

January 8, 1982

LB 702, 703

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by the Chaplain.

CHAPLAIN PALMER: Prayer offered.

PRESIDENT: Roll call. Have you all registered your presence? Record the presence, Mr. Clerk.

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

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

CLERK: Mr. President, I do have a correction this morning.

PRESIDENT: State the correction.

CLERK: On page 156, line 28, strike "Chairperson" and insert "Vice Chairperson". On page 136 strike line 14 and insert "amendments to the appropriation bills as reported to General File by the Appropriations Committee".

PRESIDENT: All right, the Journal will stand as corrected. Any messages, reports or announcements?

CLERK: Mr. President, I have a report from the Department of Health filed with our office pursuant to statutory Section 72-5831. That will be on file in my office.

Mr. President, I have an Attorney General's Opinion addressed to Senator Haberman regarding mandatory jail sentences. That will be inserted in the Legislative Journal. (See pages 162 and 163 of the Journal).

Mr. President, I have a notice of hearing from the Government, Military and Veterans Affairs for next Friday at 1:30 p.m. and that is signed by Senator Kahle as Chairman. (See page 163 of the Journal).

PRESIDENT: We are ready for agenda item #4, introduction of bills. If you have your bills in that you want to get them in on this Friday, why it would be a good idea to get them up here to the Clerk. Mr. Clerk, you may go ahead with those that are there. Reading of new bills.

CLERK: Mr. President, new bills. LB 702 offered by Senator Clark. (Read title). LB 703 offered by Senator Martin Kahle. (Read title). (See page 164 of the Journal).

February 2, 1982

LB 284, 353, 417, 421,
465, 255A, 702, 801

SENATOR CLARK PRESIDING

SENATOR CLARK: The Legislature will come to order. The prayer by the Chaplain, Reverend Gilbert Visser, Hope Reformed Church.

REV. VISSER: Prayer offered.

SENATOR CLARK: Roll call. Will everyone check in please. Senator Vickers, will you let us know you are here please. The Clerk will record the attendance.

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

SENATOR CLARK: We are ready for item #3, messages, reports or announcements.

CLERK: Mr. President, your committee on Business and Labor whose chairman is Senator Barrett to whom was referred LB 801 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File. That is signed by Senator Barrett.

Your committee on Banking, Commerce and Insurance whose chairman is Senator DeCamp reports LB 702 advanced to General File with committee amendments attached. Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 353 and find the same correctly engrossed; 417 correctly engrossed; 421 correctly engrossed; 465 correctly engrossed, all signed by Senator Kilgarin as Chair.

Mr. President, I have a report to the Legislature from the Lewis and Clark Natural Resource District regarding payment of attorney fees and I have an Attorney General's opinion addressed to Senator DeCamp regarding LB 284 passed last session. That will be inserted in the Journal. (See pages 502-504 of the Legislative Journal.)

SENATOR CLARK: We are ready for item #4, LB 255 by Senator Wagner. The Clerk will read.

SENATOR WAGNER: Mr. Speaker, members, this is the A bill that went with 255. It hadn't got on the floor when we moved 255 so it is just the A bill to it so I just move the advancement of it so it can catch up with the other bill on Select File.

SENATOR CLARK: Is there any discussion on 255A? If not, all those in favor vote aye, opposed vote nay. Senator VonMinden, did you want to say something?

SENATOR MARSH: I am very honored to present a group of visitors from the Ivory Coast from Africa whom I met in Washington, D.C., on Saturday and who I again met last evening at the airport. I am proud to present to the Legislature the Vice President of the National Assembly from the Ivory Coast, the Honorable Coulibaly, please raise your hand; the Secretary of the National Assembly the Honorable Koye; Administrative Controller and Deputy in the National Assembly, the Honorable Benie and Deputy in the National Assembly, the Honorable Mrs. Coffie. Their escort officer and interpreter is Scott Slaybecker from Washington, D.C., and Miss Betty Stuckenholtz is the programmer for their visit in Lincoln, Nebraska. I am very pleased to have them come to visit our legislative chamber since they serve in their National Assembly which is a Unicameral system.

SENATOR NICHOL: Thank you, Senator Marsh, and welcome ladies and gentlemen, to our assembly and those of you in the Legislature that would like to visit with them I'm sure they would appreciate it. We will go to LB 702.

CLERK: Mr. President, LB 702 offered by Senator Clark. (Read.) The bill was first read on January 8 of this year. It was referred to the Banking, Commerce and Insurance Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending by the Banking, Commerce and Insurance Committee.

