

January 14, 1981

LB 176-184

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I feel guilty about offering this amendment, and it won't offend me at all if you reject it. In the most serious setting there should be a bit of humor to show that human beings are involved and not mere automatons. The sentence now says, "those individuals and groups not included, introduced, may be inserted in the Journal by request", and since the Journal is composed of pages it would be difficult to insert an individual let alone a group in the Journal. So my amendment was to say "recognition of those individuals and groups" could be inserted in the Journal, or the word could be "acknowledgement" whichever seems more appropriate, but maybe I ought to just leave this like it is, so I ask unanimous consent to withdraw this amendment.

SPEAKER MARVEL: Senator Newell, your light is on. Hearing no objection, so ordered. Senator Beutler, do you have an amendment?

SENATOR BEUTLER: I am sorry, I have lost track here. Senator Chambers had one more amendment, or....

SPEAKER MARVEL: No, it has been completed.

SENATOR BEUTLER: Yes, I think I do have three amendments that are being reproduced right now but I did notify Pat that they were filed.

SPEAKER MARVEL: Are the amendments ready to be processed?

SENATOR BEUTLER: Yes, they are.

SPEAKER MARVEL: Okay, the Clerk is going to read some bills while we are waiting for the next item.

CLERK: Mr. President, the committee on Urban Affairs gives notice of public hearing for January 28. (See page 170 of the Legislative Journal.)

Mr. President, new bills: LB 176 (Read title). LB 177 (Title read). LB 178 (Title read). LB 179 (Title read). LB 180 (Title read). LB 181 (Title read). LB 182 (Title read). LB 183 (Title read). LB 184 (Title read). (See pages 170 through 173 of the Legislative Journal.)

Mr. President, Senators Wiitala, Pirsch and Labedz and Kilgarin ask to be added as co-introducers to LB 61.

SENATOR CLARK PRESIDING

SENATOR NICHOL: I believe and I'm not going to say this for sure, but I believe they can, as a last result if they have no foster home to take care of them,, if it is in the middle of the night, for a short period of time.

SPEAKER MARVEL: You have one minute.

SENATOR SCHMIT: As nearly as I can determine the bill does not allow for the detention in any manner, does not provide the county judge with any matter in which he can detain a juvenile under fourteen regardless of the crime, because he can not put him in jail and there is no language in the statute that provides for that detention. So, I think we need to take a look at that. I think that we also need to review very carefully the impact upon the counties. We are going to be right back in the same old ball park again. I know in our small county we have had thousands of dollars spent on court appointed attorneys. I think that we are opening the thing wide up, I think that we are going to find the counties screaming and hollering in here a year from now the fact that....the particularly dangerous part about this, and I guess I am concerned because this morning there were so many people concerned they did not fully understand LB 11. I'll buy the treats for anyone who understands LB 346 and give you change in spades. I can guarantee you that when you have a year's delay in the enactment of a bill as comprehensive as this the chickens are going to come home to roost and they are going to be crows. I would hope that we take a long look at this bill. It is not exactly as inconsequential I'm afraid, Senator, as some people think it might be.

SPEAKER MARVEL: Senator Nichol, do you want to advance the bill?

SENATOR NICHOL: Yes, Mr. Chairman, I move for the advancement of the bill.

SPEAKER MARVEL: All those in favor of advancing the bill vote aye, opposed ote no. Have you all voted? Record.

CLERK: 25 ayes, 1 nay on the motion to advance LB 346  
Mr. President.

SPEAKER MARVEL: Motion is carried, the bill is advanced.

CLERK: Mr. President, if I may while we are waiting, the Committee on Agriculture and Environment reports LB 184 to General File with amendments.

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LB 11, 40, 184, 248,  
334, 334A, 346, 379,  
392, 463, 479

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The opening prayer this morning will be given by Dr. Al J. Norden, Pastor at the University Lutheran Chapel, 15th and Q Streets since 1951.

DR. AL J. NORDEN: (Prayer offered.)

SPEAKER MARVEL: Please record your presence.

CLERK: Mr. President, Senators DeCamp and Beyer would like to be excused for the day; Senators Hoagland, Wesely, Wiitala and Cullan until they arrive.

SPEAKER MARVEL: Have you all recorded your presence? We still need a vote. Record.

