be inserted in the Journal. (See page 836 of the Journal.)

Senator Beutler would like to print amendments to LB 205 in the Journal; Senator Vickers to amend LB 151 and Senator Fowler would like unanimous consent to have his name added to LB 169 as cointroducer. (See pages 837-838 of the Legislative Journal.)

SPEAKER MARVEL: Hearing no objections, so ordered.

CLERK: That is all I have, Mr. President.

SPEAKER MARVEL: Senator Remmers, would you like to adjourn us until tomorrow at nine o'clock.

SENATOR REMMERS: Mr. Speaker, I move that we adjourn until tomorrow at nine o'clock.

SPEAKER MARVEL: All those in favor of that motion say aye, opposed no. The motion is carried. We are adjourned until 9:00 a.m., March 11, 1981.

Edited by Arleen McCrory
Arleen McCrory

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LB 51, 104, 150, 151, 154, 179, 190,
195, 204, 204A, 205, 220, 272, 409,
403.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: (Microphone not on)...Tom Huxtable who is the Minister of the Eastridge Presbyterian Church.

REV. TOM HUXTABLE: Prayer offered.

SPEAKER MARVEL: Will you all record your presence, please.

CLERK: Mr. President, Senator Vard Johnson would like to be excused until he arrives. Mr. President, Senator Burrows would like to be excused until he arrives. Senator Wagner and Senator Labeledz until they arrive.

SPEAKER MARVEL: Senator Dworak.

SENATOR DWORAK: A record attendance, please. A record vote on attendance, please.

SPEAKER MARVEL: Record the vote.

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

SPEAKER MARVEL: Do you have any other items on your desk?

CLERK: Yes, sir, I do. Mr. President, I have several matters to read in. Mr. President, LBs 51, 150, 195, 272, 409, and 154 are ready for your signature.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign LB 51, LB 150, LB 195, LB 272, LB 409, LB 154.

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports LB 104 is correctly engrossed and LB 205 correctly engrossed. (Signed) Senator Kilgarin as Chair. (See page 874 of the Legislative Journal.)

Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 190 and recommend that same be placed on Select File with amendments; 220 Select File, 151 Select File with amendments; 179 Select File with amendments; 204 Select File with amendments; 204A Select File. (Signed) Senator Kilgarin, Chair. (See page 873 of the Legislative Journal.)

Your Committee on Banking reports LB 403 to General File

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LB 151

PRESIDENT: LB 220 is advanced to E & R for Engrossment. LB 151, Mr. Clerk.

CLERK: Mr. President, LB 151 does have E & R amendments pending.

PRESIDENT: The Chair recognizes Senator Kilgarin.

SENATOR KILGARIN: I move the E & R amendments to LB 151.

PRESIDENT: Motion to adopt the E & R amendments on LB 151. Any discussion? All those in favor of adopting the E & R amendments on LB 151 signify by saying aye. Opposed nay. The E & R amendments on LB 151 are adopted.

PRESIDENT: Senator Kilgarin.

CLERK: Mr. President....

PRESIDENT: Oh, just a minute, Senator Kilgarin.

CLERK: I have an amendment from Senator Vickers found on page 838 of the Legislative Journal.

PRESIDENT: All right, amendment to LB 151 by Senator Vickers. Senator Vickers. What page is that?

CLERK: 838.

PRESIDENT: 838 of the Journal.

SENATOR VICKERS: Mr. President and members, the amendment that I have offered on LB 151 would be to drop the number of years that the exemption would be in effect from five years to three years. I will be perfectly honest, I am not one of the greatest proponents of LB 151. As I indicated when this bill was on General File, I believe this is an attempt to give an exemption for taxes to those people that can afford these energy conservation measures, such as solar energy equipment and so forth which normally is very expensive and when tax exemptions are made to these individuals, those people that are least able to afford such equipment will wind up having to pay the difference, because when we make exemptions in this body somebody else has to pick up the tab. That is the way I feel about LB 151 in general. The reason I offered this amendment was to lower the length of time of that exemption so that it would not be a five year period but instead it would be a three year period. Since offering this amendment,

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LB 151

however, I have come to the conclusion that the bill is going to be a bad bill no matter how many years we make in it, so with that thought in mind, Mr. President, I would ask for unanimous consent to just withdraw this amendment.