SENATOR NICHOL: Senator Landis, are you going to take these committee amendments? Thank you.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, LB 702 was amended by the committee in order to accommodate a variety of demands. The committee was fully in agreement with Senator Clark that rate relief was necessary for small loan companies, they having suffered a recession and a closing of over fifty offices throughout the state in the past year. However, the form of that rate relief was the subject of some discussion, some negotiation and the committee amendments represent the result of that negotiation. If you will take a look at your bill books to the committee statement you can read along with what has been added. In essence the rate would be 24% of the first thousand dollars; 23% over one thousand dollars to twenty-five thousand dollars and of course over twenty-five thousand dollars the usury rate says that lenders and borrowers may negotiate for themselves. That is a significant change from what was originally in the bill. There is also a provision for the sunseting of that rate change in October of 1985. The rates will revert to what they are now which is a staggered series of rates, all

of which are 24% or lower. There are also provisions for a late fee, for a bad check fee and for points or origination payments of either up to 7% or \$500 whichever is less on a loan. I can tell you that having discussed this over the summer and with the representatives of the small loan industry, I support the amendments and, therefore, support the bill and I move their adoption at this time.

SENATOR NICHOL: Senator Hefner, did you wish to speak to the amendment?

SENATOR HEFNER: On the bill.

SENATOR NICHOL: The question is, shall we adopt the committee amendments. All those in favor vote aye, opposed nay.

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Have you all voted? Record, Mr. Clerk.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SENATOR NICHOL: The committee amendments are adopted. Senator Clark.

SENATOR CLARK: Thank you, Mr. President and members, this bill was brought to me by the small loan people and what is happening at the present time, I happen to be in the retail business. They are not now financing anything over a thousand dollars at the present time. The reason is that they lost \$2 million last year in the small loan business. As Senator Landis has told you we've lost between fifty and sixty of the small loan companies at the present time. I know that Beneficial Finance has six licenses right now. The Department of Banking is being held in abeyance waiting for this particular bill. If this bill does not go through, of course those licenses will be given up. All of the rest in the state will close up and you will have absolutely no availability of credit for those people that need the credit. Now I have been castigated for putting in a bill that would allow 23% interest. Let me assure you that I do not advocate anyone paying 23% interest for anything but for those people that need that avenue of credit that cannot get it from any other source, they should be allowed to have that credit for things they basically need. Otherwise, what do they do? They go to a small loan shark that may charge them 50 or 60% interest and never get out of debt, never, but that would be their only alternative if they do not go to a small loan company. I think you would have to know that small loan companies do not have

corps deposits such as bankers, such as savings and loans. No one deposits money with the small loan companies. They have to go out and get their money on the market like you or I would have to do. They have been paying up to 19% interest but they could only collect 16% interest over seven thousand dollars. Now you can readily see that you are not going to borrow money at 19 and put it out at 16% interest. They have lost \$2 million attempting that. Now anything over \$25 thousand dollars at the present time is a negotiable interest rate, whatever the borrower is willing to pay and whatever the lender is willing to loan it at. That is true today and banks, savings and loans or any other place including small loan companies, that is not the people that go to small loan companies. Small loan companies take those people that really have no other avenue of credit with a bank or anyone else. Now if they have a necessity to buy something they ought to have an avenue of credit and it should be up to the individual whether he wants to pay 23% or not, not up to a legislator. Now I am sure that Senator Burrows will say let's set this down at a rate that people can afford to pay. I would love to do that but it is an artificial rate, absolutely an artificial rate. Why don't you set it at 10%? Everyone would be happy except that you cannot get any money. You have to set it so that money is available, it is a commodity. You are going to have to set it so that these particular people will have some avenue of credit. Now if they can go to a bank and borrow it at 17% that is fine or 16%, wherever they can do it, but at the present time they cannot do it. I will be glad to answer any questions on the floor on this particular bill. I would move for the advancement of the bill.

SENATOR NICHOL: Senator Hefner.

SENATOR HEFNER: Mr. President, members of the body, I wholeheartedly support this bill that was introduced by Senator Clark and of course now it has been amended but this would boost the interest ceiling on loans made by loan companies and finance companies. I believe that the small loan companies in Nebraska need a little relief. They have had a very rough year. The consumer finance industry has lost a lot of money the past few years. I am told that they lost over \$2 million last year and of course from time to time there are cases in which individuals see benefits from making a purchase at a high interest rate and what are these? Sometimes they may want to settle other debts and so they need to go to a small loan company to get this money or maybe they want to buy some things that they are in dire need of and this happens occasionally. But really I feel that we need to let the citizens