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

SPEAKER MARVEL: Do you have anything under item #3.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports that they have examined and reviewed LB 11 and recommend that same be placed on Select File with amendments; 346 Select file with amendments; 334 Select File; 334A Select File; 248 Select File with amendments; 463 Select File with amendments. All signed by Senator Kilgarin as Chair.

Mr. President, an Attorney General's opinion addressed to Senator Richard Peterson regarding LB 184. That will be inserted in the Journal. (See pages 1476 and 1477.)

I have a report from the Department of Administrative Services to do with communications. That will be on file in my office, Mr. President.

And, Mr. President, LBs 40, 379, 392, and 479 are ready for your signature.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign LB 40, LB 379, LB 392, LB 479. We are now ready for item #4, Final Reading. Will all legislators please take their seats, unauthorized personnel please leave the floor? We cannot proceed until all legislators are in their seats. We are still waiting for all legislators to leave your group and go to your seat so we can proceed with Final Reading. Will the whip in the back of the room please

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LB 13, 184, 241, 242,  
284A, 298, 477, 478, 486

Reading? Those in favor vote aye, opposed vote no.  
Have you all voted? Have you all voted? Record the vote.

ASSISTANT CLERK: (Read the record vote as found on page 1607 of the Legislative Journal.) The vote is 41 ayes, 11 nays, 2 excused and not voting and 2 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. The Clerk will now read on Final Reading LB 249.

ASSISTANT CLERK: (Read LB 249 on Final Reading.)

SPEAKER MARVEL: All provisions of law having been complied with, the question is, shall the bill pass? Those in favor vote aye, opposed vote no. LB 249 on Final Reading. Have you all voted? Record the vote.

ASSISTANT CLERK: (Read the record vote as found on page 1608 of the Legislative Journal.) The vote is 33 ayes, 11 nays, 2 excused and not voting, 3 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. There has been a request to lay over LB 477. Senator Pirsch, do you have any comments you want to make?

SENATOR PIRSCH: Thank you, Mr. Speaker, I do ask that we lay over 477. I have been informed that it does require an A bill, although it is not over the \$50,000 that I thought was necessary to require an A bill. So I will get that in the works immediately and ask you to indulge the lay-over of this bill at the present time.

SPEAKER MARVEL: Hearing no objection, we will pass over the bill. Okay, the Clerk has some items to read in and then we will go to Select File.

CLERK: Mr. President, Senator Carsten would like to print amendments to LB 284A. (See page 1609 of the Legislative Journal.)

Mr. President, your Enrolling Clerk has presented to the Governor for his approval LB 486, 478, 298 and 241.

Mr. President, Miscellaneous Subjects will have a meeting at twelve noon in Room 2102.

Mr. President, Senator Burrows would like to print amendments to LB 184. (See page 1609 of the Legislative Journal.)

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LR 87, 88  
LB 184, 318

SENATOR CLARK: The bill is advanced. LB 184.

CLERK: Mr. President, if I may right before that, the Committee on Miscellaneous Subjects gives notice of public hearing for Tuesday, May 12th. Senator DeCamp would like to print amendments to LB 318 in the Journal. (See pages 1763 and 1764 of the Legislative Journal.) Two new resolutions, LR 87, offered by the Public Works Committee. (Read LR 87 as found on pages 1764 and 1765 of the Legislative Journal.) LR 88 by Senators Marsh and Koch. (Read LR 88 as found on pages 1765 and 1766 of the Legislative Journal.) Both will be referred to the Executive Board, Mr. President.

Mr. President, with respect to LB 184, the bill was originally introduced by Senator Burrows of the 30th District. (Read title.) The bill was read on January 14 of this year. It was referred to the Ag and Environment Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending by the Ag and Environment Committee.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Schmit, do you wish to speak to the committee amendments?