PRESIDENT: All right, the amendment is withdrawn. Any further amendments, Mr. Clerk, on 151? All right, so we are ready to proceed then. Senator Johnson. All right, motion to advance LB 151 to E & R for Engrossment. Any discussion? Senator Kahle, did you wish to discuss the advance of LB 151?

SENATOR KAHLE: Mr. President and members, I have had a lot of misgivings about this type of legislation. We have had it before us in several forms in the last years to exempt taxation for energy conserving projects, and I was going to say gimmicks but I better say projects, and I guess I feel down deep that if these energy saving devices are all that great, people won't need a tax exemption to put them in. So I oppose the bill. I think that it will help the rich certainly more than the poor because they are the ones that are putting in these devices because they are expensive, and most of them are well able to pay the tax on it if they feel that they want to go to this type of an energy saving device. So I don't know what else to say about it, but I just have a feeling that this is a mistake and that we shouldn't be going in this direction. You certainly can get a lot of argument as to how great this is going to be and how we need to save energy and I can't really argue with that. I guess all I would say in my closing of my remarks that if it really does conserve energy and if it is an advantage, I think they are going to put them in without tax exemption. Thank you.

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President and members of the Legislature, this is a very important bill to deal with an important problem in the State of Nebraska and that being the energy problem. The bill is the result, as you have on your desk, I passed out the results of the constitutional amendment which established the authority for this legislation. Clearly the people voted 314,000 to 220 some thousand in favor of this effort to try and encourage solar energy. I believe that as Senator Kahle was talking about some of the concerns about exemptions, quite frankly, we have a solar industry developing in the State of Nebraska that needs a boost,

it needs an incentive and at this point this exemption would help a great deal. We have local businesses trying to sell solar energy but have had a difficult time because of the fact that as soon as you put on this equipment you are paying a tax on it, and so for a five year period we are saying we are going to give you a break to encourage you to put this equipment on your home to save energy, and I think that is a wise public policy decision to make. I think that this bill would encourage that activity which would save energy and provide domestic renewable energy to the State of Nebraska, and I would certainly encourage your support for it. Please take a look at the results of the voting. I think you will find that if there isn't strong support in your area at least there is not strong opposition. I think most people recognize now the need to move in this direction and the exemption we provide for here is a small one comparatively speaking, it's five years, when, in fact, national surveys indicate that perhaps fifteen year exemption may be appropriate. But five years is not unreasonable and certainly your support is encouraged.

PRESIDENT: The Chair recognizes Senator Remmers.

SENATOR REMMERS: Mr. Chairman and members of the Legislature, I also am opposed to LB 151. I think maybe the energy credits were due a few years ago but we have had a lot of experimentation, we've had a lot of people who have used solar energy devices in their homes, have built homes underground, and I think our experimental stage on that point is gone or the point has been made out the people that are going to get credit for these devices when they buy them are not going to be the ones that really need that kind of help. I think it is a mistake to make these exemptions. We, as Senator Kahle mentioned a while ago, we have done this sort of thing in the past and I think we should look very carefully at making exemptions to this type of improvement.

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I rise to I think support this bill, LB 151. It is kind of interesting to me, LB 151 is a bill that basically complies with the constitutional amendment that we passed last year, basically is an extremely modest attempt to deal with this approach, this whole area of exemptions in a very limited case for only improvements, and then only for a five year period. But I hear a lot of opposition to this bill and it's kind of incredulous,

you know, I am amazed that we have so many people defending the tax base now when over the years we just have not had that kind of support. So I kind of, am supporting the bill but if I thought for one minute that this would be a new precedent that this body was going to take and they were going to say no to all exemptions, I would get real excited about that and I would vote against this bill myself but I guess the real key here is not an opposition to exemptions in general but what kind of exemptions. If the average individual benefits from them, that is not a good exemption. If a few equipment dealers benefit, now that is a good exemption. I mean that is the criteria that we have to use here. If the rich and the powerful can hire a lobbyist, then the bill becomes an excellent piece of legislation. If there is no lobbyist, then it is just another one of those damn exemptions. So, Senator Johnson, I hope I helped. I'm not sure that you will feel that I did but I feel that I had to add that two cents worth because of all the good legislation that has gone before it. Thank you.

