

January 6, 1982

LB 618 - 645

PRESIDENT: The Legislature will stand at Ease for about five minutes. We have a few more bills to get in and we would like to get them in at this point. So the Legislature will stand at Ease for five minutes.

EASE

PRESIDENT: The Clerk will proceed with the reading of new bills.

CLERK: Mr. President, new bills. LB 618 offered by Senator DeCamp. (Read title). LB 619 offered by Senator DeCamp. (Read title). LB 620 offered by Senator DeCamp. (Read title). LB 621 offered by Senator DeCamp. (Read title). LB 622 offered by Senator DeCamp. (Read title). LB 623 offered by Senator DeCamp. (Read title). LB 624 by Senator DeCamp. (Read title). LB 625 by Senator DeCamp. (Read title). LB 626 offered by Senator DeCamp. (Read title). LB 627 offered by Senators DeCamp and Kilgarin. (Read title). LB 628 offered by Senators DeCamp, Koch and Vickers. (Read title). LB 629 offered by Senator DeCamp. (Read title). LB 630 offered by Senator Newell. (Read title). LB 631 offered by Senators Von Minden, Hefner and Goll. (Read title). LB 632 offered by Senators Wesely, Remmers and Rumery. (Read title). LB 633 offered by Senator Clark. (Read title). LB 634 offered by Senator Newell. (Read title). LB 635 offered by Senator Kahle. (Read title). LB 636 offered by Senator Warner. (Read title). Mr. President, new bills. LB 637 offered by Senator Vickers. (Read title). LB 638 offered by Senator Koch. (Read title). LB 639 offered by Senator Wiitala. (Read title). LB 640 offered by Senator Wiitala. (Read title). LB 641 offered by Senator Wiitala. (Read title). LB 642 offered by Senator Wiitala. (Read title). LB 643 offered by Senator Wiitala. (Read title). LB 644 offered by Senator Vickers. (Read title). Mr. President, LB 645 introduced by Senator Kilgarin. (Read title). (See pages 95 through 100 of the Legislative Journal).

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The Chair recognizes Senator Wesely, Chairman of the Rules Committee, to proceed with item #10. I would respectfully remind the Legislature once again that we need to keep moving in order to remove some of the roadblocks, and if we don't they are going to be there as big as life itself. The Chair recognizes Senator Wesely.

SENATOR WESLEY: I move the adoption of permanent rules for this legislative session.

February 17, 1982

LB 358, 547, 571, 595, 626, 634

CLERK: Mr. President, an announcement from the Speaker regarding LB 547 being moved from Passed Over to General File.

Senator Koch would like to be excused Thursday morning.

Senator Clark would like to print amendments to LB 571; Senator DeCamp amendments to LB 358. (See pages 722-723 of the Legislative Journal.)

Your committee on Banking, Commerce and Insurance whose chairman is Senator DeCamp instructs me to report LB 626 advance to General File and LB 595 indefinitely postponed, both signed by Senator DeCamp.

Mr. President, LB 634 was a bill introduced by Senator Newell. (Read title.) The bill was read on January 6 of this year. It was referred to the Constitutional Revision and Recreation Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending by the Constitutional Revision and Recreation Committee.

SENATOR LAMB PRESIDING

SENATOR LAMB: Senator Labeledz, do you wish to handle the committee amendments?

SENATOR LABEDZ: Thank you, Mr. President. LB 634 was introduced by Senator Dave Newell and the committee amendments are just correcting some language. The insertion of "use by" was for grammatical clarity, the words, "or financing" were added so that property and blighted areas could benefit from the federal income tax exemption on bonds without the requirement that the municipal corporation own the property. If there is further explanation of the bill I'm sure Senator Newell will be able to do it. I move for the advancement of the committee amendments on LB 634.

SENATOR LAMB: The motion is to adopt the committee amendments. All those in favor vote aye, those opposed vote no.

CLERK: Senator Lamb voting yes. 28 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SENATOR LAMB: The committee amendments are adopted. Senator Newell, do you care to explain the bill?

SENATOR NEWELL: Mr. President, members of the Legislature, LB 634 is a constitutional amendment which would authorize the bonds, tax exempt bonds for the financing of business

PRESIDENT: Alright, we are ready for General File, priority bills, special order by the Speaker. Commence with LB 626, Mr. Clerk.

CLERK: Mr. President, LB 626 was a bill introduced by Senator John DeCamp. (Read.) The bill was read on January 6 of this year. At that time it was referred to the Banking Committee for public hearing. The bill was advanced to General File, Mr. President. I have no amendments to the bill.

PRESIDENT: So the Chair recognizes Senator DeCamp for purposes of explaining the bill. Senator DeCamp.

SENATOR DeCAMP: Mr. President, members of the Legislature, this is a bill dealing with bank structure change, commonly known as the multibank bill. I believe there are other motions on the bill. We've heard a lot of debate on it. I would request that my time for opening, normally ten minutes, I would just save for the closing and handle it that way in the interest of saving time and maybe answering every question at one time. So I will waive further opening and reserve my time until closing.

PRESIDENT: Any further discussion then on the bill? Motion on the desk, Mr. Clerk. Read the motion.

CLERK: Mr. President, Senators Lamb and Barrett move to indefinitely postpone LB 626.

PRESIDENT: The Chair recognizes Senator Lamb.

SENATOR LAMB: Mr. President, members of the Legislature, I rise to urge that LB 626 be indefinitely postponed. Now why do I oppose the creation of multibank holding companies? It is because the concentration of economic power that this allows is not in the best interest of the consumers of credit. This is the important criteria, not in the best interest of consumers of credit. Now we all recognize that some legislators will support the bill because the banks in their area support it. Some legislators will oppose the bill because banks in their area oppose this but the important reason is what is best for consumers of credit of this essential service? Now what does the public think about huge concentrations of financial power? The best indication came from our Colorado neighbors. The voters of Colorado voted it down by a margin of three to one. This is an electorate that had been advised of the consequences of this action. A seemingly powerful argument in support of the bill goes something like this. Under our free market system we should not interfere. Let the big banks absorb the little banks. That is

the American system but let us ask, what has this state done in those cases where services to the people have been threatened by concentrations of power? The answer is this. The state has severely regulated the providers of that essential service. The telephone industry and the trucking industries are examples. These industries are of course regulated by the Public Service Commission. We have not turned them loose because the concentration of power in those industries threaten the essential services for consumers that those services provide. So I am asking this Legislature to be consistent. Continue the regulation of banks through state law which does not allow multibank holding companies. Now bid rigging has been much in the news lately. What makes bid rigging work? The answer is that there has to be a relatively few suppliers in the market providing that essential service. That is what makes it work. I am asking you to kill this bill so that this situation is not encouraged in the banking industry. Now let's talk about the health of the banking industry. We will all agree that a healthy banking industry is vital to the economic health of the state. But is it necessary to allow huge financial institutions to be formed in order to have a healthy economy and a healthy industry? I think not. We have seen the savings and loan institutions that have been merging at an astounding pace but they still seem to have more problems than the banks of the state. No, size is not the necessary ingredient in providing for a healthy financial industry. This state has been well served by banking industry under the unit bank system. We, who are in agriculture, have been able to borrow the funds so necessary for our continued operation. Also we have enjoyed a relatively favorable interest rate. Other businessmen and individuals have had a similar experience. Our unit banking service has served us well. When the local bank cannot handle our needs the correspondent banks have stepped in and provided the funds that are necessary. The essential service is better provided under existing law than it would be under this bill, therefore, I am asking that LB 626 be indefinitely postponed and I would ask that Senator Barrett have the rest of my time.

PRESIDENT: The Chair recognizes Senator Barrett.

SENATOR BARRETT: Thank you, Mr. President and members of the Legislature, I am pleased to cosponsor the kill motion with Senator Lamb. My motion is sincere. This is not an attempt to hassle the bill in any way. It is a forthright effort to ask the body today, are we going to spend the additional time necessary to discuss this issue which was thoroughly discussed before? Are we going to take that time at this point or are we not? I was attempted to refer to LB 626 as the same song, second verse of LB 376 because they are one and the same. That characterization I think is appro-



prate. The words haven't even been changed, the numbers of the bill have. If all of it seems very familiar at this point it should be. We've been down this road before. Last year LB 376 probably generated more words spoken and written than any other bill, at least in my memory, more speeches, more phone calls, more contacts, more letters. We spent untold hours and hours on this particular issue. We spent untold thousands and thousands of dollars on the banking structure discussion in this state. So as far as I am concerned, the battle lines have been drawn. The troops have been martialled. The marching orders have been cut and they have been issued. I truly don't think that any more discussion on this issue is going to change any one's mind today because we have now passed the halfway point in this session. We have 25 working days left. We have other very important bills that haven't even been introduced or debated on the floor at this time. Some of these bills are going to create a great amount of discussion. Many of them are very important bills that do need our attention. And in its previous life as 376, this bill had a thorough and complete airing by the full membership of the Legislature. The bill has had its day in the sun. That was only nine or ten months ago and, Mr. President, I think in the interest of the body's time, I will not go into any of the issues. They have been thoroughly debated. I think the issues are crystal clear. With the full realization of the limited time which we have remaining in this body to do some important work, I respectfully waive the balance of my opening remarks and urge the Legislature to do likewise, to limit debate. Let's vote on the kill motion to LB 626. Let's do it here and now and get it over with,

PRESIDENT: The Chair recognizes Senator Remmers.

SENATOR REMMERS: Mr. Chairman, members of the Legislature, I'm not particularly speaking for the small banks. I don't own any stock in the small banks. I am speaking from personal conviction, my own experience in rural Nebraska. In my brief tenure in the Legislature I have been surprised again and again by the amount of legislation that comes before us that simply represents a desire on the part of those that wish to take something from someone else. Issues in which the consumer is perfectly satisfied with the status quo, issues in which the consumer has not been consulted, issues where the consumers needs are being met. In other words, special interest legislation is what we have before us. Someone sees an opportunity to exploit the consumer. You can accomplish this, Chrysler accomplished this with legislation at the expense of the consumer. The proponents of this issue speak vaguely of dire consequences down the road for the rural economy if we don't let the big boys take us under their wing. I hope no one in this body is

so naive as to believe that these big banks are concerned about the welfare of the rural communities and as for the future the rural banks have adapted very well to changes in the credit needs of rural Nebraska and they have responded in the manner that has generally held interest rates well below prime. I've not heard of any reports where someone has really deserved credit, was denied the opportunity by the small banks. In fact, perhaps in many cases they've been a little too generous with their credit. Banking has been a profitable business during the last few years of high interest rates but at least the profits of the home owned banks are much more likely to stay in the local community for the local economy. There certainly cannot be much doubt that what the large banks are going to move their money into the areas of highest return which will invariably mean transfer to industrial areas and areas of big business. The only way it will stay in the local areas is through a much higher rate of interest. When local banks are no longer controlled by local people it will certainly be much more difficult for a young person without collateral but a good personal and family reputation to receive a conventional loan. Many tractors, cars and similar items today are financed through conventional bank loans because buyers are known to the bankers, buyers who otherwise would be forced to go through the much more expensive installment loan proceedings procedures or perhaps not get the credit at all. Bankers may not be any more greedy than any other class of people but I believe it goes without saying that one is not as concerned about civic duty, about humanitarian causes if one is removed from the area in question. There is only one simple reason the large banks want to move in the small bank areas and that is for greater profits, profits at the expense of rural Nebraska. The history of this nation and the issue of free enterprise illustrates very clearly that large corporate structures have seldom demonstrated serious concern for compassionate and charitable causes for our workers or communities. We must have laws restricting power of large corporations. It is difficult for me to comprehend how any senator on this floor could vote for this issue because if he has a real concern for Nebraska I would ask you to vote to indefinitely postpone the bill.

PRESIDENT: The Chair recognizes Senator Clark.

SENATOR CLARK: Mr. President and members, I think what Howard Lamb said was that they voted it down in Colorado. That was not really true. They voted down branched banking in Colorado. However, that is neither here nor there. There is not a whole lot of difference in the two. I have sixteen banks in my district and I took the trouble to call all of them. There wasn't a one of them that wanted this, not a one. How would you people in the farming industry

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like to go to Sears and Roebuck and talk to a nice machine there and say I need a hundred thousand dollar operating loan for my farm. Ha, ha, ha. Wouldn't that be wonderful? You have to realize first that bankers are all greedy. That is the first premise you start out with. Some are more greedy than others and the ones that are in here right now are the greediest of the lot. It does not absolutely mean by any condition that agriculture is going to get more, more money cut in...(interruption.)

PRESIDENT: Let's have some attention here.

SENATOR CLARK: ...agriculture. That will not happen. That money will go to Omaha or Lincoln, wherever that multibank holding corporation is. That money will go to the highest bidder of money. Its a commodity. That's all it is. They could care less about the farmer in Nebraska about anyone else unless he is willing to pay but they are able to get for that money and it may be out of state that they are going to get that money, not in state. I would certainly just hope that you give this bill a nice burial, right here, exactly where it belongs. Thank you very kindly.

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PRESIDENT: The Chair recognizes Senator Dworak.