SENATOR SCHMIT: Yes, I do, Mr. President. Mr. President and members of the Legislature, LB 184 is a bill which was introduced by Senator Burrows. It is a bill which is similar to a bill which he has introduced in previous years. The bill has been a question of the Attorney General's Opinion as to its constitutionality and because of that the committee was reluctant to advance the bill to the floor. However, we did feel that there might be some merit in trying to approach the problem that was outlined by some of the recent large scale development in the Sandhills of property that had been purchased and in which an equity position by an insurance company is the primary interest. Therefore, we did adopt committee amendments to that effect. Since that time there has been some concern by Senator Burrows that he would prefer to go with the original bill and at this time I would like to ask Senator Burrows to speak to the committee amendments and after that I will offer a motion.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman and members of the body,

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I would oppose the committee amendments since the committee amendments simply narrow this bill to only insurance companies. I feel if we are going to speak to the issue we ought to take all the major corporations and address this as this is the intent of the originally introduced bill. I have had communications with the Attorney General's offices from Iowa, Oklahoma and Missouri and they all have the same or extremely similar constitutional language and aggressively feel they can defend this type of legislation. The legislation in those states that is passed and in effect is very similar of nature and in no case have we had a court case in any state of those that have passed corporate farm bills where it has been struck down by the Supreme Court. The states of North Dakota, South Dakota, Minnesota, Michigan, Iowa, Missouri, Kansas and Oklahoma all have corporate farm bills and all those that have been tested have been upheld. So I think it would be a grave mistake, most of these have very similar constitutional language if not the same, to be concerned on constitutionality and not proceed with the original bill. Thank you.

SPEAKER MARVEL: Now, Senator Schmit. Senator Schmit, do you wish to speak to the committee amendments?

SENATOR SCHMIT: Mr. President, in deference to Senator Burrows' request I am going to move that the committee amendments be adopted and then I hope you are listening carefully, I ask that you vote against the adoption. So, Senator Burrows, it's his bill and he has full knowledge of what is being done here. I have discussed this with him. I respect his point of view. I have disagreed with him from time to time on the issue but I respect what he is trying to do. So I would move for the adoption and I ask that you vote against adoption of the committee amendments.

SPEAKER MARVEL: Okay, the motion is the adoption of the committee amendments as stated by Senator Schmit. All those in favor of the committee amendments vote aye, opposed vote no. Senator Burrows.

CLERK: 3 ayes, 24 nays, Mr. President, on adoption of the committee amendments.

SPEAKER MARVEL: The motion failed. Senator Burrows, do you wish to explain the bill?

SENATOR BURROWS: There are amendments pending on page 1609 of the Journal.

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CLERK: Mr. President, Senator Burrows moves to amend his bill by offering amendments found on page 1609 of the Journal.

SENATOR BURROWS: The following amendments are passed out on your desk or you can find on 1609 in the Journal. These amendments were originally agreed before the basic committee amendments that replaced the bill with the section we just rejected. The first of the three...and I would like to take the three together, they are for basics I feel technical amendments. One is, strikes "incorporated through Nebraska" on page 5 and simply broadens the grandfather clause. Looking it over, the grandfather clause apparently wasn't as broad as the definition and this was agreed to that we wanted a grandfather clause that did not disrupt what was presently owned by corporations in the state. On page 6 in number 2, line 10 after the period insert "irrigation development shall be considered a farming purpose". Our staff talked to the Attorney General's office of another state and on this particular one they felt there might possibly be an out in irrigation development which is one of the main purposes of the bill to stop large corporations from coming in...outside corporation, to the state and developing Sandhills land for irrigation. Number three was an amendment which allows certain restrictive nonprofit corporations to be exempt from the act, and this was primarily instigated for the Platte River Whooping Crane Trust and we have worked for approximately seven years to technically work this bill into the State of Nebraska without serious disruptions on what has happened or things that were not intents as to the large corporate invasion and potential of agriculture. I move you adopt the following amendments which were already agreed by the committee as being reasonable amendments to make a very workable bill.

SPEAKER MARVEL: The Chair recognizes Senator Rumery.

SENATOR RUMERY: Thank you, Mr. President, and members, a question of Senator Burrows, please.

SENATOR BURROWS: Certainly.

SENATOR RUMERY: Senator, what farm groups or ranch groups want this bill?

SENATOR BURROWS: The Farmers Union, the National Farmers Organization, the WIFE group, the American Agriculture people and their movement, all have been and still are I believe strong supporters of it, and I believe many of the Grange personnel.

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SENATOR RUMERY: I didn't notice you mention the Stockgrowers and the Cattlefeeders...or the Cattlefeeders and Breeders Association, and the other cattlefeeders, are any of them supporting it at all?