PRESIDENT: Before we go to the next speaker, the Chair would like to introduce some 27 seniors from a Government Class at Crete High School, Mr. Stephen Vandyke, teacher. They are up here in the North balcony. Would you welcome the Crete High School Government Class to the Legislature. Welcome to you. The Chair recognizes Senator Vickers.

SENATOR VICKERS: Mr. President and members, I rise to oppose LB 151 for many of the same reasons that Senator Newell thinks that he supports it. He mentions that if it is an exemption for the powerful, if it is an exemption for the rich, then it is a good idea, with tongue in cheek. Well without tongue in cheek that is exactly what we are doing right here. Many of the other alternate energy sources are not key pieces of equipment. If it is a good piece of equipment, it is going to cost a bunch of money. It is just that simple. As a matter of fact, there are a lot of people that are paying a bunch of money for things that aren't any good when it comes right down to it but most of the people that are buying these pieces of equipment have considerable amounts of money or they wouldn't be able to buy them to start with. I don't know too many people that are living on the poor side of town that has the solar...some sort of solar heating equipment in their house. The only pieces of solar equipment that I knew of are those people that are on the "right" side of the tracks, so to speak, already. It seems to me that the point has been made very clearly that this is an exemption for the rich, that the poor is going to have to make up the difference for and I think that is not right. I don't think that

is fair and for us to use the excuse, we, the elected officials, that a certain constitutional amendment passed that was permissive in nature, for us to use that excuse to pass this piece of legislation I believe is fundamentally wrong. I would thank Senator Wesely, however, for sending around a listing of the counties and the vote on constitutional amendment number three. I took the time to look up my counties that I represent and added them up. My counties turned it down by almost six hundred votes. So I guess I can stand up here in good clear conscience and say no. But I believe that even those that represent counties that approved it need to recognize and remember that it was a permissive constitutional amendment authorizing the Legislature in its discretion to create an exemption and if we create an exemption that is not going to benefit those that deserve the benefit the most, then we have done a disservice to those people that not only voted for that amendment but also voted for us. Thank you, Mr. President.

PRESIDENT: The Chair recognizes Senator Cope.

SENATOR COPE: Mr. President, members, I support it. I was looking at the chart. I guess I can do the same thing as Senator Vickers. Buffalo County supported it 7,230 to 4,847 and Hall County not that much but, now, let's see. Hall County was 7,654 to 6,442. Here is the reason I support it. There has been quite a lot of talk about the people that can afford it are going to get the tax break in this. Look at it this way. Sure, they are going to get it but they are the ones that are doing the experimenting and I think that is the thing we are overlooking and I think that was the purpose of this constitutional amendment. I believe that solar energy is about the same stage as computers were twenty years ago where a computer cost a half a million dollars twenty years ago that you can probably buy now for seven hundred and fifty to a thousand dollars, have the same capabilities. If the people that can afford it and they are the ones that are going to do it, will do this experimentation at really no cost to the government and I am talking about local subdivisions, the whole bit and here is why I say that. If you put in a solar unit, that is in addition. Otherwise, you are going to have the conventional and you still have to have the conventional to supplant it. So it is really not costing any taxes that wouldn't be paid if you built a home without it. There was a picture in the local paper, the Kearney Daily Hub, the other day of a new home that was built and this fellow had a grant. Now I am going to see it. It looked great and his fuel bill, as I remember, was \$23 in December, \$18 and \$24, something. I couldn't believe it and it is a big house. But it is solar and he is experimenting. Now we all can benefit by this experimentation

at actually no cost. Let the people, the wealthy as you are saying, let them do it. Let them do the experimentation. Ten years from now that is going to be as old as can be and they are going to be changing to something new the same as we do in computers. It is something in the future, not right now. I approve of it.