SENATOR DWORAK: Mr. President and colleagues, I was kind of interested in Senator Barrett's remarks and the thrust of his commentary that this bill has been debated extensively last year and certainly everybody and anybody should have enough information as to make a decision on the bill one way or the other by this time. So after seeing the final disposition of the bill last year, apparently that is not so. Apparently not everybody can make up their mind whether it should be signed or vetoed yet. So maybe we need some additional discussion on it. Senator Lamb indicated that the voters of Colorado overwhelmingly turned down a similar concept. Now Senator Lamb is going to have to get his facts just a little bit straighter if he is going to run for statewide office because, in fact, what the Colorado voters indicated is that they wanted to preserve their existing multibank holding company structure. What they voted down was branch banking. So I think that record needs to be corrected. You know, if you watch the trend nationally, this is what is happening and if the State of Nebraska doesn't react to that trend, we are going to cripple ourselves in the nationwide competitive market, not only are we going to cripple ourselves but we are going to cripple other midwestern states, and that just absolutely shouldn't be done. You know, the thing that always intrigues me about this issue is that you would think this bill or this law mandates every small bank to join a multibank holding company. Now that is absolutely not so. If these small banks can offer these better services, can offer these lower interest rates, can compete more effectively, then they are going to survive and flourish. They are not going to be legislated out of existence. We are just giving another option and the beneficiary of this option, the ultimate beneficiary is going to be the consumer. Now we are going to allow two different systems to work, and whatever system works most effectively, most economically, whichever systems works to the benefit of the consumer, that is the system that is going to survive. Let the marketplace decide. Let the consumer decide. There is no coercion here. There is absolutely no one forcing anyone to do anything, whether it is a bank in western Nebraska, Senator Clark, those bankers aren't mandated to sell out. Absolutely not. They are not mandated to sell out. It's their choice. If they want to do it, fine. If they can compete better, fine. But let's let the marketplace, let's let the free enterprise system function. Now the bill in its present form, it is my understanding that

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an amendment will be forthcoming either on General File or on Select File that will broaden that will allow more players to participate. And as I said last year, my position is very clear and very consistent, if it is broadened out, I will support this bill. If it is broadened out....

PRESIDENT: Half a minute, Senator.

SENATOR DWORAK: ....where it becomes more competitive, then I think it is a worthy piece of legislation and one this Legislature should very seriously consider.

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President, members of the Legislature, I rise in support of LB 626 and against the kill motion which we are now debating offered by Senator Lamb. And as I stand before you I think my reputation is pretty clear in this body and in the state as one who supports consumer interests, as one concerned about the consumer of the State of Nebraska in many different ways and as one who is not enamored with big business and is concerned about the big business influence and yet I stand today in strong support for multibank holding companies and I want to explain why. All this talk about the fact that it is the big banks versus the little banks and how this is characterized in a way that will appeal to the general public, that of course I think naturally most people in the general public don't know much about multibank holding companies and their natural assumption would be, well they'd probably favor the little bank over the big bank. I think most people in this state are concerned about bigness and concerned about urban domination in banking and other areas. Well that is simply not the case with multibank holding companies. In my district in Lincoln, Nebraska, I have three small banks. They are Gateway Bank, Havelock Bank and Citizens State Bank. They are the primary service banks for my part of town. There are also auxiliary banks from some of the downtown banks as well but I will tell you speaking strictly at those suburban banks, are all a hundred percent behind this bill and the effort we are undertaking to try and allow for multibank holding companies. Those banks are not large banks. They are not the big, dangerous banks that we're hearing talk about here on the floor today in support of the kill motion. These are the smaller banks serving the neighborhoods of my part of town and there are similar banks in other neighborhoods in towns across the State of Nebraska and some of the small towns across the state that see the need for multibank holding companies. And so when you characterize the little versus big, that is not accurate I don't believe in most cases, in many cases at least and I

can cite those examples at least in my own area and I think the real key is this. When we talk about the consumer we have to talk about what we conceptualize as the free market system, free enterprise which we talk about so often here and when you have a free market then you should open up that market and allow for competition across the board. By restricting multibanking holding companies you are restricting competition in my mind and that is something that the consumer would benefit from. My estimation is that you have already a form of competition on the part of the savings and loans we've allowed to branch across the State of Nebraska but you limit banks and I don't see where that is really a fair sort of competition that would allow for the fullest sort of effort in the marketplace to do the best job for our consumers in the State of Nebraska. So in my estimation, the consumer would benefit from this increased competition and I think it would be a very good thing to do. As we talk about the present financial status of our state and nation we're talking about a very serious time in which we are seeing savings and loans having to be consolidated by the Federal Reserve Board, by...financial times are very difficult for all financial institutions and it seems to me that by allowing our banks to strengthen and to grow, that under these circumstances it is most important of all that we provide that option to the banks just as we are trying to provide that option to savings and loans. I think what we are witnessing here is a very dramatic change in our financial world in this country and in this state and if we don't keep up with those changes in this state we are going to lose out and I think the talk has already mentioned the fact on the federal level we are seeing major federal changes in law, that we are seeing many drastic changes in Sears and Roebucks and other areas where they are opening up financial transactions all in an effort to try and increase competition and I think that we're seeing if you want to talk about bigness, let's talk about Sears and Roebuck. Now that is big. The banks we're talking about that are interested in multibanking can't hold a candle to the size of Sears and Roebuck and we're not allowing them a chance, a fighting chance to enter the marketplace and provide services to the State of Nebraska and the citizens. So it seems in my estimation that we've opened up the market for a few but we're not opening it up for others and it seems only fair in my estimation that we allow this bill, LB 626 to continue through the process and pass and allow the option to banks if they so choose.

PRESIDENT: One minute, Senator Wesely.

SENATOR WESELY: Thank you, Mr. President. It's an option. It is not a mandate. It allows the banks that choice and I think we have to keep that in mind. If these little banks

that are serving our state do not wish to be part of a multi-bank holding company, they have that choice. It is not forcing any sort of consolidation on their part but it does allow where that need is there, where it is present and should be supported, a choice that the banks now need. So for all of these different reasons, consumer interest, for concern about trying to allow competition in the marketplace in financial transactions, it seems to me very fair that we pass this bill and I strongly oppose the kill motion by Senator Lamb.

PRESIDENT: The Chair recognizes Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I rise in opposition to the kill motion. I think it is kind of unusual and perhaps just a bit unfortunate that we devote so much of our time to trying to debate the various morals of the various individuals that are involved. I think it has been demonstrated time and time and again that there are good people on both sides of the issue. I have many bankers in my district who do not approve of the bill. I have no qualms whatsoever about their motives, their characteristics, or their ability to serve the people and I think the same holds true for the large banks. I want to point out that those people who talked about the availability of credit ought to remember that the demands for credit have increased many, many times since I first began to debate multibank holding company legislation on this floor a number of years ago. I would like to remind some of my colleagues who are new in the body that a number of years ago when I first carried a bill which expanded the use of teller facilities, the bill was loudly and soundly condemned in many areas. Today virtually every bank in my district and most of them throughout the state make use of those facilities. They have been known to be a real service and we now see them not only in the area of banking but in many other areas. I would like to call your attention to the handout that I placed upon your desk this morning. Colleagues of mine, you are not going to turn back the clock. You talk in terms of trying to hold or protect or isolate one particular type of banking. You are not going to be able to do it. You are going to either develop progress and grow along with the rest of the country or you are going to be dragged screaming into the 21st century but you are going to go there one way or the other. It is obvious to me that there is going to be interstate banking sooner or later and probably sooner rather than later. Under state legislation such as we have proposed, we have some control over that type of activity, if it is handled at the Congressional level, and many of you who are here today protesting this



type of legislation have not made one remonstrance toward the Congressional level where the action is taking place. I suggest that you review the record and find out just where you stand in regard to interstate banking and the expansion of this type of banking service at the federal level before you protest so soundly and roundly on this floor. I would like to tell you very frankly that all of the very terrible things that were supposed to happen when we first enacted some of this legislation ten, twelve years ago have not happened. As Senator Dworak pointed out, Senator Wesely pointed out, there is nothing in this bill that mandates the sale of a bank. I will tell you what it does do, it enhances the value of the small bank. It makes that small bank more important, more vital, more a part of the process in the banking system. Much of the conversation that takes place here about the supplying of credit to rural Nebraska I think is an exercise in futility. Most of the bankers in my district must overline with a bank in the cities. I think it is time we try to stop building fences around each other, whether it is for areas of agriculture, for banking, for industry, or what have you. You cannot isolate yourself, you cannot segregate yourself. You might as well recognize it. What we do here today is not going to be the final chapter. It is not going to be the last word, and if Senator Barrett is tired of hearing the discussion about banking, I would suggest he is going to hear a lot more of it the longer he remains here. He has only been here a couple of years and I will tell you this, when you say we have other more important things to talk about, I would like to ask you what is more important than the financing of agriculture, industry, business, and labor here in Nebraska? We have discussed five hundred or six hundred or a thousand bills in this Legislature, and if you do not have the facilities to loan the money to the businesses and the farmers of this State of Nebraska, there won't be any money for the Appropriations Committee to divide up. If we do not maintain an active, aggressive economy, this Legislature can shut down. It will all be over with because of the fact there will be no funds. And you can argue about (interruption) who does it the best.

PRESIDENT: Thirty seconds, Senator Schmit.

SENATOR SCHMIT: Let me suggest to you that a combination of services works the best. We have had it working well in the past and this is another improvement in that area. We have improved some in the past and I would suggest that those of you who think the sun is going to set and never rise again if this bill becomes law are mistaken. The bill is a good bill. It will become a good law for the State of



Nebraska. It will be a good law for the entire state and we ought to pass it and I definitely oppose the kill motion.

PRESIDENT: The Chair recognizes Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Chairman and members of the Legislature, I think last year I stood on this floor and gave you many of the arguments in favor of multibank holding companies. I would say all of you should know if you don't know that the State of Illinois did pass a multibank bill last year, that it is working, and that all of the small banks have not disappeared in Illinois but it is a free choice situation and I would say the same thing won't happen in the State of Nebraska. We do need to recognize that there is competition across this state with savings and loans whether we like it or not. I think all of you know by now that Commercial Federal Savings, the largest saving and loan in the State of Nebraska, is in the process of becoming a stock company. Once they become a stock company I am just sure they are going to branch into many areas that they are not in now. They are in 41 towns in this state right now, and whether we like it or not, that competition is there. As Senator Schmit has said, Sears Roebuck is in many areas of this state and they have the wherewithal to do the things they want to do and they are going to be in competition. I am a little surprised at Bob Clark who wants to say we ought to raise the level for small loan companies and then oppose the proposition that will make funds available to this state. I just believe that everyone of us need to be concerned about having money available all over the State of Nebraska. We need to recognize that we are in tough times. I would predict there will be small banks in this Legislature next year just crying for us to pass this legislation because there will be banks who will be folding in this state. I don't know how many of you saw the Wall Street Journal yesterday. In the United States last year there were ten banks that failed. In the first two months of this year, there have been eight banks fail already and I think we need to recognize that is a fact of life. We are going to be facing this thing. The fed is really clamping down on agricultural loans. I can tell you that as a board member of a bank that the loan portfolio has been criticized in terms of farmers and I just want to tell you that if we don't make provisions we are going to be closing out a lot of farmers in this state. So I'd encourage this Legislature not to kill this bill but rather to advance it and pass it and make it possible for us to let banks in this state exist so that farmers can be served. It is vitally important to our whole economy.

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PRESIDENT: The Chair recognizes Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, this is really a tough issue for me and I don't know where I will finally go but I am going to oppose the kill motion. I have got fifteen to twenty-five farmers in the south end of my county that I think are going to be sold out this year and the options for credit between the local banks really are not there. Unless some people can give me some information as how the present banking situation is going to correct this, I may very well go with the bill. I haven't received any answers as to how they are going to solve this at this point and I want some information as to how the present banking structure is going to take care of those farmers that are being sold out right now. Not too long ago I heard there weren't any FHA, Farmers Home Administration, foreclosures but up at Ainsworth-Johnstown area there are two large operations being closed out right now; the ads read on behalf of the United States government selling such and such, one eight center pivots, selling such and such on behalf of the Farmers Home Administration. The closeouts in my area are coming through all three, the banks, the Production Credit Association and the Farmers Home Administration. Most of these are simply taking in the money and not loaning it out again for enough money to operate so the guy is faced with the choice actually of selling out himself. This isn't the normal way. This isn't anymore just foreclosure. It is a matter of squeeze out, the new system of the Thirties, the squeeze out out here in agriculture. So where I go finally on this I do not know. If people can give me some answers, I may very well vote against the bill later but I don't have these answers given to me as to where these needs are being met at the present time and I want some answers on that before I vote against the bill. I thank you for your time.

PRESIDENT: The Chair recognizes Senator Cullan.

SENATOR CULLAN: Mr. President, members of the Legislature, I would call the question.

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

CLERK: 30 ayes, 1 nay to cease debate, Mr. President.

PRESIDENT: Motion carries. Debate ceases. Senator Lamb, will Senator Barrett close? The Chair recognizes Senator Barrett for purposes of closing.