SENATOR BURROWS: The only farm group which testified at the hearing in opposition was the Livestock Feeders. The other organizations which have historically opposed the bill, some of them, I think have decided and they evidently decided not to come in and oppose it at the hearing this year because there has been a great deal of interest out in the Sandhills area, this year specifically, in stopping some of this large scale irrigation development, specifically center-pivot development on large scale. And I think some of the membership well realize that stopping large scale development by outside investment will probably be the most practical approach by going at it through the corporate ownership system.

SENATOR RUMERY: Did I understand you to say that you had consulted the Attorney General on this?

SENATOR BURROWS: I did not consult the Attorney General. There was an opinion written which questions the constitutionality of this bill by the Nebraska Attorney General's office. However, we consulted with Iowa, Missouri and Oklahoma Attorney Generals' offices and they have the same or very nearly identical language in their Constitution as was referred to by the Nebraska Attorney General's office. These Attorney Generals feel that they can strongly defend it. They proceeded, and in Iowa when Jimmy Dean came in, they have so far prevented the outside investment by large corporations coming into their state, and they feel they can strongly defend it under the Constitutions as exist and could here.

SENATOR RUMERY: Thank you.

SPEAKER MARVEL: Senator Vickers, do you wish to speak to the motion?

SENATOR VICKERS: Mr. Chairman and members, I would like to ask Senator Burrows a question if he would respond, please.

SENATOR BURROWS: Certainly.

SENATOR VICKERS: Senator Burrows, on your amendment, number one, could you explain again why you are striking the language, "incorporated under the laws of the State



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of Nebraska"? I missed that a while ago.

SENATOR BURROWS: Okay. This is a part of the grandfather clause. Now one organization came in as we promised when we intended with the bill that the grandfather clause be complete, and the wording "incorporated under the State of Nebraska" narrowed the definition under the grandfather clause somewhat beyond the definition of corporations otherwise. And as I had expressed intent that the grandfather clause be complete by striking incorporated under the State of Nebraska, in fact, the one circumstance there was a corporation that was not incorporated through a limited partnership and I wanted to broaden it to make it a broad grandfather clause just as the bill is referred to.

SENATOR VICKERS: In other words, it won't affect any of the corporations that are out there involved in agricultural farming right now?

SENATOR BURROWS: No, this is our intent that we do affect what presently exists, that they are all grandfathered and striking that language broadens it rather than narrows it.

SENATOR VICKERS: Okay, thank you very much, Senator Burrows. Thank you, Mr. President.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker and members of the body, Senator Burrows has proposed this type of legislation in previous years. My position has generally been in opposition. My position in all due respect to Senator Burrows has not changed. Frequently we read in the papers where a large corporation comes into Nebraska and purchases land, and we also read in the papers where domestic individuals get together to form a corporation and purchase land and develop the land under law which is absolutely legal. Now when you get into the business of trying to prevent the flow of free enterprise, then you get into some very difficult areas of equity and fairness, and I submit to you that America for years is founded upon the principle of free enterprise until such time as you get into the business of being monopolistic and you are interfering with the free flow and fairness to individuals engaged in the same kinds of activities. Now as much as I don't necessarily support the fact that Prudential came into Nebraska and bought up two ranches, the point is, and I want this to be very

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clear for the record, that there was a willing seller and a willing buyer, and for us to artificially engage in how we are going to limit, or delimit the rights and privileges of an individual's land or his home or his business, whatever it might be, then you are treading on some very difficult positions statutorily and in other ways. I would hope that these kinds of endeavors would not become the common practice in Nebraska. But by the same token, I don't believe this Legislature should start jumping through hoops simply because there was this type of a willing seller and willing buyer in a certain part of the State of Nebraska. A few years ago, you might remember, a rather large corporation came into the area, I think it was around Scottsbluff and Senator Nichol can change me if I am wrong, where they started a rather large feeding operation. Well, that feeding operation didn't last very long because they found out that unless you are attending to business personally you can have all the good hired help you want, but it may not always be profitable in that endeavor. And you might get some write off for a while but in the end it's not going to be profitable at all either. And so I would caution this body today to get overzealous in their efforts to place restrictions upon corporations whether they be insurance companies or who they might be in terms of purchasing land for certain kinds of uses, whether it be agribusiness, whether it be the commercial or industrial business or whatever it might be. I would remind you also, we don't find many corner grocery stores any more. We find a few Kwik Shops, but we primarily go to do our business in the large supermarkets owned primarily in the area in which I live by two or three large corporations, and so you can use that analogy that if you want to start controlling the free enterprise system, where are you going to start and where are you going to end? And to me that is a difficult question. Certainly there are some people who have purchased some land that possibly should have remained in its original utilization whether it's grazing pasture or whatever it might have been. And certainly there have been some who have developed this land and put center-pivots on it, but the point is, where are you going to draw the line as to who can and who cannot, and where are you going to draw the line when you start infringing upon the rights of individuals to carry out a legal business and to do with their property what they want to do as long as they live within the law both that that we normally have adhered to and that which the Constitution guarantees to you as a citizen the right to use your private property as you see fit, and I have always

