

March 30, 1982

LR 277, 278
LB 408, 753, 755, 756, 761,
816, 933

why you shouldn't. Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I think what Senator Beutler is trying to get the Legislature to do is what a group of philosophers known as the School Men used to do. They were renowned for being able to split a philosophical hair between the North and the Northwest Side. Now when you find a subject which is related to another subject but you say they are different because they are found in different portions of the statute books, I think that is straining at a gnat while maybe at another point swallowing a camel. From my experience with traffic citations, I had to do research in the statutes and there is legislation dealing with citations found in Chapters 39 as well as Chapter 29. They overlap. They supplement each other. And if one provision were amended, then I am certain that the amendment could be made to apply to the other part also despite the fact that they are in different chapters. So I want that statement into the record and I will not make a formal challenge of the Chair because the Chair has ruled consistently on this point despite the fact that I disagree. I also learn, and I saw what happened yesterday, Mr. Chairman, so I will not make a formal challenge.

SENATOR CLARK: Senator Beutler. All right, we will go to the next amendment. The Clerk wants to read some things in first.

CLERK: Mr. President, if I may very quickly, your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 755 and find the same correctly engrossed; 756, 933, all correctly engrossed.

Senator Koch would like to print amendments to LB 761; and Senator Chambers to 761.

Mr. President, new resolutions, LR 277 (read). That will be laid over. LR 278 (read). (See pages 1489-1491, Legislative Journal.)

Mr. President, Senator Cullan would like to print amendments to LB 753.

And I have an Attorney General's opinion addressed to Senator Vickers regarding LB 816.

Mr. President, the next motion I have on LB 408 is a motion to indefinitely postpone the bill. That is offered by Senator Wesely.

SENATOR CLARK: Senator Wesely.

CLERK: Mr. President, 277 offered by Senator DeCamp and Koch found on page 1489.

SENATOR CLARK: Senator DeCamp.

SENATOR DeCAMP: Mr. President, members of the Legislature, this is kind of an important resolution that goes beyond honoring somebody. For many years in here this Legislature and authorities in Sarpy County and our state taxing authorities have haggled over the question of whether we had authority to tax business, personal property located on the Offutt Air Force Base. It used to be all personal property there, because all personal property was taxed. We are talking about more than a few millions of dollars of taxes. Every other state, every other base in the United States is able to tax this property. For whatever reasons, I'm not going into the whole complicated explanation, Nebraska Congressional delegation many years ago didn't take advantage of the opportunity to allow Nebraska to tax this, or so it was claimed. There were two other places other than Nebraska that were taxed, that were in the same situation, not taxing their personal property on these bases. One of those was New Mexico. Well New Mexico finally challenged some of the aspects of this. Took it to the U.S. Supreme Court ultimately and some time in April a decision was handed down and New Mexico won and they are going to be able to collect millions of dollars of taxes and back taxes. What the resolution says is hey, Exec Board, we think this is something pretty important, millions of dollars of tax money available for Sarpy County, for the school district quite frankly, which means you are saving all Nebraskans millions of dollars because we give special benefits to Sarpy County. I guess rightly we should because they need it. At the same time if we can properly get that portion of that from the business equipment, or property there we should be getting it. This resolution says, Executive Board, look into it. It says, Attorney General, go ahead and do what is necessary to enforce the laws of the state and see if we aren't entitled to this money, and it says, contact our congressional delegation if there is anything needed to be done there. It specifically says that the Executive Board and myself and Emil Beyer and George Fenger would work with the Exec Board on this because they happen to be in that area. I think the time has come when we should be collecting these taxes and I think we will be able to. I really believe it, particularly with this latest New Mexico decision. So, I would urge you to adopt the resolution. I think it is for the benefit of Sarpy County and I think it is to the benefit of all Nebraskans if we collect three, four, five million dollars in taxes we are not collecting now that we are entitled too, that every

other state is collecting in an identical situation, then that is three or four or five million dollars that the rest of the tax payers don't have to pick up. I urge you to adopt it.

SENATOR CLARK: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, Senator DeCamp, may I ask you a question, would you yield?

SENATOR DeCAMP: Yes.

SENATOR CHAMBERS: This would relate just to Offutt Air Force Base?

SENATOR DeCAMP: Well I think I specifically mentioned Offutt in there, yes.

SENATOR CHAMBERS: I mean it would include them.

SENATOR DeCAMP: Yes.

SENATOR CHAMBERS: Do you think during this time of unrest throughout the world it is patriotic for Nebraska to be talking about taxing federal military installations?

SENATOR DeCAMP: Okay, we are not talking federal military installations. Let me explain how this deal works. IBM might have, we are talking strictly private businesses. Not one penny of tax are we trying to assess against any government. IBM might have 25 million of computers that they have a contract, they have their own equipment there, they are using, they in any other state would be paying a personal property tax on that. In Nebraska if they were located any place other than Offutt they would be paying a personal property tax. But, by claiming that they are somehow under some loophole that every other state has closed up and now New Mexico, they are saying we don't have to pay on that.