PRESIDENT: The Chair recognizes Senator Barrett.

SENATOR BARRETT: Mr. President, members, I very briefly also rise to express my concern for LB 151. I had problems with it last year when it was on the ballot. I continue to have problems with it. I think that the bill would certainly add to the ever increasing list of property tax exemptions that we now have and at the same time, there is no question in my mind that it would further serve to erode the local tax base. Although many of us do encourage the purchase of energy conservation systems, it appears to me that this could be an almost unapproachable way to get at this matter on the local level, trying to separate the value of energy conservation systems from the value of a house. I simply rise to express my concern once again for LB 151. Thank you.

PRESIDENT: Senator Ward Johnson, do you wish to speak?

SENATOR V. JOHNSON: Sure, it is my bill.

PRESIDENT: Yes, I know that. I would think you would.

SENATOR V. JOHNSON: Well I think that the arguments against the measure have been that it is a bill to benefit the rich and won't be of much advantage to the poor and that it is just another one of an unending line of exemptions and that it doesn't do much good in any event and that when the voters passed this constitutional amendment, it was only a permissive amendment so we don't have to do anything anyhow. I suppose that each one of those arguments has some validity but not total validity. I have a letter, for example, from energy persons at the University of Nebraska at Omaha, dated March 16, 1981. The writer says this. He is a professor and says, "A person in his fifties making \$22,000 yearly before taxes lives in a home recently revalued at \$41,000 and paying \$1,100 taxes per year. After reading that the cost of fuel may triple in the next decade, he realizes the very real possibility of losing his home or being miserably cold in it as he retires. He finds that approximately one-half of heating and perhaps more can be provided by a solar greenhouse he can have constructed for between \$4,000 and \$5,000. Considering interest on money he would have to borrow and the projected increase and the cost of fuel, the payback time for the unit is about ten years which would coincide with retirement time. The unit, if added

to the value of his home would raise his taxes some ten dollars a month, drastically raising the payback period to over twenty years which makes a sensible monetary decision for a "no". The serious long-term penalty for such no decisions for the citizens of Nebraska is described below. Most people think of our fossil resources, gas, oil and coal, only in terms of their value as energy sources. This is terribly wrong. These resources are vital in every product we use that utilizes carbon change molecules. Without them we would not have plastics, pharmaceuticals, synthetic rubbers, synthetic fibers or farm chemicals." So all this bill does is it continues to enhance our development of alternative energy devices at a very low price. The fiscal analyst has said \$60,000 annually for five years. That is what the exemption... that is how long the exemption goes, five years. This bill is more likely to affect the middle class than it is the rich because it is the middle class farmer and homeowner that cannot afford to pay the rising utility costs and are making decisions now to make their homes more energy efficient. This bill also puts into effect what is clearly the will of the people in this state and that is to provide a modest exemption and the people in this state a number of years ago said, we can exempt certain items of personalty from the property tax like farm equipment, farm livestock and business inventories and so one of the things that happened is that we responded to their will. We responded to what the people said and at a much higher price. Last year, for example, last year on Select File of LB 882 we blithely exempted earth moving equipment from the personal property tax at a cost to this state of a half a million dollars a year. In my opinion this very small alternate energy exemption which would cost one-tenth of that half a million dollars, about \$60,000 annually, is an extraordinarily modest cost to begin to continue to encourage the support of alternate energy sources and as the UNO writer says, these very modest exemptions may literally make an alternate energy program appear to be financially feasible where it would not be feasible in a first instance. Without any question, the quicker you and I move into nonfossil fuel energy...

PRESIDENT: Let's have a little order. We can hardly hear.

SENATOR V. JOHNSON: ...the quicker we move into nonfossil fuel energy, the better off we, as a nation and as a state, will be. This is not a big bill. This is not the kind of bill in my opinion that we should be exceedingly nervous about. It is a responsible measure and it truly does carry into effect, what was the will of the people last November. I can appreciate how this body is nervous about

exemptions because every time we make an exemption from some tax, somebody hollers about it and maybe we have had so much hollering we have become extremely gun shy in terms of an exemption. But I can guarantee you this is one of the more responsible exemptions in terms of it being carefully tailored. It doesn't cost the state and local government very much money and so it meets a good purpose and it is a decent exemption and I certainly encourage you to advance the bill to Final Reading.