in Nebraska make that decision themselves. If they want to pay a higher interest rate so they can get this money, well, fine, let's let them do it. A little earlier I passed out an editorial from a paper, from a daily paper up in my district and this paper is a very conservative paper. But anyway I would like to read just the last two paragraphs of this editorial. It goes on to say and they are talking about this bill, LB 702. "Making the new limits 24% on the first thousand dollars and 23% on higher amounts as the finance companies want will provide no windfall for these lenders. But it will allow them to offer credit to people who might otherwise be able to obtain none at all." They go on to say, "The fact that fifty finance companies closed their offices in Nebraska and the industry lost about \$2 million ought to influence the legislators to act and to act in a way that does not assume that politicians have the wisdom to dictate what borrowing is worth. They must act to ensure that there is credit for the higher risk customers without going to a private loan shark." And of course these loan sharks do charge excessive amounts of interest. This bill also has a sunset clause. The sunset clause says that it will go out of effect in 1985 and so at this time we will then review these rates and make adjustments if necessary. And so I would urge you to support this bill as amended and so that we can keep the small loan companies in Nebraska. We need them.

SENATOR NICHOL: Senator Newell.

SENATOR NEWELL: It is my understanding there is a kill motion on this.

SENATOR NICHOL: That is correct. Would you like to take that before you speak?

SENATOR NEWELL: Well if the bill is dead my speech won't make much purpose and if it is not dead it would make a lot more purpose. So why don't I just let you run that or let that be run and I will do my thing in a little bit.

SENATOR NICHOL: We were intending to do that after you spoke. Okay, Mr. Clerk.

CLERK: Mr. President, Senator Burrows would move to indefinitely postpone LB 702.

SENATOR NICHOL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, the bill that I have heard talked about doesn't resemble the bill that I read. It provides 24% on that first thousand, 23% plus 7% origination fee and that becomes 31% and 30%.

Really look at the bill. It is 24 and 23 plus 7 and that is 30 and 31% interest. Is playing usury making it legal collectible through the courts? And if this body thinks that people want higher interest rates with that sort of a jump you are doing no one a favor by going to 30 and 31% interest on these small loans. Sure some of the small loan companies have some problems but what about the problems with the people that are borrowing the thousand to seven thousand dollars at 30 and 31% in the future year that aren't going to be able to pull it back either? There is no answer by just raising interest rates again and again across the board in this body to solve our problems of credit. I think it is bad enough when you talk about loan sharks outside the law but what are we making? We're making the lender the legally collectible loans right up with what any loan sharks would ask for outside. There was an article in the Wall Street Journal about a week and a half ago that discussed the states that have taken off the usury rates. Some of them had gone to over 30% on automobile loans. It quoted one lady that had an automobile financed at 52%. The history of this state is such that it has shown some protection for people that were down and out and subject to whatever the lenders would lay on them. The philosophy of this bill is to turn it loose and legally collect any contract that can be worked on somebody that is really short of credit and really needs the money. I would urge this body to indefinitely postpone this bill and if they can't do that to at least amend it downward to where you are not making an impossible pay back situation for everyone that borrows money on a small loan from a small loan company. I think it is ridiculous that we have a measure like this before the body and please look at the bill. It is not 23 and 24% interest. It is 30 and 31% it allows with that 7% originated fee plus some other fees, plus striking language where you could hook in both husband and wife with the higher rates on the lower loans and turning it wide open for other games that can be played in the language that goes in this bill. It is taking away the total concept of consumer protection. I urge you to vote to indefinitely postpone LB 702 and let them come in with something reasonable if they want something reasonable in a future year. Thank you.

SENATOR NICHOL: Senator Cope. Ladies and gentlemen, what I am doing is getting your statements to whether you are speaking for or against it and alternating so that we will have a good mixture.

SENATOR COPE: Mr. President, members, I am against the kill motion. I would agree with Senator Burrows that people, if they are going to pay that amount of interest shouldn't be borrowing money. I think that is what he was saying and I

fully agree, but...and it is too much but if we don't have some sort of a legitimate place to borrow money, you know where they are going to go if they have to borrow or think they have to do to buy a car or whatever they are going, they are going to go to the loan shark, the hip pocket loaner and if they don't pay them, they could have a broken arm or a leg or something else which I guess is even worse. I still believe that the supply and demand for money is what sets the rates and when the demand is up the rates go up. When demand goes down the rates go down and that is what does the job. So let's let this bill move along, at least have a good chance at it and vote against the kill motion.

SENATOR NICHOL: Senator Newell.

