

January 11, 1982

LB 753-763

EASE

PRESIDENT: The Chair recognizes Sergeant at Arms Ray Wilson.

SERGEANT AT ARMS WILSON: Mr. President, your committee now escorting his excellency the Governor of the Great State of Nebraska.

PRESIDENT: The committee will escort the Governor. The Governor of the State of Nebraska, Charles Thone.

GOVERNOR THONE: (Gave State of the State and budget address as found on pages 192-206 of the Legislative Journal.)

PRESIDENT: The committee will reescort the Governor out of the Chamber. The Speaker has recommended that we stand at ease for about ten minutes at this time. Then we will reassume our deliberation.

EASE

PRESIDENT: The Legislature will come back to order. The Clerk will read some matters into the record at this point.

CLERK: Mr. President, we've received some Attorney General's opinions, four to be exact. The first is from Attorney General's office addressed to Senator Haberman; the second addressed to Senator Beyer; a third addressed to Senator Haberman and a fourth to Senator Sieck. All four will be inserted in the Legislative Journal. (See pages 206-212 of the Legislative Journal.)

Mr. President, I have a report of registered lobbyists for the week of November 4 through January 8. (See pages 212-214 of the Legislative Journal.)

Mr. President, LR 201 is ready for your signature.

PRESIDENT: While the Legislature is in session and capable of doing business I propose to sign and I do sign LR 201.

CLERK: Mr. President, I have new bills. (Read by title for the first time LBs 753-763 as found on pages 214-217 of the Legislative Journal.)

PRESIDENT: We are ready to take up agenda item #6 which involves motions to suspend rules on some revisor bills and I am advised by the Clerk that there is one additional bill if you will add to your agenda, LB 592 after 664. Senator Lamb, are you going to make a motion to....

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LR 210
LB 239, 212, 585, 657, 662,
669, 729, 758, 448

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

SENATOR CLARK: Senator Kilgarin, do you wish to move the bill?

SENATOR KILGARIN: I move we advance LB 239.

SENATOR CLARK: The motion is to advance 239. All those in favor say aye, opposed. The bill is advanced. LB 410. We want to pass over that bill.

CLERK: Mr. President, if I may, right before we get to that, Senator Johnson would like to print amendments to LB 212 in the Legislative Journal.

I have a new resolution, Mr. President, LR 210. (Read. See page 482, Legislative Journal.) That will be laid over, Mr. President.

Mr. President, your committee on Government, Military and Veterans Affairs whose Chairman is Senator Kahle reports LB 585 indefinitely postpone; LB 662 advanced to General File; LB 729 advanced to General File, all signed by Senator Kahle, as Chairman.

Mr. Chairman, your committee on Appropriations whose Chairman is Senator Warner to whom we referred LB 657 instructs me to report the same back to the Legislature with the recommendation it be indefinitely postponed; 669 indefinitely postponed; and 758 indefinitely postponed, all signed by Senator Warner as Chairman.

SENATOR CLARK: LB 278. We will pass over 278. It has a Goodrich-Beutler amendment on it and they are both excused. We will go to 126. That has Beutler amendments on it. Go to 448.

CLERK: Mr. President, LB 448, there are E & R amendments pending.

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: I move the E & R amendments to LB 448.

SENATOR CLARK: You heard the motion. All those in favor say aye, opposed. The E & R amendments are adopted. Next amendment please.

CLERK: Mr. President, the next amendment is offered by Senator Warner. It is found on page 462 of the Journal.

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LR 211
LB 115A, 267, 758

SPEAKER MARVEL: The motion is carried. The amendment is adopted. The motion is to advance the bill. All those in favor of that motion vote aye, opposed vote no. Have you all voted? Have you all voted? Record.

CLERK: 25 ayes, 12 nays on the motion to advance the A bill, Mr. President.

SPEAKER MARVEL: The motion is carried. The A bill is advanced. The Clerk has some items to read in before we recess.

CLERK: Mr. President, Senator Fowler would move that LB 758 be placed on General File notwithstanding the action of the committee. That will be laid over.

Mr. President, Senator Richard Peterson would like to print amendments to LB 267 in the Legislative Journal. (See page 497 of the Journal).

Mr. President, new resolution, LR 211 by Senator Beutler and Senator Marsh. (Read LR 211 as found on page 497 of the Legislative Journal). That will be laid over, Mr. President.

SPEAKER MARVEL: Senator Von Minden, do you want to adjourn us until 9:00 tomorrow morning?

SENATOR VON MINDEN: Mr. Chairman, I move we adjourn until tomorrow morning at nine o'clock.

SPEAKER MARVEL: All those in favor of that motion say aye. Opposed no. The motion is carried. We are adjourned until nine o'clock tomorrow morning.