PRESIDENT: The Chair recognizes Senator Maresh.

SENATOR MARESH: Mr. President, are we considering the committee amendments or are we talking on the bill?

PRESIDENT: We are talking on the motion to advance LB 151 to E & R for engrossment.

SENATOR MARESH: The committee amendments were not adopted, were they?

PRESIDENT: The committee amendments were adopted on General File and the amendment that was offered earlier this morning was withdrawn so we are now talking merely on the advance of the bill, as amended by the committee amendments.

SENATOR MARESH: Okay, a question of Senator Johnson.

PRESIDENT: Senator Johnson, will you respond?

SENATOR V. JOHNSON: Yes.

SENATOR MARESH: Presently the bill does not allow exemption for alcohol stills, correct?

SENATOR V. JOHNSON: No, that is right.

SENATOR MARESH: Mmm, hmm. Why was that taken out, do you know?

SENATOR V. JOHNSON: We had a long discussion on that in the Revenue Committee and, in fact, the discussion itself was prompted by Senator Howard Peterson who wondered if this bill would address a large scale alcohol plant, say built in Grand Island or Omaha and we thought there was enough ambiguity that it could and we would not want to exempt that from the property tax forever so we took out all references to that possibility. The bill does not address a large scale plant and it doesn't address a small scale plant either.

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SENATOR MARESH: Why couldn't we have a limitation on the volume of alcohol they would produce? That way we would encourage small farm stills to be built.

SENATOR V. JOHNSON: We thought that we were not...we talked about it. We didn't feel at the time we were putting this bill through that we had adequate technical knowledge to be able to deal to distinguish the large from the small and also we were not confident we could do it in a way that would make it totally constitutional. So that is one reason why we just didn't do it.

SENATOR MARESH: You don't think we could have, say a hundred gallons a day volume, as long as they wouldn't put out more than a hundred gallons a day. Wouldn't they be registered with the state for how many gallons they were producing that this would be real easy to monitor?

SENATOR V. JOHNSON: I am inclined to think they would be registered with the state but I don't know how easy it would be to monitor it, Senator Mares.

SENATOR MARESH: As long as they wouldn't put out over a certain amount they would be tax exempt, wouldn't they, year after year?

SENATOR V. JOHNSON: Well the thing about it is that... you know, what the bill is designed to do is just to provide a small exemption for an increase in the valuation of real property by virtue of the alternate energy device. An alcohol still per se may not increase the value of real property whatsoever.

SENATOR MARESH: Oh, yes it would because you build buildings and grain handling equipment and there is a lot of value that is placed on the real estate to build a still.

SENATOR V. JOHNSON: I guess in the end, one of the reasons we did take it out is just because we felt that we had a problem with the large scale alcohol distilling operation which we didn't want to include and we got down to the small, we said well maybe, you know, the increase in value would be so modest, it is not worth dealing with at this time. That is why we took it out.

SENATOR MARESH: I wouldn't go for exempting those million dollar plants either but I think a farm still that produces a small amount of alcohol because of the amount of money involved to build the plant, we should probably consider them.

SENATOR JOHNSON: I appreciate your point, thank you.

PRESIDENT: The Chair recognizes Senator Koch.