SENATOR BARRETT: Thank you, Mr. President and members. I am delighted to know that the body followed my admonition to restrict debate. I was going to suggest to you that you take another look at the letter which was mailed by Mr. Bill Souba of David City, President of the Nebraska Independent Bankers Association, in which some very salient points were made. He suggested that Nebraska has been blessed with a unit banking system that has developed a strong correspondent banking relationship capable of serving all banking needs of individuals as well as corporations and I think this is an established fact. Our correspondent system is working well. He further suggested the legislation would cause a concentration of economic power in the large urban money centers and remove the control of credit from local areas. Most banking authorities I believe agree on this point. A number of surveys have been made. He suggested that there would be a reduction in farm lending activity. I think this has been established by most or by a majority of banking authorities including the Federal Reserve System. He cited several examples. A Congressional study also shows the same thing. Rather than to go into detail as I had planned, I would like to speak to his last point which is the fact that there is no demand by the consuming public or the majority of the banks in the state for any change on our present unit banking system. The only real demand seems to be by two or three large banks in the state for their own interests. I would suggest to you that there is not a consuming, burning interest on the part of people or banks for this type of legislation. I don't believe the public wants it. It was pretty well established in previous conversation that a majority of the banks don't want this type of legislation. I believe that 86% of them said that they didn't want it or were neutral on the position but I would specifically call your attention to the report which was passed out earlier this morning entitled Awareness and Attitudes, a special report by a Professional Research Consultant, Inc. Rather than go into any great deal of detail, I would ask you to turn your attention to page two, the main findings in which it was indicated that Nebraskans overwhelmingly oppose a law which would provide for the creation of multibank holding companies by a margin of nearly three and a half to one. The key finding in the statewide study of fifteen hundred random telephone interviews of adult Nebraska residents showed only one fourth of those sampled favored the multibank holding company concept, and after these same fifteen hundred people were given an explanation of the proposed legislation, only eighteen percent were in favor. Sixty-four percent said they wouldn't vote against such a law if given the opportunity to do so and eighteen percent said that they did not know how they would vote since they

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were not sure or needed more information. The study also found, in summary, 98% of the Nebraskans are satisfied with their bank services. 57% of those expressing an opinion felt that a multibank holding company law would not benefit Nebraska agriculture and, of course, in outstate Nebraska this percentage was dramatically higher. This poll was taken in July of '81. It was completed in September of '81. It has not been made public until now. As to who is PRC, I would direct your attention to the information under the tab. I would also direct you to a demographic information, just perhaps two or three points. In a composite for Nebraska, the question was asked, have you ever been refused a loan because your bank was not large enough to make that loan? This is one of the arguments used by the proponents of multibank. The totals, 97.5% said, no, they were not refused; 2.1% said that they had been; and 0.4% didn't know, page C-69. I would also direct your attention to the demographic information on C-73, the questions, would you say that a law that allows a corporation to own several banks within the state is a good law for you?

PRESIDENT: One minute, Senator Barrett.

SENATOR BARRETT: Thank you, Mr. President. I would suggest to you that that is a very upfront way of asking that particular question. The totals, 48.2% said, no, they would not like a law that allows a corporation to own several banks within the state; only 24.6% said, yes. And finally, on page C-87, if you were a voting Nebraska citizen and asked to vote today on whether Nebraska should allow corporations to own several banks, 18.2% said, yes; 63.6% said, no; the balance, no answer. So how can we justify a favor or a vote in favor of 626 when it is obvious that a majority of the banks don't want the bill; it is obvious from a telephone survey, fifteen hundred random calls, that the public doesn't want the bill. So are we truly representing the citizens of the State of Nebraska by supporting LB 626? Absolutely not. Are we truly representing the majority of the bankers in this state by supporting LB 626? Absolutely not. I would urge the body to vote for the kill motion. In any event, vote your conscience up or down at this point. I would further request, Mr. President, that we have a Call of the House and a roll call vote.

PRESIDENT: All right, Senator Barrett, the question then is, the motion has been made to have a Call of the House. All those in favor of the Call of the House at this point will vote aye, opposed nay. I may tell you, Senator Barrett, that there are two excused. Record the vote.

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CLERK: 32 ayes, 0 nays to go under Call, Mr. President.

PRESIDENT: The House is under Call. The Sergeant at Arms will see that all members are returned to their desks, all unauthorized personnel will leave the floor, and all members will register your presence. The House is under Call. And as soon as we have the members here, pursuant to the request of Senator Barrett, we will have a roll call vote. Senator Newell, Senator Cope, Senator Koch, will you all put on your lights and show your presence please. Senator Beyer, are you here? Senators Chambers, Haberman, and Pirsch are the ones, Sergeant at Arms, that we are waiting for. Senator Haberman is here, I see. Yes, Senator DeCamp.

SENATOR DeCAMP: Might I ask who is absent or excused or whatever?

PRESIDENT: Yes, you may.

SENATOR DeCAMP: Who is?

PRESIDENT: We have two excused, Senators Kremer and Nichol.

SENATOR DeCAMP: Senator Nichol? I swear I saw him just a little while ago and possibly he hasn't had a chance to check in with you again so, at least maybe if he hears somewhere on a microphone or whatever, we are ready to vote, I know he wouldn't want to miss it.

PRESIDENT: All right, you have made your point. The two that are reported excuses are Senator Kremer and Nichol. Senator Pirsch is here. Senator Haberman is here. Senator Chambers is here. All right, all that are to report here are present. Ready, Senator Barrett, then for a roll call vote. Proceed with the roll call vote, Mr. Clerk. The question is to indefinitely postpone LB 626.

CLERK: (Roll call vote taken. See pages 939 and 940, Legislative Journal.) 20 ayes, 26 nays, Mr. President, on the motion to indefinitely postpone.

PRESIDENT: Motion fails. We are now back on the bill. Senator Haberman. Motion to raise the Call. Senator Haberman, the Call is raised. We are now ready, Senator DeCamp, do you wish at this time to explain the bill or whatever you wish to do?

SENATOR DeCAMP: Mr. President, I am sure it has been explained

repeatedly and I would like to do all that on closing and rebuttal rather than have a disjointed statement. I request permission again.

PRESIDENT: We are now speaking to the bill itself on General File. Senator Hefner, did you wish to speak on the bill?

SENATOR HEFNER: Mr. President, members of the body, I rise to oppose this bill, LB 626, and I will give you some reasons why I oppose it. Senator Dworak earlier said that he had not made up his mind yet. Well, we all know that Senator Dworak has trouble in making up his mind on many issues. He has been in the Legislature longer than I have and seems like we have had this bill up before us just about every year, and let's talk a little bit about our banking industry as we have it in Nebraska, as we know it in Nebraska. We have the big banks and we have the little banks and I think and I know that the banking industry is doing a good job. I happen to do most of my business with small banks, and whenever I need more money than they can come up with, they go to a corresponding bank and so far, and I have no reason to believe that they will not be able to fill the needs of the small businessman or of the farmer, small industry or individuals with going to these larger banks, going to their corresponding banks. In my legislative district most of the people oppose the multibanking holding bill and the reason that they oppose it is because they feel that the banking industry in their particular community is doing a good job in supplying the money needs to them. Senator Schmit mentioned about the overline that some of these small banks have and this is true and so far we have had no problems with that. We have all heard the saying in this body, if something works, don't fix it, and this is what I am referring to this morning. I think the banking industry is working and so I don't think at this time that we need to fix it. Maybe years down the road we will need to take another look at it. Let's talk about our economy a little. Is this the right time to change our banking structure when we are having trouble with our economy? And also I think Senator Burrows said something about he didn't have the answer to some of the questions that he was concerned about. I would suggest to Senator Burrows that he look through this book from the Professional Research Consultants. It tells and explains very well all the answers that he may want to ask. And so, therefore, I would ask you this morning to not vote to advance this bill.

PRESIDENT: The Chair recognizes Senator Kahle.

SENATOR KAHLE: Mr. President and members, as Senator Barrett has said, we have had this bill ever since I have been in the Legislature. That is six years now and I think it was up before that. I have a lot of small towns in my district, nearly all of which have one or sometimes two banks. I really don't believe the community has had any trouble getting the money if they had the credit. I would like to talk a little bit about something that Senator Burrows mentioned. If you think the multibank holding company or the large banks are going to fish out all of the defunct farmers, I think you are going to have to think again. I don't believe that is going to happen. I think they are going to make them go broke faster. If those local banks cannot furnish the money or if FHA pulls in their horns or even the Federal Land Bank continues to raise their interest, we are going to have problems and this situation is not going to help that at all. In fact, the larger banks are going to care very little of what happens to that little old boy out there on that farm. The biggest problem we have, of course, for all of us is the interest rate. I don't believe we would help that any with this situation. I have often told my local bankers, I said while you guys were fighting with each other trying to figure out whether to have multibank holding companies or not, the S & Ls have moved into your community, took all the money, and sent it out of the state or sent it to the bigger cities. And now you have to go to the east to get your money at a higher rate of interest. I think we have been stupid in our small communities. We never kept our money at home and some of the best investments and the people that are the most frugal in their investments invest it at the local community level and it is sent away, the way the situation is now. I can't help that. I don't know whether multibank holding company will help it or not but again I repeat, if you think large banks are going to fish out those people that are in financial trouble with seventeen, eighteen percent interest, even if they had the money and would loan it would help anybody, I would like to know where it would be. So I agree with Senator Hefner, I think this is a poor time to rock the boat and I think we are already late in keeping our money at home and now our S & Ls are in big trouble and we don't know what to do about it. Now talk about Sears and Roebuck a little bit, I remember when Safeway came into these communities and we had a lot of fuss from the independent merchants because chain stores were coming in and they thought they were just some big monster that absolutely had all the money in the world and would just bowl over everybody and run them out of business. I don't know whether that happened or not. Some of the independent stores did survive but what happened? We found out the big giants aren't all that infallible. If you think the big



banks can't go broke, I think back in the Thirties some of the small, I remember one in particular, that no one lost a dime. They had the money. They were closed for awhile and then opened back up. So if you think stability is in the large corporations, they fall like flies too when the economy gets bad. So I oppose this bill at this time. I think it is unnecessary. It is too bad it came up again this year. We had such a fuss with it last year. We have more important things I think to think about and it is not going to probably make much difference whether we pass the bill or not, only that somebody is going to make more money and somebody is going to make less. Thank you.

PRESIDENT: Before we call upon Senator Dworak, we have some 55 fourth graders from Westmont Elementary in Papillion, Nebraska up here in the North balcony, with teacher Kay Sieck. Would they come and wave to us and let us know where they are? Good morning and welcome to your Legislature. We also have from Senator Hefner's District some 20 seniors from Coleridge High, Keith Potter, up here in the North balcony. Welcome to your Legislature, Coleridge. The Chair recognizes Senator Dworak, thank you. Senator DeCamp, where are you? No further discussion, we are ready for Senator DeCamp to close. Time to close on your motion to advance.

SENATOR DeCAMP: Mr. President, members of the Legislature, I would like to do three things in the closing and that is why I wanted the additional time from my opening to bring things together: Talk about the history of the bill, the issue; talk about what multibank is because despite the fact that we have heard rantings and ravings from both sides as it being good or bad. I talked to about 25 people over the weekend including some legislators, not one of them could explain it to me. So I am going to try to explain multibank in super easy language that I guess I can kind of understand. But finally, I want to talk about leadership and what it is all about and how it is involved here today. History of the bill, six years ago I introduced the bill and I made a statement I am making here today. Johnny DeCamp isn't going to decide the issue on multibank or structure change. The banking industry is going to decide it and I made one request then and I make it today. And the request I made was very simple. It said, "Mr. Banker, you who are violently opposed; you, Nebraska Bankers Association; you, Mr. Oliver, head of the task force to oppose it; you, Mr. Dickinson, head of the Nebraska Bankers Association who oppose it, do one thing. I beg you to do one thing. Research the issue with your responsible position as head of the Nebraska Bankers and find out what it really is, what it does, what the reasons for or against,



just learn about it. That is all I have ever asked. And do you know what has happened? One after another, the most violent opponents, the heads of the opposition have become the converts and the strongest supporters. That is why you have got any votes at all today. It isn't Johnny. Let's go through some of those. Karl Dickinson, Karl Dickinson, head of the Nebraska Association of Nebraska Bankers opposed it. He is out there in the hall, the most fervent disciple, supporter of it, saying it is necessary for Nebraska for the consumer and for the banking industry, for the financial industry. The next previous head of the Nebraska Bankers, Mr. McBride, oh, was he tough against it, and rightly so, until he was put in a position of responsibility and he studied it. He said, and he is out there working on the phone, saying, we need this for Nebraska. Mr. Black, the other head of the Nebraska Bankers Association opposed it and I could go on. All the heads of the very organizations set up to oppose it are working for it once they get out of their position as head of the association. Jim Oliver, Mr. Tough Man himself, the man that can grind people up, head of the task force set up special to kill this proposal has probably spent several thousands of dollars of his own time now after he studied it to say we need this. This is what will help Nebraska agriculture and he is one of the greatest agricultural lenders in this state, don't kid yourself. How about some others? Now do I need to talk about Bill Smith and First National of Lincoln, the strongest opponents of all, the leaders of the opposition, the reason all Lincoln Senators always voted against it? He is now supporting it as I say, maybe strongest of all, because he has studied it. And how about up in my own area, Mr. Roy Dinsdale, kind of the country bankers, leader of the opposition? He is now saying this is necessary if we are going to keep providing agriculture financing in the future. All I am suggesting is you look at the people who really have gone into it and one after another once they learn about it they say this is necessary and this is proper. I hope I am not interrupting anybody here. No, I am not. I sure am not. Not disturbing a one of them. So what I submit to you, Senators, study the issue, study what the needs in Nebraska are, and I think you are going to have to say we do need a structure change. It is time to do something. Now what is multibank? Mr. Fogarty or the television guy there, I will bet if I ask you right now you couldn't tell me. I will bet a lot of people in here couldn't probably put it just really what it is. I am going to tell you what it is. Johnny DeCamp says I would like to have a bank and everybody laughs and says, well, you ain't got no money. And I say that is right,

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I ain't got no money, I can't buy a bank. But outside on the other side of the window is a good friend of mine named Bruce Lauritzen. Now Bruce says I would like to have a bank, and I say and everybody else says, anything you want, Bruce, because you have got ten million, a hundred million, whatever dollars. I say, Johnny says, yah, I don't have any money or I have only got ten dollars but I have got 49 Senators and a thousand other people all want to own a little piece of the bank, the consumers out there, just the average old Joe Schmuk Citizen says I want a piece of the bank. Oh, we don't get a piece under the system because we can only do it once. We can band altogether once and we can maybe buy one bank with our \$10 a piece. Because we have to unite, to work together, we have to form something called a corporation. Bruce can buy them as individuals or Bruce, maybe and a couple of other friends, maybe his Dad and some others, because they are individuals, they can buy unlimited numbers of banks. All the bill does is say, Okay, Bernice and John and Vard and Harold and Howard, you guys put together, if you want to own more than one bank as a group, you can do it. That is what it is all about. It is not branch banking, and for them to say otherwise is a falsehood and the Colorado vote was to protect the multibank system, not to stop it. It was to protect it and so to equate that here is foolish. That is what multibank is, and to those arguments about this study and that study, I don't have all their studies. Most of them are from the independent bankers and I am sure, just like if Bernice would make a study on abortion, I know what it would show. Just like when the independent bankers make a study on what they want, I know what it is going to show. I have to rely on some other studies, Federal Reserve studies. Federal Reserve studies show, Kansas City latest one, specifically on farming, specifically show that multibank is the best way to get agricultural loans and the study is called Agricultural Funding For The Future. The studies also show from the Federal Reserve the consumer, the consumer, will pay lower interest in borrowing and receive slightly higher interest when he deposits his money. In other words it is a pro consumer because it is pro competitive and maybe that is what it is all about, the competition. We don't want competition. Remember the bankers, they are the ones that say in agriculture and every other place, god, it is good to have competition. It is good to have competition until it comes to that particular industry and then they don't want it until the enlightened ones forced to study it and study what is good for the industry, they turn around and say, no, it is good for the system. Now let me get to the final point I want to talk about and that is leadership.