SENATOR NEWELL: Mr. President and members of the Legislature, it is not often that I rise to oppose my good friend Senator Burrows on matters of interest rates and so forth but I am going to oppose him in regards to the kill motion on 702. The reason I am going to oppose Senator Burrows on the kill motion is very simply this, that I think that the kill motion at this time will basically do away with the small loan industry and I think that would be a tragedy worse than encouraging people to borrow money at these excessive interest rates. With the amendment that we have now we have a bill as Senator Burrows most accurately indicated has excessive interest rates. Not only does it allow 23% on most of the loan, 24% on the first thousand, but it also allows for points up to 7% and one saving grace is that there is a five hundred dollar limitation on that and that is some saving grace. But I think to kill this bill at this time would really mean that we are stopping people from making loans altogether and I think that has a poor public purpose. Senator Kahle and I were discussing the fact that we have a generation of people who are borrowing money at these excessive interest rates and that really is a mistake and I would encourage folks not to do that, that I don't think we can be irresponsible by killing this amendment allowing the industry to go dry or go under and, therefore, create this sort of situation. However, at the same time I am not really enamored with 702 even with the proposal that I think makes it much more palatable than when it was introduced. I have some concerns that the point requirement is going to encourage the industry to encourage people to make loans of around the five thousand dollar mark. If they come in to borrow two thousand dollars they are going to be encouraged to borrow five thousand because they are going to want to make those loans of five thousand where they make a bigger profit where they can get the 32% interest rate or right at 30% interest rate. And so with that in mind, that I intend to offer some amendments or at least considering

some amendments to kind of make that point situation a little more evenly spread out so there is no incentive to encourage people to borrow more money than they need and that in fact, we have some rational way of providing credit to those people who obviously so desperately need the credit if they are willing to pay these excessive interest rates. I urge the body not to vote for the kill motion but I don't think the bill is in the best possible form at this time.

SENATOR NICHOL: Senator Clark.

SENATOR CLARK: Mr. Chairman and members, I guess we're in philosophy as to whether you should borrow money or whether you shouldn't borrow money and as I stated originally I don't advocate anyone to borrow money at 23%. I happen to be a director of a bank and I would like to state that now so that you know I am not coming from the bank side of it. Senator Burrows, by his kill motion, would take away all of the credit available to people that need that avenue of credit today. That is the first thing. Right now it is 16½% prime interest. Farmers are paying 17 or 18% and I'll bet you Senator Burrows would be the first to say that no farmer can sustain that and I would be the first to agree with him if that is true. We have nothing to do with that. That is a national movement on credit on interest. We have nothing to do with it. Who could ever assume that we would be drawing 16.2% on CDs for thirty months but it is true. I could not by the stretch of my imagination assume that could be true but that also adds to the cost of money to the banks or savings and loans, whoever has that out. Now he would like to set an artificial rate lower. He is also talking about 31% interest rate. Read the bill. I'll grant you, read it. It says up to 7 points or five hundred dollars, whichever is cheaper in the first place. That is the first year of any sizeable loan of any kind. It is going to last three, four or five years. That is only the first year that that point is in there. Loan companies cannot stay in business unless this happens. Now if Senator Burrows or Senator Newell would like to see these go to the loan sharks you can do that by voting against the bill. I do not want to see people go to the loan sharks. I think it is absolutely terrible. You talk about 40, 50, 60, even 100% interest of those loan sharks and they are completely unregulated believe me. I don't even know them but they are out there and I am sure that they would probably like to have a kill motion on this bill so they could do a lot more business. You talk about trying to talk someone into more money. Any lender worth his salt is not going to try to talk someone into a higher amount of money than what he can afford. That would be absolutely asinine to do that. If a person wants a \$2 thousand loan when he comes in then

that is what he can afford. He certainly cannot afford a \$5 thousand loan and no one by the stretch of the imagination would want to loan someone \$5 thousand when he probably has shaky credit at \$2 thousand. So I would certainly urge you to vote against the kill motion to give people this avenue of credit that they are going to have to have if they have to have it. Now someone goes in and buys a boat which is for pleasure and pays that kind of interest, that should be up to the individual. I wouldn't advocate it. I'm sure you wouldn't advocate it. There is a lot of farmers that borrow money at 17% that I know of that should not be borrowing it either on new equipment that they really don't need but they are still borrowing it and that should be up to the individual to do that. I'd certainly advocate that you do not kill this bill under any condition because if you do you're going to kill the small loan industry in Nebraska and availability of credit. Thank you.

SENATOR NICHOL: Senator Goodrich.