SENATOR KOCH: Mr. Chairman, members of the body, for several years we have been wrestling with this issue, how do we motivate individuals to try to move to alternate systems of heating, other types of conditions. Several years ago I think I offered to this body the possibility of exempting sales tax on those items which we would approve as being endorsed for the purpose of supplementing fossil fuels. I agree with what Senator Johnson said a moment ago. Oftentimes all we think of is gasoline or petroleum as a means of providing vehicle mobility to us. That is not true because as he said, there are so many products that are reliant upon the petroleum industry that oftentimes we overlook them. The last time I saw a figure it was up in the two hundreds or more of items that we constantly use in pharmaceuticals, you name it, everywhere. Now we are going to get worried here about exempting a tax. We are really not exempting a tax. How can you lose money on something we don't have enough of to tax? The fiscal impact of this bill really is nil, nil, absolutely nil. You are not losing a dollar. All you are doing is encouraging people to use alternate sources for heating, air conditioning, whatever and it is going to be exempt, I understand, for five years. Then after that, those subdivisions that depend upon property tax, they are going to have something of value there which then can be taxed and then becomes, not only beneficial to us in terms of alternate sources of energy but also they will provide us additional tax dollars that then goes to the subdivisions of government. That is what we are talking about. It is that simple and here we are spending much, much, much time, much ado about nothing really. Let's vote for LB 151 and get it going. Thank you.

PRESIDENT: The Chair recognizes Senator Wagner.

SENATOR WAGNER: Mr. Speaker, I would call the question.

PRESIDENT: All right, the question has been called for. Do I see five hands? I do. The question then is, shall debate cease. All those in favor vote aye, opposed nay. Have you all voted? The question is, shall debate cease. Record the vote.

CLERK: 25 ayes, 0 nays, Mr. President.

PRESIDENT: Debate ceases. Senator Vard Johnson, do you wish to close on the advance of LB 151.

SENATOR V. JOHNSON: Yes, I do, Mr. President. This is a very quick closing. I think that we have discussed the

issues carefully that are in this bill. I want to reiterate, this is a very modest bill in terms of its price tag. It is a very reasonable bill. It is the kind of bill that when added to some of the other exemptions we are now providing for alternate energy sources, i.e. the sales tax exemption and the federal income tax credit, continues to promote a policy that this state very much wants to promote. Now my committee chairman, Senator Carsten, came over to remind me that one of the reasons we took the alcohol still out of here, which was in the bill initially, was not only because of its probable high cost but more importantly because we do provide favorable treatment right now for gasohol in terms of taxation and so it seemed to us that we ought not to. We didn't need at this juncture to provide additional special treatment for the alcohol producing plant and we felt that there were more problems with that than there were benefits, at least in the context of this bill. But this bill is one that is not designed to benefit one class of people, i. e. either rich, over the poor. It is a bill designed to benefit all society by making us a little less dependent on foreign oil, by making us more energy reliant and by assisting us in moving ahead in the 1980s when we are facing very scarce fossil fuel resources. I encourage your support.

PRESIDENT: The motion then is to advance LB 151 to E & R for engrossment. All those in favor signify by saying aye. A machine vote has been requested. All right, all those in favor vote aye, those opposed vote nay. Five members are excused, Senator Johnson.

SENATOR V. JOHNSON: Five out of six but I am going to ask for a Call of the House, Mr. Speaker.

PRESIDENT: Clear the board. The motion is for a Call of the House. All those in favor of a Call of the House vote aye, opposed nay. Record the vote.

CLERK: 19 ayes, 0 nays to go under Call, Mr. President.

PRESIDENT: The House is under Call. The Sergeant at Arms will see that all unauthorized personnel are off the floor. All members will return to your desks. All members will show your presence. The House is under Call. Senator Johnson, do you wish then to have a roll call vote or...? Do you wish to have a roll call vote?

SENATOR V. JOHNSON: Yes, I ask for a roll call vote.

PRESIDENT: All right, fine. There are five members excused. The House is under Call. Senator Higgins is here.

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LR 43
LB 151

Senator Fowler, is Senator Fowler here? Senator Koch, will you show your presence. Senator Rumery, will you show your presence. Senator Rumery. Senators Clark and Chambers, Sergeant at Arms. Here comes Senator Chambers. Senator Clark, if you will push your button we will be ready to go. You are here? All right, we are ready then, Senator Johnson, for a roll call vote. The question is the advance of LB 151 to E & R for engrossment. Roll call vote, proceed, Mr. Clerk.

CLERK: (Read roll call vote as found on pages 1016-1017 of the Legislative Journal.)

PRESIDENT: The Clerk is going to verify the vote. Go ahead, clarify the vote, Mr. Clerk.