Edited by *L. M. Benischek*
L. M. Benischek

February 4, 1982

All Senators that are in their seats, please check in. Will you all check in or shall I call out the names? Senator Sieck, Senator Kremer. All right, they are all here. Do you want a roll call vote? The Clerk will call the roll. They are all here.

CLERK: (Roll call vote taken. See page 545, Legislative Journal.) 27 ayes, 20 nays, Mr. President.

SENATOR CLARK: The motion lost. The next motion is to place #758 on General File notwithstanding the action of the committee. Senator Fowler. The Clerk would like to read in and the Call is raised.

CLERK: Mr. President, your committee on Revenue whose Chairman is Senator Carsten instructs me to report LB 819 advanced to General File with the committee amendments attached. That is signed by Senator Carsten as Chair. (See page 546 of the Journal).

Mr. President, Banking, Commerce and Insurance gives notice of cancellation of hearing. Signed by Senator DeCamp.

Mr. President, Senator Wesely would like to withdraw LB 237. That will be laid over.

Senator Vickers would like to print amendments to LB 230 in the Legislative Journal. (See pages 546 and 547 of the Journal). Senator Kahle to print amendments to LB 703 in the Legislative Journal. (See pages 547 and 548 of the Journal). Senator Schmit to print amendments to LB 421 in the Journal. (See page 549 of the Journal).

Mr. President, new A bill, 590A by Senator Kilgarin. (Read title).

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 255A and recommend that same be placed on Select File; 440 Select File with amendments; 314 Select File with amendments; 131 Select File with amendments; 287 Select File with amendments; 649 Select File; 571 Select File; 598 Select File and 646 Select File. Those are all signed by Senator Kilgarin as Chair. (See pages 549 through 552 of the Legislative Journal).

Mr. President, Senator Fowler moves that LB 758 be placed on General File notwithstanding the actions of the Appropriations Committee.

SENATOR CLARK: Senator Fowler.

SENATOR FOWLER: Mr. President and members of the Legislature, I think it is always customary when you start this motion to indicate that this is the first time that you have ever done this. Well, I can't say necessarily it is the first time that I have tried to raise a bill from committee but it is the first time I have tried to raise a bill of the Governor's from a committee, of any Governor in the years that I have been in the Legislature. This is the bill that Governor Thone requested Senator Marvel to introduce with regards to loosening up our statutes with regards to allocating a certain amount of the gas tax for funding of public transit. Now a few years ago this Legislature decided that up to \$1 million of the gas tax could be set aside for the funding of transit programs, both urban and rural, the regular city buses, the senior handi buses that run in rural counties, and so on. The decision was made that a million dollars of the gas tax would be allocated to that up to a million. Well, since that time the new federalism has arrived and the transit programs that used to rely in part on federal funding are finding that those federal dollars are being phased out over the next three years. And so in a way this is the first test of the new federalism. Now this also is one of those times that they are cutting the federal funding but not providing us any revenue base to pick up the cost. So you see situations such as the City of Lincoln looking to raise its sales tax in part because of the federal cutbacks in the area of transit. You see fares being raised, the senior citizen dime ride being eliminated. You see a whole variety of efforts to somehow find the money to keep the transit programs going. I think that the Governor introduced this bill to allow flexibility in decision making recognizing the crisis in general funds that we'll be discussing over the next week and recognizing the reluctance to raise the sales and income tax. The Governor I think was looking for other revenue sources that might provide support for these programs recognizing the cutback. And so for this reason I believe Governor Thone had this bill introduced, and coincidentally I also had a bill introduced that did much the same thing. But recognizing the fact that the media has said the Governor controls this session and that whatever he wishes if he wishes it can happen, I felt it would be better to try and raise his bill than mine because nobody in the press has indicated that I have that much influence with my own legislation. I thought maybe if I tried it with the Governor's bill, I would have greater success.

The transit situation that we are going to be facing in the state because of the new federalism, because of the federal cutbacks, is major, and this is one area that I think Governor Thone is trying to be consistent with the new federalism by trying to provide new revenue sources to make up for these federal cutbacks. So I would urge you to join with Governor Thone and myself and bring this bill to the floor.

SENATOR CLARK: Senator Warner.