SENATOR GOODRICH: Mr. President, members of the body, I rise in opposition to the kill motion and I would like to bring two points, one of which is the fact that I found myself in a position where I wanted to borrow some money. Frankly it was to buy a business and I was forced to pay 22% on that loan and that was a loan where I had \$2 worth of assets for every dollar I borrowed so it is a very secure loan and I was willing to pay 22% on it. Now, fortunately interest rates have started sliding down but I was just happy as heck to be able to get it at that price at the time I needed it. Couple that with the fact that this particular bill with the committee amendments adopted has a sunset clause in it which forces us to review in '85 and coupling that also with the fact that we can, if the rates come down, we can review this any year we want to to bring these rates down but I ask you not to kill the bill. Pass the bill, make the money available at least for the party that wants to go ahead and borrow the money. It is necessary that they at least have the opportunity. Without this bill they won't even have the opportunity. For that reason I ask you not to kill the bill but to advance it when the proper time comes.

SENATOR NICHOL: Senator Burrows, would you like to close, please.

SENATOR BURROWS: Mr. Speaker, members of the body, I think now it is at least clear to everyone that we are talking about 30 and 31% interest rates for the first year, at least on an annual loan and in a lot of cases this small loan concept originally wasn't for long term financing of seven or ten thousand dollars. This has

been changed the last couple of years in recent changes that we've made in the Small Loan Act. We're talking about in this small loan deal seven thousand dollars that five hundred dollar lid does not affect. That is four hundred and ninety dollars additional upstart money. So you're talking about 30 and 31% interest until you get beyond seven thousand dollars in that so-called small loan. I think ideas of small are really getting into the area of exaggerating terms because if you're buying a car, now this can be automobile finance at over 30% interest. I think people ought to look at it and maybe buy something that is a little less in the dollar amount rather than getting hooked on the 30% interest. As this interest goes up and we're setting the rates, the small loan companies are going to use them and the rates are going to be 30 and 31% for these loans. If they wouldn't want it they wouldn't ask for it. Now one of the things I think that hasn't been discussed. It has been discussed as if all the money the small loan company were loaning were margin money. Now I realize a lender has to get more than inflation rate to get it but we're talking 9 or 10% inflation rate and the money of the company itself, they are going to have margin of over 20% over inflation for net profit and gain. Please look at the angle of the individuals who own the small loan companies, the own money that is incorporated for such a greedy grab when you go up to 30 and 31% interest. I urge the body to indefinitely postpone it. I think the votes are probably there to carry it across, not the indefinite postponement motion but I think it has been lobbied heavy enough that it will probably make it. If you can't vote to indefinitely postpone it you might at least consider amending it down and get down a way and under this 30 and 31% interest but I urge you right now to indefinitely postpone it and let's take care of it and move on to some other business. Thank you.

SENATOR NICHOL: The question is, shall LB 702 be indefinitely postponed. All those in favor vote aye, opposed nay.

CLERK: Senator Nichol voting no.

SENATOR NICHOL: Have you all voted? Record, Mr. Clerk.

CLERK: 3 ayes, 27 nays, Mr. President, on the motion to indefinitely postpone.

SENATOR NICHOL: The motion failed.

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

February 22, 1982

LB 429, 599, 601, 610, 702,
732, 748, 765, 808, 809,
834, 854, 864, 869, 937, 959

SENATOR NICHOL: Senator Clark, did you wish to close, please?

SENATOR CLARK: Mr. President, I would move that the bill be advanced to E & R. I think that Senator Newell might have an amendment on for Select File. Is that right, Senator Newell? Alright, then I would move the bill be advanced.

SENATOR NICHOL: The question is, shall LB 702 be advanced. All those in favor vote aye, opposed no.

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Record, Mr. Clerk.

CLERK: 29 ayes, 2 nays, Mr. President, on the motion to advance the bill.

SENATOR NICHOL: The bill is advanced. I would like to announce that Senator Don Wesely has some guests under the North balcony, Brad Pennington, Marty Walters, John Ahrends, all from Robin Mickle Junior High School in Lincoln, Nebraska. Would you please welcome them to our Legislature. Mr. Clerk, do you have something you would like to say?

CLERK: Something I must say, Senator. Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 834 and recommend that same be placed on Select File and that is signed by Senator Kilgarin as Chair. (See page 804 of the Journal.)

Your committee on Business and Labor whose chairman is Senator Barrett reports LB 765 advanced to General File with committee amendments; 599 indefinitely postponed; 610 indefinitely postponed; 732 indefinitely postponed; 864 indefinitely postponed; 937 indefinitely postponed and 959 indefinitely postponed, all signed by Senator Barrett as Chair. (See pages 804-805 of the Legislative Journal.)

Your committee on Government, Military and Veterans Affairs reports LB 601 advanced to General File; 748 General File and 854 General File with committee amendments attached. Those are signed by Senator Kahle as Chair. (See page 805 of the Legislative Journal.)

Your committee on Miscellaneous Subjects reports LB 808 advanced to General File; 809 General File; 869 General File; 429 indefinitely postponed, all signed by Senator Hefner as Chair. (See page 805 of the Legislative Journal.)