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PRESIDENT: Two minutes, Senator.

SENATOR DeCAMP: And if there was an issue that ever raised the leadership question, baby, this is it. A couple of years ago there was a gentleman on this floor of the Legislature read a quote and I remembered it the other day and I am going to read it to you. The man was Senator Warner and it was on the death penalty issue and he quoted a man named Thomas Burke in 1774 and it was on what you owe to your constituents, what you owe, so on and so forth, and he says, "But your representative owes you not only his industry but his judgment and he betrays instead of serving you if he sacrifices it to your opinion". If it is too hot to handle, don't run for the office. Don't come down here and say I am Senator So-and-So. I make the laws of the state. I make the judgments and the decisions. If you have got to hunker down and hide or say this is too hot to get on my desk this year, then maybe you shouldn't be in the position you are in. This involves the very future of Nebraska, the financing of the state. Now let me just finish up by giving you a couple other examples of the violent opponents, of the violent opponents.

PRESIDENT: One minute.

SENATOR DeCAMP: Remember the bill you finally passed last year. Who was it opposed by..the savings and loan, to make stock savings and loan? It was opposed by all the S & Ls in the state, everyone, and if you read the front page of the World Herald and the Lincoln Star a couple of days ago, that legislation is what probably will save the State of Nebraska's S & Ls as opposed to the rest in the other states. I am submitting to you that this legislation may be the saviour for agriculture and our financial institutions for the future and that those who are so violently in opposition today because it is too hot to handle may in a year or so be down here and say, Oh-h-h, we have got to do this tomorrow but it may be too late then. I request that you advance the bill today and I request some of you who probably wouldn't vote to advance it vote to advance it because my good friend in the other corner...

PRESIDENT: Time is up.

SENATOR DeCAMP: ...his leader apparently has sent a couple of people not to vote so we need some help. I beg you to do it for the interest of the state and agriculture. I urge you to advance the bill at this time.

PRESIDENT: Senator Marsh, did you...Senator Marsh asks for

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LR 233  
LB 626, 421, 881

a Call of the House. The motion is, shall the House go under Call? All those in favor vote aye, opposed nay. Record the vote.

CLERK: 26 ayes, 1 nay, Mr. President, to go under Call.

PRESIDENT: Motion carried. The House again is under Call. The Sergeant at Arms will see that all members are returned to their desks, all unauthorized personnel leave the floor, and all members will register your presences. The House is under Call. At the time which all members are at their desks, we shall proceed with the roll call vote on the advance of LB 626. We still have two excused, same two? Senators Kremer and Nichol are excused. Senator Higgins, does that show you are not here or you are here? I am trying to decipher. Would all members please, so we can expedite the vote, would all members get to your desks so that we can...if the politicking hasn't been done now, why it is not going to make much difference. Senator Pirsch is the only one and then we will be ready to vote. Senator Pirsch is on her way, so as soon as Senator Pirsch arrives, we will proceed with the roll call vote. Okay, we are ready, Mr. Clerk, a roll call vote on the advance of LB 626. Proceed.

CLERK: (Roll call vote taken. See pages 940 and 941, Legislative Journal.)

PRESIDENT: The Clerk needs to verify the vote. Proceed, Mr. Clerk.

CLERK: (Verifying vote read.) 24 ayes, 25 ayes, excuse me, Mr. President, 19 nays on the motion to advance the bill.

PRESIDENT: The motion carries. LB 626 is advanced to E & R Initial. Do you want to read some matters in at this time? Senator Hefner, yes, motion to raise the Call. The Call is raised.

CLERK: Mr. President, I have explanation of vote from Senator Koch.

Senator DeCamp would move to reconsider the vote on Final Reading of LB 421. That will be laid over.

Your committee on Urban Affairs whose Chairman is Senator Landis reports LB 881 advanced to General File with committee amendments attached.

Mr. President, two new resolutions, LR 233 by Senator Schmit.

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LR 237  
LB 522, 208, 626, 765

SENATOR V. JOHNSON: Let's wait for them to show up and then we will do a roll call vote, Senator Clark.

SENATOR CLARK: All right, Mr. Sergeant at Arms, can you get everyone back in their chairs now so we can go ahead with the roll call. Senator Haberman, would you get back please. You have permission to rope and tie that one. The Clerk will call the roll. I think the others will be here by the time they get in.

CLERK: (Roll call vote taken. See page 957, Legislative Journal.) 21 ayes, 24 nays, Mr. President, on adoption of the amendment.

SENATOR CLARK: The motion failed. The Call is raised. And Senator Marvel, would you like to excuse us until tomorrow morning at nine o'clock? Oh, we have to read some things in first.

CLERK: Mr. President, very quickly, Senator Wiitala would like to print amendments to LB 765; Senator Schmit to 626; and Senator Koch to 208.

Mr. President, there will be an executive session of the Business and Labor Committee tomorrow morning at ten thirty in the William H. Hasebroock Memorial Hearing Room. That is Business and Labor at ten thirty.

Mr. President, a new resolution, LR 237 by Senator DeCamp. (Read.) (See pages 962 and 963, Legislative Journal.) That will be laid over, Mr. President.

SENATOR CLARK: Senator Marvel.

SENATOR MARVEL: I move that we adjourn until Thursday, March 4, 1982 at nine o'clock.

SENATOR CLARK: You heard the motion. All those in favor. We are adjourned. Administrative Rules will meet under the North balcony here right now.

Edited by Arleen McCrory.  
Arleen McCrory

March 5, 1982

LB 126, 259, 428, 609, 626, 774

intact the system of evidence that exists now.

SPEAKER MARVEL: Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, we've spent so much time that I don't want to take time so I'll just say I respectfully oppose the amendments. I believe we've treated the issue before.

SPEAKER MARVEL: Okay, Senator Chambers, do you want to close on your motion. There are no lights up here. Do you want a roll call vote? Okay, call the roll.

CLERK: (Read roll call vote as found on page 1004 of the Legislative Journal.) 10 ayes, 33 nays, Mr. President.

SPEAKER MARVEL: The motion lost. Okay, we will now proceed with Final Reading. All legislators should be in their seats and the first bill to be read now is LB 126.

CLERK: (Read LB 126 on Final Reading.)

SPEAKER MARVEL: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass. Those in favor vote aye, opposed no. Have you all voted? Clerk, record the vote.

CLERK: (Read record vote as found on page 1005 of the Legislative Journal.) 42 ayes, 2 nays, Mr. President, 3 present and not voting...3 excused and not voting, 2 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. The next bill is LB 428. Yes.

CLERK: Mr. President, if I may right before that, your committee on Enrollment and Review respectfully reports we have carefully examined and reviewed LB 626 and recommend that same be placed on Select File with amendments; LB 259 Select File with amendments; LB 774 Select File and LB 609 Select File, all signed by Senator Kilgarin as Chair. (See pages 1005-1006 of the Legislative Journal.)

I have a reference report referring gubernatorial appointments and I have an announcement from the Speaker regarding the scheduling of priority bills for special order consideration.

Mr. President, with respect to LB 428, first of all, Senator Johnson, I believe you had an amendment that you had printed

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LB 208, 573, 587, 568,  
626, 647, 807, 875

SENATOR DeCAMP: Mr. President, just to say that in the interest of saving time I will not attempt my amendment today. I do repeat that I will attempt it if and when, and I do believe these conditions will occur, the State Patrol, alcohol people, agree to support that amendment. I think they have been studying it and they think it may be a workable approach and if it is, I am going to offer it on Select File. I urge you to take the time to read it. It has been in the Journal quite a while, and I think it is a little different approach that may be more workable.

SENATOR CLARK: The question before the House is the advancement of LB 568. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Have you all voted on the advancement of the bill? Have you all voted? Record the vote.

CLERK: Mr. President, Senator Kilgarin requests record vote. (Read the record vote as found on page 1097 of the Legislative Journal.) 34 ayes, 4 nays, Mr. President, and 10 not voting.

#### SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The Clerk has some items to read into the record.

CLERK: Mr. President, Senator Vickers would like to print amendments to LB 647. I have a Reference Report on gubernatorial appointments. Senator Schmit and DeCamp to print amendments to LB 626; Senators Wesely and Kremer to LB 573; Senator Koch to 208. (See pages 1098 through 1104 of the Journal.)

I have a gubernatorial appointment letter appointing Mr. Roy Smith to the State Highway Commission. (See page 1106 of the Journal.)

Your Committee on Education whose Chairman is Senator Koch instructs me to report LB 587 as indefinitely postponed, Mr. President.

Mr. President, Senators Landis and Remmers would like to print amendments to LB 875, and Senator Landis to 807. (See pages 1106 and 1107 of the Journal.)

SPEAKER MARVEL: At this time I would like to welcome the

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LB 626

PRESIDENT: We're now ready to go back to the Speaker's Select File agenda starting with the first one on top, LB 626, Mr. Clerk. Are there any amendments?

CLERK: Yes, sir, there are E & R amendments.

PRESIDENT: Senator Kilgarin, we're starting now on the E & R amendments on LB 626.

SENATOR KILGARIN: I move the E & R amendments to LB 626.

PRESIDENT: The motion is to adopt the E & R amendments on LB 626. All those in favor signify by saying aye, opposed nay. The E & R amendments are adopted.

CLERK: Mr. President, we now have a series of amendments.

PRESIDENT: Proceed with the amendments, Mr. Clerk, on the desk.

CLERK: Senator Schmit, Senator, I have got a couple of different amendments to the bill from you. The first one that I have is found on page 958 of the Journal.

PRESIDENT: 958, Mr. Clerk?

CLERK: Yes, sir.

PRESIDENT: Schmit amendment?

CLERK: Right, wish to withdraw.

PRESIDENT: Senator Schmit, did I hear you say you wanted to withdraw that amendment?

SENATOR SCHMIT: I would like to withdraw both amendments, Mr. President.

PRESIDENT: Both amendments are withdrawn, first the one that was just read and then, Mr. Clerk, the next one too. Is that next up? Both amendments are withdrawn. Alright, the next amendment, Mr. Clerk.

CLERK: Mr. President, the next amendment I have is from Senator DeCamp. It is on page...do you want to withdraw that, Senator? Okay.

PRESIDENT: Senator DeCamp, you are withdrawing that amendment too? The DeCamp amendment is likewise withdrawn, shown withdrawn.



CLERK: The next amendment I have to the bill...Mr. President, the next amendment I have is from Senator Rumery.

PRESIDENT: Senator Rumery. . .Senator Rumery, is this your amendment?

SENATOR RUMERY: Yes.

PRESIDENT: All right, Senator Rumery.

SENATOR RUMERY: Members of the Legislature, we would like to amend the . . .LB 626 by: a . . a . . on line . . on page 2, line 4, after "one" insert "except as provided in subsection 11 of this section and no . . and strike "no" in line 26 strike "cooperative. . cooperate . . . corporate limits", thank you, "of the city" and insert "county." On page 8 of the following subsection (10), insert: "(11) with the approval of the Director and that of the majority of the members of the cooperative association, any bank chartered by the State of Nebraska or National Banking Association whose main chartered office is located in the State of Nebraska may place a full service office in any village located in the same county as said bank in which a cooperative credit association is in operation; provided the members of the said cooperative credit association agree to discontinue operation of the cooperative credit association and provided further, that the bank assumes the assets and the liabilities of the cooperative credit association through purchase, merger, consolidation, or otherwise. This office may be maintained as a full service branch. . . branch office and may offer all services permitted to be offered by the bank at its main office. Such branch office may be relocated within the same village but may not be moved to another sta...city or village." Mr. President, I move the adoption of the amendment.

PRESIDENT: Senator DeCamp...Chair recognizes...