SENATOR WARNER: Mr. President and members of the Legislature, I would rise to oppose raising this bill. As has been pointed out, the subject matter has been indefinitely postponed in two different committees. They were substantially the same. The issue here as already has been pointed out is a dual one. It is whether the... where you want the impact for the support of a program to occur, the financial impact. And, secondly, whether or not you are going to look at pick up of lost federal funds. But the other overriding issue really is the one that was discussed a few days ago in this body where there was an effort to...or an interest in issuing \$4 million in bonds for highway construction, one time. As I indicated then, here in this bill you can preserve \$4 million for the construction of roads, not one time but every year from now on, and not only would you save the \$4 million but increasing each time, each year. The projected cost for mass transit submitted by this year's budgets would indicate that next year you could talk \$6½ million for the support of mass transit when you look at the lost federal funds. You rapidly are approaching nearly one cent of gas tax that would be used for mass transit and at the expense of the road construction not only of the state but the cities and the counties as well, and roughly half of that loss would be accrued back to each of those three subdivisions. So I would urge the body in view of the fact that two committees felt this was inappropriate that you do not raise the bill.

SENATOR CLARK: Senator Fowler, do you wish to close?

SENATOR FOWLER: Mr. President, some political observers have indicated to me that the Governor's state of the state address, the tax package, the revenue program is currently in a shambles, that there is really no interest or commitment on the part of the Legislature to implementing those proposals, that the revenue situation of the state is not in the situation of the Governor's proposal and are not going to be passed, and in fact that there maybe

is not real sincere interest to do so. And I think this vote may be the first test of that, that is, is there any sort of real cohesion or dedication to the effort to avoid a sales and income tax rate increase by passing a series of bills such as the cigarette tax increase, such as the corporate tax increase, such as the use of gas tax for mass transit? Now perhaps there are those who would just as soon have the Legislature raise the income tax and kill these other bills because a bill like this does offend certain special interest groups, the highway lobby in this case, the road construction people whose demand for funds has grown tremendously over the years perhaps with a little collusion between certain contractors. But at least there is an interest group out there that would oppose this bill. It seems to me that is a question that is facing us with this bill and several other bills and that is, is Governor Thone's package which is designed to provide revenue to the state by raising certain taxes and drawing on certain revenue that certain powerful interest groups oppose, is that the package this Legislature is going to adopt? Or, in fact, is this Legislature to become the agency to raise the sales and income tax on the average citizen in Nebraska? I guess I would say I was surprised that none of those who normally are considered loyalist and supporters of the Governor rose to support his bill in this case. I think it is a concept that is worth considering. I think we are going to be facing in this Legislature a major funding crisis in the area of public transit. The Omaha Metro Area Transit system is going to lose in the next three years 30 percent of its funding because it is going to lose completely all the federal funds. The Lincoln Transit system is in the same situation as are the Senior Handi-Buses in all the counties across the state. Several years ago this Legislature made a commitment to share the cost of public transit like we share the cost of road construction. And now we find ourselves in a situation....

SENATOR CLARK: You have one minute left.

SENATOR FOWLER:where the federal government in its partnership withdrew. The Governor and I are suggesting that this mechanism be allowed to provide funding sources other than the sales and income tax on individuals to help support this. In my view this is the first test of the Thone tax package. It is a signal to the Revenue Committee perhaps as to what sort of support the other proposals would gain. I would hope we would not be afraid of offending certain interest groups like th

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highway lobby, that we would open up this area so that the Legislature can decide to increase, if it wishes, the amount of gas tax for public transit. I would move to raise the bill.

SENATOR CLARK: Senator Fowler was closing. The question before the House is to put 758 on General File notwithstanding the action of the committee. It will take 30 votes. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting no.

SENATOR CLARK: Have you all voted? Once more, have you all voted? Record the vote. Record vote.

CLERK: (Read the record vote as found on pages 552 and 553 of the Legislative Journal). 9 ayes, 28 nays, Mr. President.

SENATOR CLARK: Motion lost. The next motion, to withdraw 211 by Newell.

CLERK: Mr. President, Senator Newell moves to withdraw LB 211 from consideration by the Legislature.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I rise to withdraw LB 211, a bill that deals with the general homestead. It would eliminate the general homestead. The reason I would like to withdraw this bill is actually threefold. First of all, the Appropriations Committee has introduced a bill which will do the same exact thing and apply that money to the general fund. I am opposed to that bill but I don't want to be misunderstood...I don't want my bill out there so people misunderstand exactly what is happening. My bill is a bill that was originally introduced on behalf of the Tax Commissioner, Mr. Herrington, who is now gone. It was to do away with the general homestead per his recommendations. The cost amounts, the idea was to reduce the cost of administration to that program. I have asked the new Tax Commissioner if the cost amounts were all that great. He, basically, doesn't think so. He thinks, however, that money could be better used for state purposes, a purpose that I totally disagree with. I think this money, this \$4.1 million is committed to property tax relief. My proposal would have left it as property tax relief, and since I don't any longer want to see this bill hang around so there is much confusion, I would urge this body to withdraw the bill.