February 24, 1982

LB 383, 547, 590, 598, 702,
736, 863, 892, 895

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Prayer by Reverend Bruce Currier of the Second Baptist Church, Lincoln.

REVEREND CURRIER: Prayer offered.

SPEAKER MARVEL: Roll call. Record your presence, please. Will you please check in so we can proceed with the business at hand? Okay, record.

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

SPEAKER MARVEL: Items in number 3.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 547 and recommend that same be placed on Select File with amendments, 383 Select File with amendments, 590 Select File with amendments, 598 Select File and 702 Select File with amendments, all signed by Senator Kilgarin. (See pages 825-826 of the Legislative Journal.)

Your committee on Education whose Chairman is Senator Koch reports LB 892 advanced to General File, 895 General File with committee amendments attached and LB 736 as indefinitely postponed. All signed by Senator Koch. (See pages 826-827 of the Legislative Journal.)

Your committee on Judiciary offers a report on a gubernatorial confirmation hearing, signed by Senator Nichol. (See pages 827-828 of the Legislative Journal.)

Senator Kremer and the Public Works Committee offers a gubernatorial appointment confirmation report. (See page 828 of the Legislative Journal.)

Your committee on Public Works gives notice of hearing for March 10, Mr. President.

I have a reference report from the Reference Committee referring LB 967 to the Public Works Committee.

I have an Attorney General's Opinion addressed to Senator Cullan regarding 863. (See pages 828-829 of the Legislative Journal.)

Senator Koch would like to be excused Thursday, February 25 and Monday, March 1.

February 25, 1982

LB 215, 304, 353, 408, 431,
608, 641, 653, 688, 702,
852, 873, 896, 938, 953, 969

if it readvances we will be done with the issue for the day. To reacquaint the members, this is where we allow... the District Court does not appeal the issue of whether or not it is the appropriate forum on child termination cases as described earlier in today's session.

SPEAKER MARVEL: The motion is to adopt the Landis amendment. All those in favor of that motion vote aye, opposed vote no. Record the vote.

CLERK: 39 ayes, 0 nays on the motion to adopt the amendment.

SPEAKER MARVEL: The motion is carried. The amendment is adopted. Okay, the motion is to readvance the bill to E & R for Engrossment. All in favor of that motion say aye. Opposed no. The motion is carried. The bill is readvanced. Senator Nichol has a meeting underneath the south balcony, and the Clerk has several items to read in- to the record.

CLERK: Mr. President, Senator Newell would like to print amendments to 702 in the Journal. (See pages 879 and 880 of the Journal.) Senator Beutler to print amendments to LB 852. (See pages 878 and 879 of the Journal.) Notice of hearing from Public Works for LB 969 set for Thursday, March 4. Your committee on Education whose Chairman is Senator Koch reports 653 advanced to General File with committee amendments attached; 688 General File with committee amendments attached; 896 General File with committee amendments attached; 938 General File with committee amendments attached, and 641 indefinitely postponed. (See pages 873. (See pages 873 and 874 of the Legislative Journal.) Your Enrolling Clerk has presented the bills passed on Final Reading this morning to the Governor. LB 608 offered by the Public Works Committee has been advanced to General File. Senator Chambers would like to print amendments to LB 408. (See pages 875 and 876 of the Journal.) The Ag and Environment Committee reports LB 953 advanced to General File with committee amendments attached. (See page 876 and 877 of the Journal.)

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign engrossed LB 304, re-engrossed LB 353, re-engrossed LB 431. This announcement from the Nebraska Livestock Feeders Luncheon at the Airport Inn. Transportation for those who have made reservations will be at the west entrance. Senator Marsh, do you want to adjourn us to

March 1, 1982

LB 577, 580, 627, 671,
680, 702, 803, 905.

CLERK: Mr. President, your Committee on Constitutional Revision and Recreation whose Chairman is Senator Labedz reports LB 577 advanced to General File, 671 General File, 803 General File, 580 indefinitely postponed, 627 indefinitely postponed, 680 indefinitely postponed and 905 indefinitely postponed, all signed by Senator Labedz.

Mr. President, with respect to 702 I have E & R amendments to the bill.

SPEAKER MARVEL: All those in favor of that motion say aye. Opposed no. The motion is carried, the E & R amendments are adopted.

CLERK: Mr. President, Senator Newell would now move to amend the bill and the amendment is on page 879 of the Legislative Journal.

SPEAKER MARVEL: Okay, Senator Newell.