SENATOR DeCAMP: Mr. President, just reading the amendment quickly, last year the Director of Banking brought to the Banking Committee's attention a very serious problem or what he deemed to be a serious problem. In fact, he sent us a pretty lengthy letter and offered us an amendment and that amendment is part 2 of this amendment here and it was to set up a system so that if a cooperative credit association, I don't know, there must be fifteen, twenty, twenty-five of them in the state in different places. They were set up during the depression. If one of them got into trouble and they, as you know, I don't need to go into details, there have been some problems here in the last year with some of them. If they got into trouble or if their board, in other words, if the owners of the cooperative credit by a majority

vote wanted to do it and if they had the approval of the Banking Director, then they could be taken over by an existing bank in the county. The idea was for the...to avoid the same thing that is occurring with S & Ls going under. In other words, you'd set up a system so you bailed them out and that is what the second part of the amendment does and I guess I have no objections. We couldn't do it last year because the bill didn't go anywhere as you know. So I have no objections to doing it and I know the Banking Department knows this needs to be done, and as Myron correctly stated, it is only with approval of that institution there and approval with the Banking Department. However, part one of the amendment, Myron, what does that do? I guess I did not hear it. Does that have to do with the same thing or is this something else? Section 1. Do you see what I am saying? Of the amendment you have up there, it says...

SENATOR RUMERY: Just about the same thing. It is emphasizing the cooperative credit association and that...

SENATOR DeCAMP: Okay, it doesn't deal with anything else?

SENATOR RUMERY: Pardon?

SENATOR DeCAMP: It...oh, it tells "the county". Okay.

SENATOR RUMERY: Yes.

SENATOR DeCAMP: I guess I have no objections to the amendment. It is going to have to be done in some bill sometime, so if Myron wants to do it, I have got no problem.

PRESIDENT: Any further discussion on the Rumery amendment? Senator Rumery, you may close on your amendment then.

SENATOR RUMERY: We have no further information about it unless someone has some questions and otherwise we move the advancement of the bill.

PRESIDENT: The motion then is the adoption of the Rumery amendment. All those in favor vote aye, opposed nay. Rumery amendment to LB 626. Have you all voted? Rumery amendment to LB 626. Record the vote.

CLERK: 31 ayes, 0 nays, Mr. President, on the adoption of Senator Rumery's amendment.

PRESIDENT: The motion carries. The Rumery amendment is adopted. Any further amendments on the desk, Mr. Clerk?

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

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LB 626

PRESIDENT: All right, Senator DeCamp, who wants to...?

SENATOR DeCAMP: I would move to advance the bill and be happy with a voice vote or whatever.

PRESIDENT: A machine vote has been requested by Senator Hefner. Any further discussion? Ready, Senator DeCamp, for the vote. All right, the motion is to advance LB 626 to E & R for engrossment. All those in favor vote aye, opposed nay. Senator DeCamp, what do you wish to do?

SENATOR DeCAMP: How many are excused?

PRESIDENT: Two are excused, Senator DeCamp.

SENATOR DeCAMP: Mr. President, I'd ask for a Call of the House.

PRESIDENT: All right. Take it off the board. All those in favor of a Call of the House vote aye, opposed nay. Record the vote.

CLERK: 23 ayes, 2 nays, Mr. President, to go under Call.

PRESIDENT: The motion is carried. The House is under Call. The Sergeant at Arms will see that all members are returned to their desks. Unauthorized personnel will leave the floor. The House is under Call. All members will register your presence and, Senator DeCamp, what do you wish when they're all here? Do you wish for a roll call vote or what do you wish? Call ins or roll call, whatever you wish. Senator Newell, Senator Pirsch, Senator Schmit. Senator Warner, are you there? Yes, I think he is. Senator Chambers. I guess it is Senator Warner and Senator Chambers that, Sergeant at Arms, that we are looking for. Senators Clark and Nichol are excused and those are the only ones that are excused. Senator DeCamp, what do you wish to do? Here comes... Senator Warner is here.

SENATOR DeCAMP: Senator Nichol is gone?

PRESIDENT: Senator Nichol is excused and Senator Clark is excused, those two. The only one that isn't here is Senator Chambers. Ready for a roll call vote then. The motion is the advance of LB 626, a roll call vote, Mr. Clerk. Call the roll.

CLERK: (Read roll call vote as found on pages 1135-1136 of the Legislative Journal.) 25 ayes, 19 nays, Mr. President, on the motion to advance the bill.

PRESIDENT: LB 626 advanced to E & R for engrossment. Senator

March 17, 1982

LB 127, 383, 421, 672,  
626, 629A, 677, 731

CLERK: Mr. President, very quickly, your committee on Enrollment and Review respectfully reports that we have carefully examined and engrossed LB 127 and find the same correctly engrossed; 383 and 421, 626, 672, 677 all correctly engrossed. Those are signed by Senator Kilgarin. (See page 1241 of the Legislative Journal.)

Mr. President, Senators DeCamp and Schmit would move to place LB 731 on General File pursuant to Rule 3, Section 18(b). (See page 1242 of the Legislative Journal.)

SENATOR LAMB: The next bill is LB 629A.

CLERK: (Read LB 629A.)

SENATOR LAMB: Senator DeCamp.

SENATOR DeCAMP: Mr. President, I move advancement of the bill and there is an item in there, I guess, what? \$15,000 is one of the items for Department of Roads. Possibly if we'd have had a little more advertising on some of these bids we'd have had 15 million or 150 million more in the coffers now.

SENATOR LAMB: The motion is to advance the bill. Senator Koch.

SENATOR KOCH: Senator DeCamp, would you redirect that fiscal note?

SENATOR LAMB: Senator DeCamp, would you respond.

SENATOR KOCH: I have been living in (inaudible), it's catching almost. I want to know what's going on here.

SENATOR DeCAMP: Its there for anybody to read, whatever the note is. There is no use of me.....(inaudible.)

SENATOR KOCH: The Department of Roads is the only one affected?

SENATOR DeCAMP: Pardon?

SENATOR KOCH: The Department of Roads is the only one affected in the state?

SENATOR DeCAMP: No, the entire state is affected. That is why I mentioned one item in there if you'd look at.

SENATOR KOCH: I'm talking about state government.

SENATOR DeCAMP: All of state government is affected, Senator Koch, even the schools.

March 18, 1982

LR 249  
LB 69, 359, 435, 626, 628,  
687, 722, 782, 827

ASSISTANT CLERK: (Read LB 435 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 435 pass? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read the record vote as found on page 1257 of the Legislative Journal.) 38 ayes, 9 nays, 1 present and not voting, 1 excused and not voting, Mr. President.

PRESIDENT: LB 435 passes. That will conclude Final Reading today. Mr. Clerk, you probably have some matters to read in which you will do at this time and then we will immediately proceed to agenda item #5 to take up the two resolutions on the agenda for today. Proceed, Mr. Clerk.

CLERK: Mr. President, explanation of votes offered by Senators Warner and Kilgarin to be inserted in the Journal.

Mr. President, your Enrolling Clerk has presented to the Governor the bills that were signed this morning. Mr. President, Senator Rumery would like to print amendments to LB 626; Senator Hoagland to 687. (See page 1258 of the Legislative Journal.)

Mr. President, LBs 628, 722, 782, 827, 69, 359 and 435 are ready for your signature.

PRESIDENT: While the Legislature is in session and capable of doing business I propose to sign and I do sign LB 628, 722, 782, 827, 69, 359 and 435. Before we take up agenda item #5, the Chair takes pleasure in introducing Greg Krieser from Eagle, Nebraska who is seated under the south balcony. At the present time Greg is in Senator Warner's District and he will be in Senator Carsten's District. So, Greg, would you step forward there if you are still over there and welcome, Greg, to the Legislature. Proceed then, Mr. Clerk, with agenda item 5, resolutions, commencing with LR 249.

CLERK: Mr. President, LR 249 offered by Senators Howard Peterson, Senators Wagner, Cope and Kremer, found on page 1171 of the Journal. (Read LR 249.)

PRESIDENT: The Chair recognizes Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Chairman, so we don't take a lot of time, I just want to say a special word of thanks to this legislative body and to the Governor of this state

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PRESIDENT: All right, no objections, so ordered. The Clerk will read matters into the record at this point.

CLERK: Mr. President, explanation of vote offered by Senator Haberman. (See page 1303 of the Journal.) And a report of Registered Lobbyists for the week of March 11 through March 18. Both will be inserted in the Journal. (See page 1303 of the Journal.)

PRESIDENT: All right, we will proceed then with agenda item #5 on the motions. LB 626.

CLERK: Mr. President, Senator Rumery would move to return LB 626 to Select File for a specific amendment, and the Rumery amendment is found on page 1258 of the Legislative Journal.

PRESIDENT: The Chair recognizes Senator Rumery.

SENATOR RUMERY: Mr. President and members of the Legislature, we would like to bring this bill back to correct a mistake that I made in the bill and it simply amounts to removing the part in the amendment to the bill that has to do with countywide branching. I would like to strike that and I will appreciate it if you will give me the support to make this correction.

PRESIDENT: The Chair recognizes Senator Hefner.

SENATOR HEFNER: Mr. President and colleagues, I guess I will direct this question to Senator Rumery. I received a letter from the Nebraska Association of Cooperative Credit Associations, and it says here: "We have been advised that an amendment has been introduced to LB 626 that would allow a bank to take over a cooperative credit association in any Nebraska town or village and establish a branch office. This amendment, very critical to the operations of the Nebraska credit associations, had been added with no notice to or input from the associations affected." So, Senator Rumery, I guess my question to you is, who asked you to introduce this amendment that you introduced the other day?

PRESIDENT: Senator Rumery, will you respond?

SENATOR RUMERY: I have a constituent who is working with the cooperatives and the people want it themselves and please be understanding that it is not without the vote of the local co-op. They vote on it themselves. It isn't

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anything of a bank coming in and taking it over unless they want it done.

SENATOR HEFNER: Okay, what do you want to do now? Do you want to remove your amendment?

SENATOR RUMERY: I want to remove that portion of the amendment that has to do with countywide branching.

SENATOR HEFNER: Okay, but you would leave the last part of that amendment on the bill. Is that right?

SENATOR RUMERY: Just the way it is, yes.

SENATOR HEFNER: Okay, does the association support that now?

SENATOR RUMERY: I don't know whether the association does or not but I know the one in my district does....

SENATOR HEFNER: Okay.

SENATOR RUMERY: ....and that's all I....

SENATOR HEFNER: Okay, thank you, Senator Rumery.

PRESIDENT: The Chair recognizes Senator Labedz.

SENATOR LABEDZ: Thank you very much, Mr. President, members of the Legislature, I firmly believe that all the members of this Legislature are fair and honorable people. A misunderstanding was made the other day and I wasn't on the floor so I didn't vote for or against the bill, but I believe that what did occur was something that was not at fault for Senator Rumery. What he is trying to do is bring the amendment back, correct the amendment and then in an interest of honesty and fair play I urge the members of this Legislature to readvance LB 626 as amended by Senator Rumery. As I go through the state and I go through the City of Omaha I continually tell the people that I speak to of the fairness and the honesty and the dignity that we have in the Nebraska Legislature. An error and a misunderstanding was made and in order...and I sincerely believe we all believe that it was a misunderstanding regardless whose fault it was, I was going to try to do this the other day because I think Senator Rumery's going day after day with this amendment on his mind is not good for anyone. So I urge you in the interest of fair play that we bring this bill back, correct the amendment and readvance the bill to where it was when

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Senator Rumery introduced the amendment that was passed. So at this point I believe we are returning the bill from Final Reading to correct the misunderstanding and then I will speak again on the advancement. Thank you very much.

PRESIDENT: The Chair recognizes Senator Pirsch. The question is called for. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye, opposed nay. Record the vote.

CLERK: 27 ayes, 0 nays to cease debate, Mr. President.

PRESIDENT: The motion carries, debate ceases. Senator Rumery, you may close on your motion to return.

SENATOR RUMERY: I simply want to bring the bill back to make this correction. Thank you.

PRESIDENT: All right, motion then is motion by Senator Rumery to return LB 626 for purposes of that amendment to make the correction. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 36 ayes, 0 nays on the motion to return the bill, Mr. President.

PRESIDENT: Motion carries. LB 626 is returned. Senator Rumery, do you wish to....on your amendment.

SENATOR RUMERY: I move the adoption of the recommendation as printed in the Journal. It simply removes the county-wide banking.

PRESIDENT: The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I certainly concur with the remarks that Senator Labeledz made that our body is a fair-minded body. I can state that...including Senator Lamb...I can state that when the amendment was passed out on the floor I noticed that little change but I thought that the little change had to do with ensuring the ability of a bank to take over a cooperative credit association within the county boundaries if that cooperative credit association was outside the city boundaries. And it seemed to me that that little change related to the cooperative credit association issue that Senator Rumery was talking about as opposed to relating to citywide or countywide branching. And when I supported that amendment I certainly did with a slightly different understanding of the amendment than actually exists. So at this time I would



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urge the body the Rumery amendment and to then return the bill to Final Reading.

PRESIDENT: The Chair recognizes Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I am going to have to oppose this amendment because I feel that we need to have a public hearing on whether we want the banks to take over these cooperative banking associations. I feel that this is not giving us enough information. You noticed the other day that we voted this amendment on without knowing exactly what we were voting on and so I would like to ask Senator Rumery to probably strike the whole amendment and have a public hearing on it and then exactly...exactly then we can see what we are doing. I understand that the Nebraska Association of Cooperative Credit Associations do not support this amendment, and I just talked to some of my people back home and they do not wish this amendment to be on this bill. So, therefore, I would ask you to reject this amendment and then maybe next year we can come back with a bill, have a public hearing, hear from both sides and go from there.

PRESIDENT: The Chair recognizes Senator Labedz. This is on the amendment. You don't wish to speak to....okay.

SENATOR LABEDZ: On the advancement.

PRESIDENT: All right, Senator Higgins. Speaking to the amendment, yes, speaking to the amendment.