CLERK: Mr. President, listen so I make sure I have recorded it properly if you would please. (Read record vote.) 25 ayes, 20 nays, Mr. President.

PRESIDENT: The motion carries. LB 151 is advanced to E & R for engrossment. Senator Beyer, you wish to raise the Call. The Call is raised. Speaker Marvel, do you wish to take up the resolution at this time? Mr. Clerk, will you read the resolution.

CLERK: Mr. President, first of all, Senator Marsh asked to have her name added as cointroducer to LR 43.

PRESIDENT: Senator Marsh wishes to add her name to the resolution 43. No objections? So ordered.

CLERK: Mr. Clerk, LR 43 is offered by Senators Marvel and Marsh. It is found on page 1002 of the Journal. (Read LR 43.) It is found on page 1002, Mr. President.

PRESIDENT: 1002, LR 43. The Chair recognizes Speaker Marvel.

SPEAKER MARVEL: First of all I would like to read a couple paragraphs and then I would like to make some personal observations. "This morning we welcome nine members of Nigeria's 105 State Legislatures who are spending three days in Nebraska to observe and study the Unicameral. The group is composed of speakers, chairmen and members of the legislatures representing nine different states. Their visit is sponsored by the Nigerian government and the State Legislative Foundation." So that is the formal welcome to the representatives from Nigeria from our particular vantage point and I want to say this in conclusion, that this is one of the better, more interesting missions that is given the Speaker, at least at this time, to visit with those

March 23, 1981

LB 17, 47, 56, 79, 84, 151,
220, 224, 313, 446, 485, 544.

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by Chaplain Coordinator Palmer.

DR. ROBERT PALMER: Prayer offered.

PRESIDENT: Roll call. Has everyone registered your presence?

CLERK: Mr. President, Senators Fitzgerald, Koch, Howard Peterson, Wagner excused; Beutler, Cullan, Gc11, Hoagland and Vard Johnson until they arrive.

PRESIDENT: While we are waiting for those to register their presence, the Chair would like to recognize from Senator Sieck's District, seven students from Benedict High School, Bud Exstrom, their teacher. They are up here in the north balcony. Would you folks stand up and be recognized. Welcome to your Legislature. Record the presence, Mr. Clerk.

CLERK: Quorum present, Mr. President.

PRESIDENT: Quorum being present, are there any corrections to the Journal?

CLERK: No, sir, there are no....

PRESIDENT: The Journal then stands correct as published. Any messages, reports or announcements, Mr. Clerk?

CLERK: Mr. President, the committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 17 and recommend that LB 17 be placed on Select File, LB 446 Select File with amendments. (Signed) Senator Kilgarin. (See pages 1050 and 1051 of the Legislative Journal.)

Mr. President, your committee on Public Works whose Chairman is Senator Kremer, reports LB 224 to General File with amendments, 485 General File with amendments, 544 General File with amendments and LB 79 indefinitely postponed. (Signed) Senator Kremer as Chair. (See pages 1051 and 1052 of the Legislative Journal.)

Your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 47 and find the same correctly engrossed; 56, 84, 151, 220, 313, all correctly engrossed. (Signed) Senator Kilgarin.

I have a report from the Legislative Accountant regarding legislative employees. It will be inserted in the Journal. (Page 1052 of the Journal.)

March 31, 1981

LB 56, 84, 151, 220, 313

return.

PRESIDENT: The motion fails. Anything further on the bill? It is right there, it is on E & R for engrossment. We are then ready, Mr. Clerk, for Final Reading on LB 84.

CLERK: (Read LB 84 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 84 pass? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Record vote read. See pages 1206 and 1207, Legislative Journal.) 47 ayes, 0 nays, 1 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 84 passes. Next bill on Final Reading is LB 151, Mr. Clerk.

CLERK: (Read LB 151 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 151 pass? All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: (Record vote read. See page 1207, Legislative Journal.) 27 ayes, 21 nays, 1 excused and not voting, Mr. President.

PRESIDENT: LB 151 passes. The next bill on Final Reading is LB 220.