SENATOR NEWELL: Yes. Mr. President and members of the body, when this bill was up on General File, I rose to speak against the kill motion and later voted against the advancement of the bill. One of my concerns at that time was that the way the interest rate was set up that there would be a tremendous incentive, an incentive to loan money to individuals under the provisions of this act to a higher extent than they may need or even request because there were certain incentives built in because of the point situation that it was more profitable to those who would loan the money if they loaned up to \$6000 or at least above the \$3000 provision. Presently the bill stands at a total finance charge of points being offered of up to \$500 in costs and 7 points. Now I talked to Senator Clark and Senator Clark and I discussed and basically came up with a proposal and this proposal is to make that a point situation to require it to be no more than 7 percent on the first \$2000 and 5 percent, 5 points on the remainder and leaving the total of \$500 in the provisions. Now I talked to the small loan industry and they agreed and basically that is what this bill does, except...this amendment does, except for the fact that it clarifies internal references which authorize or makes clear that small loan companies may charge the normal usury rate. In other words, they don't have to use this provision of the law, they can, in fact, charge lesser interest which is what I would hope they would do, but this allows them to have that free...that freedom to use the smaller interest or the provisions of the bill as it is presently being drawn with this amendment, which means that no more

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LB 702

than 7 points can be levied up to the first \$2000 and after that only 5. With this amendment...with this amendment I will be able to support LB 702. The industry has conceded to the proposal. I think Senator Clark is in agreement. I will let him speak to that. But with the amendment I will be supporting this legislation.

SPEAKER MARVEL: The Chair recognizes Senator Clark.

SENATOR CLARK: Mr. President and members, Senator Newell is absolutely right, we did talk this over and I will certainly be in agreement with the amendment. I would hope we just pass the amendment and advance the bill on and we can get on with something else.

SPEAKER MARVEL: The discussion before the House is the Newell amendment to the bill. Is there any further discussion? All those in favor of the adoption of the Newell amendment to the bill vote aye, opposed vote no. Have you all voted? Okay, record.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of Senator Newell's amendment.

SPEAKER MARVEL: The motion is carried. The amendment is adopted. The motion is to advance the bill. All those in favor of advancing the bill say aye. Opposed no. The motion is carried, the bill is advanced. Okay, we go down to the next section, LB 335.

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LB 378, 383, 702

correctly engrossed; 383 and 702 all correctly engrossed.

Mr. President, the next amendment I have to 378 was one from Senator Richard Peterson and I understand he wishes to withdraw.

PRESIDENT: Senator Peterson.

SENATOR R. PETERSON: Mr. Speaker, yes, I wish to withdraw that.

PRESIDENT: Alright, Senator Peterson wishes to withdraw. It is withdrawn, Senator Peterson.

CLERK: Mr. President, the next amendment I have is from Senator Wesely. It is Request #2696. You'll find it in your bill books, Request #2696.

PRESIDENT: Senator Wesely.

SENATOR WESELY: I'll withdraw that amendment at this time.

PRESIDENT: Alright, the amendment is withdrawn, Senator Wesely, thank you. The next amendment, Mr. Clerk.

CLERK: Mr. President, the next amendment I have is from Senator Cullan. (Read Cullan amendment as found on page 976 of the Legislative Journal.)

SENATOR CULLAN: Mr. President, members of the Legislature, this imposes a \$500 application fee. The fiscal analyst believes and I guess the Department of Health has made the assertion that LB 378 will require additional staff and there will be some expense required as a result of the review panel meeting more often, changing it from the advisory committee and then expanding it somewhat and so to defray any potential fiscal impact of LB 378 I impose this license fee. Irrespective of whether LB 378 has a fiscal impact or not and I personally believe that it does not because it is my opinion and I think I could demonstrate it very clearly that LB 378 will significantly reduce the cost to the state of certificate of need because the work load of the Department of Health is going to be cut. The number of applications they are going to process is going to be cut by approximately 40%. So I personally believe that there is no additional fiscal impact but irrespective of that I think it is a good idea for there to be some money raised as a result of application fees on certificate of need applications. This will certainly do away with any contention that there needs to be an A bill and it will provide some additional funds for the Department

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LB 383, 702

SENATOR NICHOL: Yes.

SENATOR HABERMAN: The amendment says strike "vehicle" and insert "disabled combination of vehicles". It also says "together with the wrecker or tow truck". Now am I to understand this takes out all of the other agricultural vehicles or this adds them in?

SENATOR NICHOL: No, it does not remove other vehicles. What we are talking about are the large wrecker removing a semi and semi tractor from a position of peril to a place of safekeeping, but it is not addressing farm vehicles at all or ordinary automobiles.

SENATOR HABERMAN: Then you are guaranteeing us or assuring us that it does not in any way affect the other things in the bill?