SENATOR HIGGINS: Mr. President, I am opposed to this bill all along and I will vote against the advancement of the bill when we get to that point. But as regards to this amendment, there isn't a Senator on this floor that doesn't realize what happened last week that was due to some form of chicanery or subterfuge by a lobbyist. I don't understand why, Senator Hefner, we are asking for a public hearing now on this amendment when we didn't ask for the public hearing last week, and I voted no on that amendment last week. So if there was a public hearing required, I think the time to have arisen and said, let's have a public hearing was last week and not today. So I would have to say that even though I may not agree with the amendment, I don't agree that this is the time now to say, let's have a public hearing. Thank you.

PRESIDENT: There are no further persons wishing to speak so, Senator Rumery, you may close on your motion to adopt the amendment.

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SENATOR RUMERY: Mr. President, I just want to emphasize that the banks are not taking over the cooperatives unless the cooperatives want to. It is by a vote of those stockholders that does it. And there isn't any kind of a forcing of the issue. It is when the small banks want to have this done, and that is all there is to it. I don't know as we need a public hearing for that as long as we are providing for a vote by the people. I hope you support the amendment.

PRESIDENT: The motion then is the adoption of the Rumery amendment to LB 626. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 31 ayes, 1 nay, Mr. President, on adoption of Senator Rumery's amendment.

PRESIDENT: The motion carries. The Rumery amendment is adopted. Senator Rumery, do you wish to readvance the bill.

SENATOR RUMERY: Mr. President, I move we readvance 626.

PRESIDENT: All right, now for discussion on the readvance, Senator Labedz.

SENATOR LABEDZ: May I speak on the advancement?

PRESIDENT: Yes, you certainly may.

SENATOR LABEDZ: Thank you.

PRESIDENT: You are recognized for speaking to the motion to advance.

SENATOR LABEDZ: Thank you, Mr. President, and members of the Legislature, we are at the point now on LB 626 that is really going to prove whether or not we are going to be fair on LB 626. As you recall the other day after Senator Rumery's amendment was adopted, it did get 25 votes for readvancement. Those were 25 very hard-earned votes and I believe in the interest of fairness and honesty of the members of this Legislature we will put LB 626 due to the misunderstanding back where it was. Regardless how you feel on LB 626, you can vote on Final Reading to oppose and try then at that time to kill LB 626. But I urge you, if this was a bill of yours, think of that if it happened and you earned 25 votes to get it at Final Reading and at this point I believe that you should remember that this could happen to you and we all work very, very hard for 25 votes. I believe in the interest of fairness we bring back...I mean we readvance

LB 520, 577, 591, 604A, 623, 629, 629A,  
634, 651, 659, 697, 705, 716, 724, 759,  
774, 779, 784, 792, 839, 877, 931, 941,  
951, 626, 961, 962

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626 up to the point where it was the other day before this misunderstanding occurred. I thank you very much.

PRESIDENT: Any further discussion? Senator Rumery, do you have any closing on the advance?

SENATOR RUMERY: Just this, Mr. President, there has been reference made to sinister moves by a lobbyist and I would like to say that Mr. Paul O'Hare worked with us and I can truthfully say that we have not considered that he was doing anything underhanded at all, and I would like to have that for the record. I ask you to move the bill.

PRESIDENT: Did I hear a request for a record vote? I figured I would. Okay, Senator, we will go to the board then. All those in favor of advancing LB 626 to E & R for Engrossment vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 25 ayes, 9 nays on the motion to readvance the bill, Mr. President.

PRESIDENT: Motion carries. LB 626 is advanced to E & R for Engrossment. You may read some things in.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined LB 591 and recommend that same be placed on Select File; 520 Select File with amendments; 629 Select File with amendment; 629A Select File, and 759 Select File. (Journal page 1305.)

Mr. President, Senator Warner would like to print amendments to LB 604A in the Journal. (Page 1304 of the Journal.)

Mr. President, the bills that were read on Final Reading this morning are now ready for your signature.

PRESIDENT: While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LB 577, 601, 623, 634, 651, 659, 697, 705, 716, 724, 779, 774, 784, 792, 839, 877, 931, 941, 951, 961, and 962.

PRESIDENT: Before we go into the next matter, the Chair takes the privilege of introducing 41 Seventh Grade students from Sandy Creek District from Fairfield, Nebraska. They are up here in the south balcony, Mr. David Nienkamp, their instructor. Would they kind of just wave to us. It is so crowded up there, let's see where you are up there. Welcome to your Legislature, to the Unicameral. Ready, Mr. Clerk, on LB 870.

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LB 522, 568, 688, 652, 480,  
428, 626, 571, 573,

CLERK: (Roll call vote.) 27 ayes, 18 nays, and 4 excused and not voting. (Vote appears on pages 1311-12 of the Legislative Journal.)

PRESIDENT: Motion carries and LB 522 is advanced to E & R for Engrossment. Next bill is LB 568. Senator Nichol, are you ready? Not ready, so there are some amendments being worked on, as I understand. Do you want it just passed over until you get those amendments?

CLERK: Mr. President, Senator Beutler would like to print amendments to LB 688 in the Journal. Senator Fowler amendments to LB 652. Senator's Hoagland, Beyer and Sieck to LB 480. Senator Hoagland to 687.

Mr. President, your committee on Enrollment and Review respectfully reports that they have carefully examined and engrossed LB 428 and find the same correctly engrossed. 571, 626 all correctly engrossed.

PRESIDENT: Before we get started on the next bill, one announcement from Senator Lamb that we will work up till 4:00 p.m., just so you know about what time we are planning on adjourning. Secondly, Senator Wiitala would like us to greet some friends of his from Senator Dworak's district, Darrel and Judy Nelson and their son's John and Darren. They are located under the north balcony. Would the Nelson's stand up and be recognized. Welcome to your Legislature. Welcome, Nelson's. We are ready now, Mr. Clerk, for the next bill on Select File. Are there any E & R amendments?

CLERK: There are E & R amendments to LB 573, Mr. President.

PRESIDENT: Chair recognizes Senator Kilgarin.

SENATOR KILGARIN: I move we adopt the E & R amendments to LB 573.

PRESIDENT: Motion to adopt the E & R amendments to 573. Any discussion? All those in favor of adopting the E & R amendments on LB 573 signify by saying aye, opposed nay. The E & R amendments are adopted. Are there other amendments, Mr. Clerk?

CLERK: Senator's Wesely and Kremer would move to amend the bill, Mr. President. The amendment is on page 1099 of the Journal.

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LR 258

LB 892 , 743, 626, 652,  
522A, 970A

PRESIDENT: Senator Higgins, did you wish to discuss the motion to advance?

SENATOR HIGGINS: Mr. President, I want to ask Senator Haberman a question.

PRESIDENT: Senator Haberman, will you respond?

SENATOR HABERMAN: Yes.

SENATOR HIGGINS: Senator Haberman, who made the mistake?

SENATOR HABERMAN: This is an old, old law that made the mistake. I'd say to get this over with I made it.

SENATOR HIGGINS: All right, do you apologize?

SENATOR HABERMAN: I apologize.

PRESIDENT: Okay, anything further? The motion is the advancement of 892 to E & R Engrossment. All those in favor signify by saying aye, opposed nay. LB 892 is advanced to E & R for Engrossment. Now, anything to read in, Mr. Clerk.

CLERK: Mr. President, Senator Labedz would like to print amendments to LB 743.

New A bill, 522A by Senator Johnson and Cullan. (Read title of bill.)

970 A by Senator Warner. (Read title of bill.)

New Resolution offered by Senators Cullan, Wesely and Rumery. (Read LR 258.)

PRESIDENT: All right, anything further?

CLERK: Mr. President, Senator DeCamp, or V. Johnson would like to print amendments to 626 and Senator DeCamp to 652.

PRESIDENT: Anything further? Senator Lamb, do you wish to adjourn us until Monday?

SENATOR LAMB: Mr. President, I move we adjourn until Monday at 9:30 a.m.

PRESIDENT: Motion to adjourn until Monday, at 9:30 a.m. All those in favor signify by saying aye, opposed nay. We are adjourned until Monday at 9:30 a.m.

Edited by

*L m Benisch*

L. M. Benischek

9266

March 30, 1982

LB 571, 626

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 571 pass. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 30 ayes, 12 nays, 5 present and not voting, 2 excused and not voting. Vote appears on pages 1478-79 of the Legislative Journal.

PRESIDENT: LB 571 passes. The next bill on Final Reading is LB 626.

CLERK: Mr. President, I have a motion on the desk.

PRESIDENT: Read the motion.

CLERK: Mr. President, Senator Vard Johnson would move to return LB 626 to Select File for a specific amendment. The amendment is found on page 1327 of the Legislative Journal.

PRESIDENT: Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, a week ago Friday I distributed to each of you a letter setting forth what this particular amendment would do. Let me quick like describe the amendment and then I'll talk about my own thoughts regarding the bill and the amendment. The amendment does three things, two of which are fairly substantive and one of which is relatively minor. The first thing the amendment does is it would lower the maximum deposit allowances for multibank holding companies from 10% of the deposits in all of the banks in this state and all the savings and loans in this state and all the building and loans this state, it would lower it to 10% of bank deposits. Now currently the state director of banking indicates that 10% of all deposits in the state whether they be banking deposits, saving and loan deposits or building and loan deposits it is about 1.4 billion dollars, that is 10% of all of those deposits. Whereas 10% of only banking deposits alone would be about one billion dollars so its about a 400 million dollar reduction in the ceiling for multibank holding companies. The second thing the amendment does is it allows multibank holding companies that are incorporated and domesticated in the contiguous states, those states that are contiguous to Nebraska to also become involved with multibanks, also acquire banks in Nebraska provided that those contiguous states have reciprocal laws to permit Nebraska holding companies to engage in the same kind of transaction

in the contiguous states. The third thing the amendment does is it clarifies a small provision of this bill to indicate that in looking at whether or not an individual owns stock in a multibank holding company that you only look at the stock that that individual owns in a bank in the state or in a multibank holding company in the state and that is a fairly minor clarifying amendment. Now my own journey on the legislation is pretty much as follows. When I came down here in 1979 I was an opponent of multibank holding company legislation and I was an opponent primarily because I tended to decry a piece of legislation that I felt would ultimately lead to concentration of economic wealth and power. I continued my opposition in 1980 and I continued my opposition in 1981. But, during the course of this legislative session, I might, I became involved in what I would call the great awakening. Which as you may recall, was an expression used in the 1790's in our own country to describe a religious experience that a lot of folk were having. What happened to me was this: When I came down here in 1979, this body faced a series of bills that dealt with small loan lending limits, that dealt with credit card lending limits, that dealt with a variety of usury transactions. At that time it was relatively easy for us to set lending ceilings because at that time the rate of interest had not begun to raise astronomically. But, by 1982, if you may think back earlier in this legislative session it became impossible, it became impossible for us to fashion responsible usury legislation. One reason it became impossible for us to do it was because we could see what was happening to the market rates of interest. We could also see what had happened in the federal government. The federal government in effect taking over all state usury laws but allowing states to opt out if they wanted to do so. The economic times have surely changed dramatically from 1979 to 1982. What we now see happening in 1982 is a very high cost of money to borrowers, we also see happening in 1982 the tremendous rise over the last seven years of the money markets. The unregulated, the unregulated market for deposits. What is happening quite simply is that people with money, investors are conscientiously making decisions to put their money in the unregulated funds. So there has been a tremendous movement of capital away from the regulated institutions whether they be banks or savings or loans or what have you into the unregulated sector. Now that unregulated sector has the ability to turn around and take its money that it takes from our investors and put it back into a variety of loan production offices across the United States. So we really have by coming in by way of a back door a significant form of interstate banking. It struck me during the course of this legislative session, I was suddenly hit by this fact, that what we see occurring on the scene in the financial

community today is people doing indirectly those things that we have tried to prohibit or inhibit directly. I have had to conclude that given the basic changes occurring in the financial community today that it would be unwise for us to continue to blindly oppose restructuring legislation. That is my personal feeling. So then I sat down and took a look at LB 626 because I said to myself, is this a bill I really want to support as it is currently drafted? Or, instead, are there some changes I think ought to be made to it so that when we pass structure legislation into law we have a good piece of legislation, something that I can say is a responsible piece. There were at least two things that struck my attention. The first thing was the fact that we had a 10% limitation on multibank holding companies on all deposits and that was a very liberal ceiling, in my own opinion. I felt that the ceiling should be lower than that. It is my understanding for example that Iowa has a ceiling of only 8% of bank deposits whereas our bill has a ceiling of 10% of all deposits. I said, you know, without any question, going into multibank holding company legislation does permit some concentration of wealth and power. But it may well be that it will be appropriate for us not to allow at this point, such a quick concentration. So it seems to me that it would be better to set in effect the deposit ceiling, or the asset ceiling at 10% of bank deposit. So, that is what I did. Secondly, I said now what about this whole reciprocity issue. What is reciprocity really mean? What does it really do? Now one of the things that I think we want to do for the next decade is we want to make certain that our major financial institutions whether they be the Omaha National Bank, the First National Bank of Omaha, the United States National Bank of Omaha, the First National Bank of Lincoln, the National Bank of Commerce in Lincoln and the other major institutions be in a position where they can be strong regional centers, strong regional centers, not just state centers but regional centers. So it struck me that one way of assuring that possibility was to develop, to use this reciprocity concept so that our own major banks, as they began to move into the multibank holding company posture would at least have the ability to acquire facilities in contiguous states, so long as contiguous state legislatures pass. . .

PRESIDENT: One minute Senator Johnson.