SENATOR CHAMBERS: Senator DeCamp, Senator. . .

SENATOR DeCAMP: Strictly private property.

SENATOR CHAMBERS: Senator Howard Peterson and I don't have to worry about interfering with Mr. Haig's efforts to cool the heat between England and Argentina if we vote for this resolution?

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LR 277

SENATOR DeCAMP: No.

SENATOR CHAMBERS: Thank you.

SENATOR DeCAMP: I don't think we will get it done anyway.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Senator DeCamp, I know that you have done tremendous research in this area. We have dealt with this before, previously, can you enlighten this body as to what has been our success in the past in trying to put these properties on the tax roles or try to get the concessions or agreement by the federal government to allow these privately owned personal property to be placed on the tax roles. I think it would be helpful for the body and I think it would be helpful to me if you could enlighten us.

SENATOR DeCAMP: Yes I will, why not. Well it always seemed to get rolling good, everyone was enthused about it and then I would contact the Congressional delegation and the Congressional delegation would be fired up and the next thing I would know they would kind of call me and explain to me that we are working on this and if you come back next year we will talk about it. Well we would wait and nothing would happen. There are some awfully big people involved that simply don't want to be taxed and they would be taxed anywhere else in the state and I think the only way we are going to do it is if this Legislature forces the hand of somebody. You are not going to get the Congressional delegation to bite the bullet and anger the people on this. Now back in the old days, by the old days meaning a few years ago, it used to be kind of like a church. You remember if you went into a church you had some sanctuary, supposedly if the enemy was chasing you, what used to occur on Offutt, and we checked out enough to kind of prove it, was lets say a big construction company, lets say, that had a lot of equipment, expensive like blazers and well people that build highways and things like that, lets assume, because all property is taxed as of one January, right? Whatever is located in a place on one January, well what kind of would happen is maybe you would have a contract out at Offutt Air Force Base, for example and several million dollars of equipment would be moved on to the base, lets say from Coowitty Construction Company or just whatever name you wanted to make up, almost, and then that property because it was physically located on the base, on that one day of the year supposedly for a contract wouldn't pay any personal property so it became, it even became, and it has pretty well been shown that through various studies done over the years a haven to even take equipment and hide it. I think it is

time to treat it the way every other base in the United States is treated and I'm not trying to hurt the base, quite contrary, it is the individual contractors there. IBM has a huge amount, telephone companies do and so on.

SENATOR NEWELL: Senator, I understand the history, what has been the response from our Congressional delegation? What has been the response from the Attorney General? Have we had some oversight, have we had legislative oversight? Have we in fact found out what our difficulties are why we can't receive this sort of acceptance by the federal government?

SENATOR DeCAMP: No, we haven't. That is why I want to finish it up, kept running into that dead end.

SENATOR NEWELL: Will this resolution do it or should we in fact have a . . .

SENATOR DeCAMP: I think it will because it takes a little different approach. Instead of just asking questions, which we have done in the past, it says, hey we think we know the answers, now we want to do something. We want our Attorney General to do something. We want our Congressional delegation to specifically do something. We want the Executive Board and those members to have legislative oversight to make sure somebody finally does something.

SENATOR NEWELL: Okay, very good. Thank you, Senator DeCamp. I want to say very quickly that I support the DeCamp resolution. Thank you.

SENATOR CLARK: Senator Koch.

SENATOR KOCH: Thank you, Mr. Chairman and members of the body. This resolution does have considerable meaning. I think the precedent has been established with the New Mexico case because that has effected the Los Alamos area. At one time when we were so desirous of bringing Strategic Air Command in Nebraska, our delegation gave up exclusive jurisdiction of that military reservation. At one time there was a one shot tax of that kind of property. As I recall that was about ten years ago. It did indeed reap a considerable amount of tax relief to the various subdivisions of Sarpy County. So therefore with the advent of the New Mexico - United States case I think it is appropriate for us to ask the Attorney General and our Congressional delegation to look very carefully at this case and see whether or not it is not applicable to the situation at Offutt. You are familiar with state aid and you all know that everytime we talk about state aid many

of you think that Bellevue is getting an unfair share. That is due to the fact that they receive no tax dollars from that military reservation. But, they are expected to educate 70% of their student body, approximately, based upon the funds they receive under PL874, which are federal dollars and if you have been watching that lately you will know that Bellevue could possibly lose up to four million dollars next year unless some changes are made in how that money is awarded. If that happens to Bellevue it will be a severe blow. So I think this resolution is appropriate and especially in view of the fact the case that was just brought down March 24th from the New Mexico situation. I would hope that this body would unanimously support the resolution and its intent.

SENATOR CLARK: Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, I would rise to support the resolution. I know it is a serious one but Betty wrote stories about it in the 50's and I voted in the 60's and the 70's on similar resolutions I would hate to have the decade of the 80's go by without having voted on it one more time. Maybe this time it will work because persistence sometimes eventually wins. It has merit and I would hope that the body would adopt it.