SENATOR NICHOL: That is correct. In all other cases, of course, they would not be any where near 95 feet in length.

SENATOR HABERMAN: Thank you, Senator Nichol.

SENATOR LAMB: Senator Nichol, do you have any closing? The motion is to adopt Senator Nichol's amendment. Those in favor vote aye, those opposed vote no. Have you all voted?

CLERK: Senator Lamb voting yes.

SENATOR LAMB: Record.

CLERK: 41 ayes, 0 nays, Mr. President, on the motion to adopt Senator Nichol's amendment.

SENATOR LAMB: Motion is carried. Senator Nichol.

SENATOR NICHOL: Mr. Chairman, I move for the advancement of LB 383 to Final Reading.

SENATOR LAMB: Motion is to advance the bill. All those in favor say aye, those opposed no. The bill is advanced. The next bill is LB 702. Please read the bill on Final Reading.

ASSISTANT CLERK: (Read LB 702 on Final Reading.)

SENATOR LAMB: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass with the emergency clause attached? All those in support vote aye, those opposed vote no.

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LB 702, 717

ASSISTANT CLERK: Senator Lamb voting yes.

SENATOR LAMB: Have you all voted? The Clerk will record.

ASSISTANT CLERK: (Record vote read. See pages 1184 and 1185, Legislative Journal.) The vote is 41 ayes, 5 nays, 2 excused and not voting, 1 present and not voting, Mr. President.

SENATOR LAMB: The bill is passed with the emergency clause attached. Please read LB 717 on Final Reading.

ASSISTANT CLERK: (Read LB 717 on Final Reading.)

SENATOR LAMB: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass with the emergency clause attached? All those in support vote aye, those opposed vote no.

ASSISTANT CLERK: Senator Lamb voting yes.

SENATOR LAMB: Have you all voted? Have you all voted? It requires 33 votes. Record.

ASSISTANT CLERK: (Record vote read. See page 1185, Legislative Journal.) The vote is 34 ayes, 11 nays, 2 excused and not voting, and 2 present and not voting, Mr. President.

March 18, 1982

LR 243
LB 202, 267, 449, 579, 606, 628, 630,
654, 662, 692, 702-703, 717-719,
728-729, 778, 801, 829, 852

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by LeRoy Hofker, Treasurer of Gideons International, the bible distribution society, from Lincoln, Nebraska.

LeROY HOFKER: (Prayer offered).

PRESIDENT: Roll call. Have you all registered your presence so we can get underway? Senators Wagner and Fowler, if you would go over there to the desk and push that button, we could get underway. Senator Higgins, if you will push that button, I will show you are here. Okay, have you all registered your presence? 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, LBs 267, 702, 717, 449, 579, 662, 718, 719, 728, 729, 778, 606, 630, 801, 703, 692, 654, and 829 are ready for your signature; as is LR 243.

PRESIDENT: While the Legislature is in session and capable of doing business, I propose to sign and I do sign LB 267, 702, 449, 579, 662, 718, 719, 728, 729, 778, 606, 630, 654, 692, 703, 801, and 829.

CLERK: Mr. President, Senator Wagner would like to print amendments to LB...I am sorry, Senator Wesely, to print amendments to LB 852.

And Senator Chambers would move to reconsider the vote to indefinitely postpone LB 202. That will be laid over.

PRESIDENT: Okay, so ordered. We are ready then for Final Reading. The Sergeant at Arms will secure the Chamber, all members will return to your desks, and all other people will leave the floor of the Legislature. We are ready for Final Reading. All right, Mr. Clerk, I guess we are all in place so let's proceed with the reading of LR 628 on Final Reading.

CLERK: (Reading of LB 628 on Final Reading.)

LB 69, 267, 359, 435, 449, 579, 606, 628,
630, 654, 662, 692, 702, 703, 717, 718,
719, 722, 728, 729, 778, 782, 801, 829

March 22, 1982

PRESIDENT: The amendment is adopted. We are going to stop now and recess until 1:30 and then we will come right back onto this bill. Senator Nichol, would you like to recess us until 1:30. We have one communication to read in.

CLERK: Mr. President, engrossed LBs 267, 359, 435, 449, 579, 606, 628, 630, 654, 662, 692, 702, 703, 717, 718, 719, 722, 728, 729, 778, 782, 801, 829 and 69 were signed by the Governor on March 19 and delivered to the Secretary of State.

SENATOR NICHOL: Mr. Chairman, I move we recess until 1:30 this afternoon.

SENATOR CLARK: You have heard the motion. All those in favor say aye. Opposed. We are recessed until 1:30.

Edited by:

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