SENATOR V. JOHNSON: . . . comparable legislation. So that was part of my thinking on it. In addition it seemed to me that allowing multibank holding companies from the contiguous states to be able to acquire banks in our own state provided an increased level of competition between the banks from the



contiguous states and the banks in our own state or the development for the development of multibank holding companies so that there could be several major bank holding companies operating throughout Nebraska. Some of which would be Iowa based, South Dakota based, or Wyoming based, Missouri based and some of which would be Nebraska based, it seemed to me to add a strong competitive element. So it was for that reason I decided I would offer this amendment. I want you to know from the depth of my heart I am not offering this amendment to add baggage to this bill, to sand bag this bill, to block this bill, I am offering the amendment because I really think it is the right thing to do with an issue whose time really has come.

PRESIDENT: The Chair recognizes, before we do this lets introduce some guests of Senator Dworak. Under the south balcony John and Mary Kay Peck and their daughters Mary Lou and Allison are here from Columbus. Would the Peck's kind of step forward. Welcome to your legislature. Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, if you have listened over the six years that I have been sponsoring this legislation, or a form of it, you have heard me repeat and repeat one thing which I repeat again. Vote on the basis of what is in the best interest of this state for a sound financial system to provide agricultural and business and consumer financing. Now one other thing I have said and I have said it on a one on one basis to people like the heads of the Nebraska Bankers Association in all the previous years the heads of special task forces organized to fight it, powerful bankers outstate, I've said, I beg you study the issue, learn about it, understand it and then, and then do what you think is best for the state. You have heard me say it before and I repeat it again and one after the other the very leaders of the opposition, time and time again, the heads of the Nebraska Bankers who were put in the position of having to learn about it and were ordered to fight it as soon as they left their position as head of the Nebraska Bankers Association turned around and said, we need the legislation, it has to be passed, do this for the benefit of Nebraska. Carl Dickinson, Mr. McBride, Mr. Black, Jim Oliver, Roy Dinsdale, Perry Francis and on and on and on, every one who was put in the position of responsibility once they studied the issue they changed their opinion, they said, yes, we need this legislation for the benefit of Nebraska and we can't be just selfish bankers. Now you all remember one other thing, don't you. There was one man in this body for the last three years that has given me more trouble fighting it than anybody else, almost. The

most eloquent, the most capable and I'm going to say one of the most intelligent people ever to sit in this body, a fellow named Vard Johnson, the fellow you just listened too who said it is time to fess up basically and support some form of structure change for the best interest of Nebraska and facing reality. That is all the legislation does. Internally in the State of Nebraska it says a corporation is going to be treated the same as an individual. That is all that it is about. It will provide some more competitiveness and maybe that is what the opposition is all about. Maybe individual bankers who encourage competition for everybody whether it be the bread maker, the butcher, the farmer, competition for everybody except themselves maybe that is what is behind the opposition. I think maybe Vard Johnson has discovered that and yet I must respectfully oppose the amendment simply because, simply because it is starting to run before I have ever been able to even get the thing walked through in here. Now lets face it, the bill is a cripple. It has been shot at from every direction in the most improper dishonest manner ever. There was a letter sent out by any standard of integrity or honesty that letter was dishonest. It said the bill does certain things which the bill absolutely prohibits. . .

PRESIDENT: One minute Senator DeCamp.

SENATOR DeCAMP: . . . I have had personal things done to me ~~that~~ some day I am going to disclose when this is all over that would shock the conscience of every banker in the state. I'm going to tell about them one of these days because I'm bitter about them. At this point let me just say this in closing. I have to oppose the amendment, even though I might support it another year simply because I think that it would throw one more money wrench and one more piece of flak into a wounded bird and I think the Governor has a right and a bit of an obligation to have a chance to look at this legislation, which he is only get I think if we vote today, possibly, if there is enough people still supporting it and if we delay it with additional amendments, sincere though they may be intended, I think they will create the confusion that will be utilized improperly by those who have already improperly used the campaign of disinformation in opposing the bill. So I respectfully oppose the amendment and ask Vard to support the basic concept and deal with these other things in another year.

PRESIDENT: Before I go to the next speaker, first of all under the north balcony we have some very special guests of Senator Schmit, his mother, Mrs. Loretta Schmit, his

brother Harry Schmit. Would Mrs. Schmit and Harry stand and be recognized and welcome to the Unicameral Legislature to the Schmit's. We have a young man who is having a birthday, Senator Don Wesely's 28th birthday is being celebrated. We say happy birthday. His mother has made kolache's for the legislature which are being distributed at this time. So that will make your morning for you. Happy birthday Senator Wesely. Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, again this bill is before us and I'll say again that I don't care about the bill one way or the other. But as I have said on other occasions a bill, or the subject matter of that bill will sometimes phase over into other issues about which I have a tremendous amount of concern. One of those issues relate to legislative independence and ~~per~~ogatives. As a member of the Legislature no matter how upset I may be at various members for your inability to recognize the validity of my opinions, information and vote the way I want you to vote there nevertheless comes a time when as a member of this body I have to have enough interest in its integrity over all to speak when I think there has been a public onslaught against that integrity. I think the Governor, at least for me, has transformed this issue from (1) dealing with a squabble among bankers and perhaps it is becoming more than that now, based on what Senator Johnson has pointed out in terms of competition and so forth. He has changed it from a squabble among bankers into one of legislative independence and ~~per~~ogatives. Last year he did not want to declare an opinion one way or the other. Kind of delicately walking the tightrope as some politicians are able to do very capably. This year he has indicated a bill which has not received nearly as much debate as other less significant issues has taken too much of the Legislature's time. He said the Legislature ought not consider this bill. Let the bankers deal with it. He has not taken that position on any other issue that I am familiar with. I will not say that his only reason for doing this is the fact that it is a campaign year, but I think that definitely has something to do with it. For my part, I take offense when the Governor tells me as a member of the Legislature I don't even the right to give consideration to an issue. If I thought this was a silly issue, the fact that it is before us gives me a right as a member of the Legislature to consider it and determine for myself whether it is silly or whether it merits my serious attention. So, I think what the Governor has done is made a move that is not in the best interest of those who are opposed to this bill. He has come in with a small stick and a big voice. He should have followed the advice of Teddy Roosevelt, walk softly and carry the big stick. Button hole or collar

senators outside the legislative chamber and tell them what his marching orders are for them. But, don't slap me, Ernie Chambers in the face through the news media as he has done and expect me not to respond. My ego requires more than that of me. Teddy Roosevelt told his children, never strike, but if you are forced to strike never strike softly. The Governor has smitten me. He has wounded my spirit and my ego as a legislator grievously. He has given me only way to strike back. He has put me in the position of the child who is told you had better not do this. The only thing the child can do is to show his or her independence of spirit by doing it. The Governor should have left me alone. You should let sleeping legislators sleep. But once that sleep has been broken in a very jarring, traumatic fashion, that legislature who has been shaken awake can never again fall into a slumber which is as deep or as peaceful.

PRESIDENT: One minute Senator Chambers.

SENATOR CHAMBERS: If the Senator...I mean the Governor, Senator Beutler made some remark about a sleeping giant, if the Governor has dropped the cajole of challenge, then it beehoves some of us to pick the cajole up. I still have no interest in the bill whether it is voted up or down, I'm like little Steven A. Douglas who was arguing with Abraham Lincoln, he said he had no interest in whether it was voted up or down. But, I do have an interest in how this bill is handled now because of what the Governor has done. So, whoever the Governor was speaking for, have the Governor to thank for how I now act on this bill. But I think I am going to be cagey for awhile, be coy awhile and wait till the most dramatic instant to determine what precisely I am going to do.

PRESIDENT: Chair recognizes Senator Dworak.

SENATOR DWORAK: Mr. President, colleagues, I probably can't add much to what Senator Johnson has so eloquently stated other than the fact that I would just like to bring the focus back into the issue, which is the reciprocity amendment which Senator Johnson has offered. It just seems like everytime we discuss this bill we get into all kinds of side issues, issues that are not directly related to the banking issue which is before us. I think, again, to point out the two major points of Senator Johnson's amendment is number one reducing the. . .

PRESIDENT: Would we give some attention to the speaker please, it is very difficult to hear in here. The noise

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LB 626

level us getting very high. Senator Dworak, pardon me but go ahead.

SENATOR DWORAK: Reducing the assets from 10% of all deposits to 10% of just bank assets or bank deposits, I think that is a step in the right direction. Number two, the possibility of allowing Nebraska banks to enter into other states. I bet I have read 15 or 20 news accounts of this particular amendment and they all say that we are allowing banks from other states to come into the state of Nebraska and that is certainly half true. But, they do not say the other half which allows the Nebraska banks to enter into other states. Certainly financial institutions like the Omaha National Bank or the US National in Omaha right on the Iowa border it would beehove them, it would benefit those people to be able to expand into the State of Iowa or the State of South Dakota. It is a two-way street. If we don't think about that the fact that we are strengthening that we are allowing growth of the Nebraska Financial Institutions to go into those other states we are only thinking of half the issue. I think this is a very significant and a very important and a very sound amendment. Whenever I have talked to people on either side of this particular issue, people the floor, people on the floor, people out in the rotunda, nobody wants to discuss the issue of this amendment. The first reaction is hey, it is either going to hurt or it is going to help the bill. We can't have the amendment because it is excess baggage. Not the specific worth of the amendment. It is a good amendment. It is a sound amendment. It is an amendment that we can all live with and vote for and accept. I hope that is the way you would cast your vote on this amendment on the issue itself. Not on what it may or may not do as far as passage of the bill is concerned.

PRESIDENT: Before we go to the next speaker, the Chair is pleased to introduce some 45 representative of the Council of Catholic Women from all over the State of Nebraska Mrs. LaVonne Lyle the director, they are up here in the east balcony, right directly ahead. Would we welcome the representatives of the Council of Catholic Women. Welcome to your legislature. Chair recognizes Senator Newell.

SENATOR NEWELL: (inaudible).

PRESIDENT: You don't have to do that Senator Newell because you were the last speaker. Chair recognizes Senator Vard Johnson for purposes of closing on his motion to return.

SENATOR VARD JOHNSON: Mr. Speaker and members of the body,

I know that everyone in this body has a great deal of empathy for Senator DeCamp. You have got to have it because you have all at sometime walked in Senator DeCamp's shoes with a bill that you have wanted in the worst of ways and you have watched that bill get sandbagged at this turn or sandbagged at that turn and you slowly die a thousand deaths. Senator DeCamp who is not even here, he is probably out dying in the lounge, is undoubtedly feeling the same way. Why he asks would Senator Johnson be such a Johnny Come Lately? Why would he come in with this amendment when I basically worked for six years to get to this point. Well I do this not because I want to sandbag Senator DeCamp's bill, but, rather because I have personally concluded that we do need to make some structural changes. I have concluded this is a fine year to make those structural changes, notwithstanding the Governor's already announced veto, because I have concluded this amendment will effect some good results. Some good results in structural changes. Because, I think this is a very proper thing to do. I also anguish a bit for Senator DeCamp. Being a fellow human being and a fellow legislator I know how it feels to watch your legislation have so much difficulty. You and I have dealt with an extraordinarily emotional issue, far more emotional than I think it really ought to have been. It is difficult to extract ourselves from the emotion. But I am going to ask you to do that, I'm going to ask you to vote reason and not emotion. The reason is simple. The amendment would tend to put a more reasonable limitation on the ultimate sides of a multibank holding company. The amendment would tend to enhance competition and would tend to support some regionalization for our major banking institutions. The amendment does not allow city banks to come in. It doesn't allow the big New York and Chicago combines to take over our banks. In fact, the amendments still has to require Iowa, South Dakota, Missouri, Wyoming, Kansas to adopt similar reciprocity language. If they don't do it, then we don't have reciprocity. But, we begin the approach here. I think it is a solid thing to do and it is a responsible thing to do. I would ask you to vote to return the bill to Select File for the purpose of this amendment to vote for the amendment and then to return the bill to Final Reading. Not to play the game of holding the bill on Select File, not to try one more time to kill the bill, but rather to vote reason, not emotion.

PRESIDENT: The motion is, the motion to return LB 626 for the specific Vard Johnson amendment. All those in favor vote aye, opposed vote nay. Record the vote.

CLERK: 8 ayes, 27 nays Mr. President.

PRESIDENT: Motion fails. Anything further on the bill?

CLERK: Nothing further on the bill, Mr. President.

PRESIDENT: Would the Sergeant at Arms make sure everyone is now at his or her desk. Everyone else will leave the floor. I remind you again we are on Final Reading. We are ready to read on Final Reading LB 626. All right, proceed then with the Final Reading of LB 626, Mr. Clerk.

CLERK: Read LB 626 on Final Reading.

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 626 pass. All those in favor vote aye, opposed nay. Have you all voted? Senator DeCamp, what do you wish to do?

SENATOR DeCAMP: I'll ask for a roll call.

PRESIDENT: A roll call vote has been requested. All right the Clerk will go ahead with a roll call vote on the advancement. . . passage of 626. Proceed with the roll call vote.

CLERK: Roll call vote. 25 ayes, 22 nays, 2 excused and not voting. Vote appears on page 1480 of the Legislative Journal.

PRESIDENT: LB 626 passes. We go to LB 531. Senator Labeledz, are you ready?

SENATOR LABEDZ: Mr. President, yes I am ready. I'm sorry to have to do this on LB 531, but I'll be very brief. The amendment on 531 contains three changes. First it places the. . .

PRESIDENT: Senator Labeledz, let me get some. . . (GAVEL). . . I remind you we are still on Final Reading and let's have a little bit of order so we can hear. . . you owe this to Senator Labeledz at least, listen to what she has to say. Senator Labeledz.