CLERK: (Read LB 220 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 220 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Record vote read. See page 1208, Legislative Journal.) 46 ayes, 1 nay, 1 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 220 passes with the emergency clause attached. Before we take up the last bill for this morning on Final Reading, the Chair would like to introduce some guests of Senator Wagner, Harry Knecht, Bonnie Dzingle, Elaine Reiter, all from Loup City. They are in the South balcony. Would you folks stand and be recognized by the Nebraska Unicameral? Welcome to your Legislature. The final bill on Final Reading this morning is LB 313.

April 1, 1981

LB 44, 47, 56, 84, 113, 151,
173, 218, 220, 308, 313, 331,
370, 379, 392, 478.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The Reverend Sidney D. Ellis of the Church of Christ, Lincoln, Nebraska.

REVEREND SIDNEY D. ELLIS: Prayer offered.

CLERK: Mr. President, Senators Beyer, Fowler and Vard Johnson would like to be excused for the day. Senators Hoagland, Cullan and Wiitala until they arrive.

SPEAKER MARVEL: Record the vote, Mr. Clerk.

CLERK: Quorum present, Mr. President.

SPEAKER MARVEL: Do you have anything for item #3?

CLERK: Yes, sir. Mr. President, first of all I have got a correction in the Journal foundon page 1221. (See page 1230 of the Journal.)

Mr. President, your committee on Education whose Chairman is Senator Koch reports LB 218 to General File with amendments; 370, General File with amendments; and 308 indefinitely postponed. (Signed) Senator Koch. (See pages 1230 through 1235 of the Journal.)

Your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 56 and find the same correctly reengrossed.

Mr. President, LBs 47, 84, 151, 220 and 313 are ready for your signature.

Mr. President, I have a Reference Report from the Executive Board referring LB 556 to the Appropriations Committee and that is signed by Senator Lamb as Chairman of the Reference Committee.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign LB 47, LB 84, LB 151, LB 220, LB 313.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 379 and recommend that same be placed on Select File with amendments; 44, Select File with amendments; 173, Select File with amendments; 331, Select File with amendments; 392, Select File with amendments; 478, Select File with amendments; 113, Select File with

April 1, 1981

LB 17, 40, 47, 84, 151, 220,
245, 245A, 313, 478

particular bill. I will get another shot on Select. But I hope you mark well what you are doing this morning, and I hope the impact of it will not be lost on you. So, Mr. Chairman, I am making that request for a Call of the House and a roll call vote.

SPEAKER MARVEL: Shall the House go under Call? All those in favor vote aye, opposed no. Okay, record.

CLERK: 17 ayes, 11 nays to go under Call, Mr. President.

SPEAKER MARVEL: The House is under Call. All legislators please take your seats. Record your presence. Senator Beutler, Senator Newell, Senator Schmit, Senator Hoagland. Mr. Sergeant at Arms, will you see if you can find Senator Schmit, please?

CLERK: Mr. President, while we are waiting for Senator Schmit, I have an Attorney General's Opinion that is addressed to Senator Carsten and one addressed to Senator Haberman. (See pages 1247 through 1252 of the Legislative Journal.) Senator Pirsch would like to print amendments to LB 17, and Senator Landis and Howard Peterson to LB 478, and your Enrolling Clerk respectfully reports that she has presented to the Governor for his approval the following bills: 47, 84, 151, 220, and 313.) (See pages 1252 through 1256 for amendments to LB 17 and 478 in the Legislative Journal.) And your Committee on Enrollment and Review respectfully report that they have carefully examined and engrossed LB 245 and find the same correctly engrossed, and 245A correctly engrossed.

SENATOR CLARK PRESIDING

SENATOR CLARK: Do you want to continue, Senator Chambers, or do you want to wait for Senator Schmit? Call the roll.

CLERK: (Read the roll call vote as found on page 1246 of the Legislative Journal.)

SENATOR CARSTEN: Mr. President, may we have the motion restated. I am not quite sure that anybody knows....

SENATOR CLARK: The Clerk will restate the motion.

CLERK: Mr. President, the motion is to overrule the Speaker's agenda by removing LB 40.

SENATOR CLARK: If you want to support the Chair, you vote no.