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

SENATOR DeCAMP: Mr. President, I do. In all the other resolutions I always kept asking questions and kind of taking the nice approach as if something would happen because everybody kept telling me, yes, that is a serious problem, we will sure look into it. Now for whatever reasons our Congressional delegation has pretty well decided that this is too big a something to be biting on, and they got, they have got their reasons for not dealing with it even my good friend Frank Lewis was going to help me in it until he went to a party one night at Offutt and came back with a different attitude. This time I am determined to get this done. Now why am I determined to get it done? Why I figure IBM can pay their personal property taxes a hell of a lot better than I can and we all know my problem. But, if we don't even make them pay, don't even attempt to collect when every other state is doing it then we have got something wrong. Now the original excuse was that well we can't because to reveal this information of what this property is would jeopardize the security of the United States. Well that worked until we found out that Oak Ridge, Tennessee, all the . . . Los Alamos and every place else is able to get the taxes. All they have to do is the same as

Cal or me or anyone else, you file, the company files a value of their equipment. Now even if they lied a whole bunch there is a whole bunch of dollars that would be collected. It said in the front page of the Omaha World Herald a couple of years ago when operation looking glass was brought in that a 150 million dollars of new private equipment, business equipment to support that was brought in. That one item alone, lets say at 1½ to 2½% on that 150 million would be three to five million dollars of taxes every year. So, I think it is time to force the issue. This directs the Attorney General to start doing something. It directs our congressional delegation to do something and it says, Executive Board, you are going to have the oversight to go ahead and do this and to make sure she happens. It is proper and fair that we should be getting this money instead of everybody in the State of Nebraska paying for it. It is an important resolution. I really hope that you will support it.

SENATOR CLARK: The motion is the adoption of the resolution. All those in favor vote aye, opposed vote nay.

ASSISTANT CLERK: Senator Clark voting yes.

SENATOR CLARK: Record.

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

SENATOR CLARK: The resolution is adopted. LB 278 or LR 278.

CLERK: Mr. President, 278 is offered by Senator Sieck and Vickers and Landis and it is on page 1491.

SENATOR CLARK: Senator Sieck.

SENATOR SIECK: Senator Clark and members of the Legislature, when you and many of us came to this country or our forefathers came here it was all virgin prairie. It was something to behold by the eye, the amount of grass that covered these plains. It is a very rich land and it is still rich but it was because of the prairie that was here at that time. Now today these prairie lands are virtually nonexistent in the State of Nebraska. But the few that are remaining can teach us a great deal about the heritage, where we have come from. Professors not only from Nebraska but from across the nation have studied parcels of land such as the nine mile prairie west of Lincoln to learn

LR 212, 266, 268, 269, 272, 274, 277,
278, 287, 292, 293, 295, 298, 304,
313, 316, 331, 359, 380, 388, 389
LB 278, 378, 378A, 480, 568, 602A,
604, 629, 629A, 669A, 688, 693, 708, 760,
835, 909, 967, 522, 212, 212A, 255, 255A

April 16, 1982

RECESS

PRESIDENT LUEDTKI PRESIDING

PRESIDENT: Has everybody recorded your presence?
Record the presence, Mr. Clerk.

CLERK: Quorum present, Mr. President. Mr. President, I have a reference report from the Executive Board referring a gubernatorial appointment. (Page 1971 of the Legislative Journal.)

Mr. President, new resolutions. LR 388 offered by Senators Cullan and Newell. (Read LR 388 as found on pages 1973 and 1974 of the Legislative Journal.) Mr. President, 389 offered by Senator Wesely. (Read LR 389 as found on page 1974 of the Legislative Journal.)

Mr. President, I have an Attorney General's Opinion addressed to Senator Koch. That will be inserted in the Journal. (See pages 1974 through 1976 of the Legislative Journal regarding LB 602A.) That is on LB....Bingo, that is right, senator.

Mr. President, I have a message from the Governor addressed to the Legislature. (Read message. Pages 1976-77 of the Journal regarding LB 669A.)

Mr. President, two other communications from the Governor addressed to the Clerk. (Read communications regarding LBs 278, 378, 378A, 480, 568, 604, 629, 629A, 688, 693, 708, 760, 835, 909, 967. Page 1977 of the Journal.) A second letter to the Clerk, Mr. President. (Read letter regarding LBs 609, 609A, 669, 714, 714A, 854, 854A. Page 177 of the Journal.)

Mr. President, I have a gubernatorial appointment of Mr. Robert Borgmann to the Motor Vehicle Industry Licensing Board. (See page 1978 of the Journal.)

Mr. President, the bills that we have read on Final Reading this morning are now ready for your signature as well as the resolutions that were passed Wednesday of this week by the Legislature.

PRESIDENT: While the Legislature is in session and capable of transacting business I propose to sign and I do sign LR 212, LR 266 and LR 268, 269, 272, 274, 277, 278, 287, 292, 293, 295, 298, 304, 313, 316, 331, 359, and 380. And the LBs are engrossed legislative bills 522, 212, 212A, 255, and 255A. Okay, as I understand it we