SENATOR LABEDZ: Just so they vote for the amendment. This amendment contains three changes. First it places this constitutional amendment on the general election ballot instead of the primary ballot. We are proposing this

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LB 428, 571, 573, 626

PRESIDENT LUEDTKE PRESIDING

DR. AL NORDEN: Prayer offered.

PRESIDENT: Roll call. Senator Hoagland, would you honor us by letting us start. Thank you. Record the presence, Mr. Clerk.

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

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

CLERK: I have no corrections this morning, Mr. President.

PRESIDENT: The Journal will stand as published. Any messages, reports or announcements?

CLERK: Mr. President, the only items I have are the bills that were read on Final Reading yesterday are now ready for your signature.

PRESIDENT: While the Legislature is in session and capable of transacting business I propose to sign and I do sign reengrossed LB 428, reengrossed LB 571 and reengrossed LB 626. We are ready then for agenda item #4, Final Reading. The Sergeant at Arms will secure the Chamber, see that all unauthorized personnel leave the floor and all members are at their desks. As soon as everyone returns to his or her desk we will commence with Final Reading this morning. Okay, is everybody ready for Final Reading? I notice at ten-thirty we have a Mother of the Year ceremony, Nebraska Mother of the Year ceremony so we would like to move along as rapidly as we can. We are still kind of waiting to get everybody situated at his or her desk and then we will commence. One more time, if everybody would assume their desks we're ready to go. Okay, we can commence then, Mr. Clerk, with Final Reading of LB 573.

CLERK: (Read LB 573 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 573 pass. All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read record vote as found on page 1511 of the Legislative Journal.) 40 ayes, 2 nays, 6 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 573 passes. The next bill on Final Reading is LB 633.



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LB 953, 604A, 626, 952, 531

Have you all voted? Record the vote.

CLERK: 6 ayes, 25 nays, Mr. President.

PRESIDENT: The motion fails. The Clerk will have some matters to read in and then we will...the Chair will recognize Senator Clark for recessing us.

CLERK: Mr. President, Senator Pirsch offers an explanation of vote. (See page 1531 of the Legislative Journal.)

Mr. President, a new resolution LR 281 offered by Senators Vickers and Barrett. (Read. See page 1531 of the Legislative Journal.)

Your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 531 and find the same correctly engrossed; 604A correctly engrossed. (See page 1532 of the Legislative Journal.)

Mr. President, I have a motion from Senator Beyer and Cullan to reconsider the vote on Final Reading of LB 952 and a motion from Senator DeCamp to reconsider the vote on Final Reading of LB 626. (See page 1532.)

And, Mr. President, Senator Koch would like to remind the Education Committee that they are having a public hearing at twelve noon. That is the Education Committee, a public hearing at twelve noon. That is all that I have, Mr. President.

PRESIDENT: The Chair recognizes Senator Clark.

SENATOR CLARK: Mr. President, I move that we recess until one-thirty this afternoon.

PRESIDENT: The motion is to recess until one-thirty. Any discussion? All those in favor signify by saying aye, opposed nay. We are in recess until one-thirty.

Edited by

L. M. Benischek  
L. M. Benischek

March 31, 1982

LB 942, 626, 753, 799

SENATOR CULLAN: Okay, thank you, Senator Higgins.

SENATOR HIGGINS: Okay, Senator.

SENATOR CLARK: The question before the House is the advancement of the bill. No further discussion? All those in favor vote aye, opposed vote nay. While you are voting on that, I would like to tell you what I have kept track of up here. You were fifteen minutes late coming in this noon. You had forty minutes on a Call of the House only which is one hour's time on Call of the House and being late. So if you are going to save time, that is a good way to do it. Record the vote.

CLERK: 26 ayes, 4 nays, Mr. President, on the motion to advance the bill.

SENATOR CLARK: The bill is advanced. Motion on the desk. Yes, read in first.

CLERK: Mr. President, Senator Wesely would like to print amendments to LB 753; Senators DeCamp, Haberman, and Schmit to LB 799.

And, Mr. President, Senator DeCamp, would like to withdraw a motion that he filed this morning on LB 626.

SENATOR CLARK: Motion on the desk.

CLERK: Mr. President, Senator Haberman would move to adjourn until 9:00 a.m.

SENATOR CLARK: Senator Nichol, for what purpose do you arise?

SENATOR NICHOL: Mr. Chairman, I was wondering if Senator Lamb had any instructions as to how long we are going to be going tomorrow night or the rest of the week so we can plan our (interruption) accordingly?

SENATOR CLARK: Senator Lamb, do you have any instructions on how late we are going to go tomorrow night?

SENATOR LAMB: I would suggest about four-thirty.

SENATOR CLARK: Four-thirty tomorrow night. All right. Senator Haberman, you motioned to adjourn? You heard the motion. All those in favor say aye, opposed. We are adjourned until tomorrow morning at nine o'clock.

Edited by:

*Marilyn Zank*  
Marilyn Zank

April 1, 1982

LB 626, 202  
LR 285-290

Senator Hefner would report favorably upon confirmation hearing of Mr. William Fitzgerald to the Nebraska Arts Council. (See page 1557 of the Legislative Journal).

Your Enrolling Clerk presented to the Governor for his approval LB 626 at 5:20 p.m. yesterday.

Mr. President, new resolutions. LR 285 (Read Title). LR 286 (Read Title). LR 287 (Read Title). LR 288 (Read Title). LR 289 and 290 (Titles Read). All those study resolutions will be referred to the Executive Board.

SENATOR LAMB: The next item is number four, motions.

CLERK: Mr. President, the first motion I have pertains to LB 202. Senator Chambers we had that motion filed previously, it was in the Journal. I understand you want to withdraw that and substitute the motion we talked about yesterday, is that right? Mr. President, in that event Senator Chambers would move to suspend Rule 7, Section 7 and reconsider the indefinite postponement of LB 202.

SENATOR LAMB: There will be a strict 15 minute limit on this and it will be voted up or down at that point. Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I will not even require 15 minutes for what I want to discuss with you this morning. It is impossible in that short amount of time to get into the merits of LB 202, which is a bill as amended by Senator Beutler to restrict the imposition of the death penalty to first degree murders committed by those incarcerated. Since that can not be the issue during these 15 minutes I have to make another proposal to you and I think it is very modest. I had stated the other day when this bill was voted on for reconsideration and the reconsideration motion failed, I had stated what my intention was. I'm going to restate. I don't want the Legislature to adjourn without having a bill pending for dealing with the death penalty. If this motion to reconsider is voted up, that would end the discussion of LB 202 this session. If the bill...if the reconsideration motion is not approved, then I will be forced to continue a discussion of the issue for the balance of the session so that there will be consideration of it before us. So you will be aware of how I intend to do this, if you look at the Journal, you will find 15 pages of amendments on page 1427 through 1441. That group of amendments constitutes four different propositions for

April 1, 1980

LB 761, 626, 890

return to their seats and check in, please. Will all senator check in, please. Would you rather I call your names out? Senator VonMinden, Senator Pirsch. Senator Wagner. All right, they are all here. The Clerk will call the roll on the Fenger amendment. Could we have it quiet, please, so the Clerk can hear?

CLERK: (Read the roll call vote as found on page 1574 of the Legislative Journal.)

SENATOR CLARK: The Call is raised. The Clerk has to verify the call.

CLERK: (Read the roll call vote for verification.) 15 ayes, 32 nays, Mr. President.

SENATOR CLARK: The motion failed. I would like to announce six 8th Graders from Albion St. Michaels. Eileen Redler is the teacher. They are under the north balcony. Would you stand and be recognized, please. Welcome to the Legislature. The next amendment.

CLERK: I have a couple items to read in.

SENATOR CLARK: All right.

CLERK: Mr. President, Senator Vickers would like to print amendments to LB 890. (See page 1575 of the Legislative Journal.)

Mr. President, I have a message from the Governor. (Read message as found on page 1575 of the Legislative Journal regarding LB 626.)

Mr. President, the next amendment I have to the bill is offered by Senator Newell.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Pat, would you read the amendment?

CLERK: (Read the Newell amendment as found on page 1576 of the Legislative Journal.)

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President and members of the Legislature, the amendment that I am offering today is an amendment that would return the personal property tax fund to the \$70 million level that it has traditionally been at.

April 13, 1982

LB 212, 212A, 404, 404A, 488,  
547, 626, 816, 816A, 933

SENATOR CLARK: All right. Do you want to read the bills in.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and re-engrossed LB 933 and find the same correctly engrossed; 547 correctly engrossed, 488 correctly re-engrossed; 816 correctly engrossed; 816A correctly engrossed; 404 correctly re-engrossed; 404A correctly re-engrossed and 212 and 212A both correctly re-engrossed, Mr. President, signed by Senator Kilgarin as Chair.

SENATOR CLARK: We are waiting on LB 255 and LB 255A. Are they on their way up? A motion to read in.

CLERK: Mr. President, Senators Hoagland and Wesely move that LB 626 become law notwithstanding the action of the Governor. That LB 626 become law notwithstanding the action of the Governor.

SENATOR CLARK: Any more motions on the desk? Who wants a point of order?

SENATOR DeCAMP: Mr. President, can this be taken up tomorrow? We're in session tomorrow, right?

SENATOR CLARK: That is right.

SENATOR DeCAMP: Is there any problem with taking the motion up tomorrow?

SENATOR CLARK: Which one, the one he just read?

SENATOR DeCAMP: The one he just read.

SENATOR CLARK: That will be taken up tomorrow. Wait a minute, wait a minute. Evidently this has to be considered today because this is the fifth day according to the Clerk.

SENATOR DeCAMP: Mr. President, and may I speak briefly? I'm the sponsor of 626. I personally have no intention of offering a veto override. I'm one of those that believes if you have the votes, you try it or reasonably have them. I don't have the votes. I think in the next six months people will learn the bill is necessary. I don't think that information is available today.

SENATOR CLARK: Well I didn't make the motion. Senator Beutler did and Senator Wesely I think, Hoagland and Wesely, I'm sorry. Senator Wesely, do you want to take it up?

SENATOR WESELY: Mr. President, members of the Legislature, I'll start for a little bit and then I will defer the rest of my time to Senator Hoagland. LB 626 is a major issue which was brought to us early in the session and was considered last year in the form of LB 376. It was passed last year in a very controversial effort that the Lieutenant Governor participated in and was in the part of a court case considered and decided by the Supreme Court last fall that held that the action taken on LB 376 was not appropriate. So it was reintroduced in the form of LB 626 and it has gone through the legislative process, has been passed by this Legislature, sent to the Governor and has had that legislation now vetoed by the Governor. The feeling is from Senator Hoagland and myself that we should consider the override of this veto from the Governor. LB 626 deals with a very important issue and that is the question of multibank holding companies. We are in a time of great change in our financial institutions in this country. We are seeing changes developing with savings and loans that are making them almost banks. We're seeing that with mutual funds that they are beginning to develop different options that are almost like banks and it seems as though the only people that aren't allowed to have the flexibility to deal with our financial problems are the banks themselves, the cornerstones of our financial institutions. So the concern that we had was that although this legislation has been very important to the State of Nebraska, very important to the financial health and well-being of our state, that we are not able to pass this legislation and put it into law when for two years in a row a majority of this Legislature has voted for this legislation. Now granted last year the Lieutenant Governor participated in making that majority but nevertheless, in both this session and last session this bill passed, though the Governor has been unwilling to sign the legislation, unwilling to let it become law and unwilling to let the banks have the flexibility that we feel is needed to meet the new financial demands that we have in our state and nation. So I think I will defer the rest of my time to Senator Hoagland.

SENATOR CLARK: Senator Hoagland.

SENATOR HOAGLAND: I concur with Senator Wesely that this is indeed one of the most important if not the most important issue that we've had the opportunity to consider this year. I am a strong proponent of LB 626 and would like very much to see the Governor's veto overridden, however, since Senator Wesely and I filed this motion why Senator DeCamp, the sponsor of 626, has asked us if we would withdraw the motion and I think out of deference to the sponsor with Senator Wesely's concurrence, we feel that that is appropriate because we

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wouldn't want to try the veto override without Senator DeCamp's full support and we will ask that it be withdrawn.

SENATOR CLARK: All right, it is withdrawn. The other two bills are on their way up and we have two minutes left. There is a motion on the desk. We've got two minutes.

CLERK: Mr. President, Senator DeCamp would move to suspend the following rules: Rule 7, Section 3; Rule 6, Section 6; Rule 5, Section 7; Rule 6, Section 5; Rule 7, Section 3; Rule 7, Section 7; Rule 2, Section 10 and take up the following bills and motions with no debate other than an explanation not to exceed one minute by the moving senators. Each bill will be taken up separately with the enumerated motion on said bill, and advancement, to be voted up or down, such vote requiring 25 votes.

SENATOR DeCAMP: I call the question.

SENATOR CLARK: Senator Dworak, for what purpose do you arise?

SENATOR DWORAK: I thought I heard an objection on Senator Hoagland's request to withdraw 626. If there was an objection, then should there not be a vote?

SENATOR CLARK: He can withdraw it any time he wants to withdraw it.

SENATOR DWORAK: But did he ask for unanimous consent to withdraw...

SENATOR CLARK: He doesn't have to have unanimous consent. Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, I would ask that the calling of the question be overruled on the basis that there has not been a full and fair debate on the issue.

SENATOR DWORAK: I think we have business before us on 626, Mr. Speaker.

SENATOR CLARK: I really don't know what we are going to do in one minute anyway. We've got bills on the way up. There is two bills on the way up. Senator Landis.

SENATOR LANDIS: Mr. Speaker, I move to freeze the clock at eleven fifty-nine.

SENATOR DWORAK: You can't do that.

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