thought that was almost a Constitutional right until such time as you are infringing upon somebody else's rights, I believe we are treading on thin ice. Therefore, I would oppose any amendment that may be offered to try to make LB 184 look like it might be fair to someone doing business whether domestic or foreign. Now when it gets to foreign, you are talking about petro dollars, you are talking about other kinds of dollars outside the continental limits of the United States, that is another subject, and that's been on the books in this state since 1903, and it's been reported. But because a few people have exercised the right to free enterprise, willing buyer, willing seller, I think it is rather a folly on our part when you try to define it, what is a willing seller and where is the willing buyer, and we are going to put some restrictions which I think are artificial, unfair and go against everything we believed in for years. I oppose these amendments and I oppose.....(microphone not on).

SPEAKER MARVEL: Senator Sieck, do you wish to speak to the Burrows amendment?

SENATOR SIECK: Yes. Mr. President and members of the body, I heartily endorse this amendment. It will make it a better bill and we need to do this. As far as Senator Koch opposing it, he has that right, and I feel that we have to start taking a look at what is happening in the State of Nebraska. And we have some large corporates that are kind of abusing our land. And what other way can we stop it? And we need to do this. I am highly for private enterprise. It is very difficult for me to even speak on this bill, but I feel this is our only chance to protect some of the wrongdoing that is happening in the State of Nebraska, and we have got to protect it. We have got to protect the resources, our farmers. And I also want you to know that the large food markets which we have seen, I think our food cost is considerable higher than it was when we had that little market across the street as we've known in the past. They said the food would come down. Well, I can assure you if we get these large corporates and the whole farm picture gets into a corporate farm enterprise, we are going to see food costs go to where we don't know no end. The private and the small farmer, the medium sized farmer, the farmer that owns his own property, the farmer that is operating in the right perspective, is causing us to have food cheap today. If we get into a corporate farm enterprise, we are going to see the food costs go up because they are going to need to hire people. They are

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going to have to pay wages to make it commensary (sic). I think we are going to find that they are going to force the price of our products to go out of sight and the average individual is going to have to pay for it. So I would surely endorse this amendment so that we grandfather in what we have got at the present time.

SPEAKER MARVEL: Senator Kremer.

SENATOR KREMER: Mr. Chairman, I would like to ask Senator Burrows a question, if I may, please.

SENATOR BURROWS: Certainly.

SENATOR KREMER: Senator Burrows, Senator Koch made a statement in his presentation and I think the question went something like this, where do you draw the line? I am wondering the same thing, where do you draw the line here? We are talking about family corporations. We are talking about large corporations. We are talking about conglomerates in your bill and I have not frankly had time to study it. Please share with me information relative to where do you draw the line.

SENATOR BURROWS: Well, in the bill I think there has been...I want to point out an area there has been a great deal of misunderstanding on. The bill allows family corporations, does not restrict their size when a majority of the members of the stock is owned by members in a family. It has no limitations upon numbers on this. But a majority must be held by members in a family or it is no longer a family corporation. The control is outside if a majority is elsewhere. Now one of these has to live on and I say or participate in a day to day management, or in the day to day labor of the farm. So we have it very open on this. Now it also allows for an authorized corporation and that would be a corporation, ordinarily a subchapter S, where a group of businessmen could get together but they all have to be persons not more than ten in numbers. But this is not a qualification of the family farm corporation. And actually when you get through all this, about all it stops from going into the corporation route are the large corporations that would be of multiple, multiple stockholders and usually sold on the stock exchange. There is where the line really comes down hard because they cannot qualify under it, and we do stop the large insurance companies, the large food processors, and the giants that come in. And the only practical way I feel you can stop alien ownership effectively,

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we have an old alien ownership act on the books against a person, but the really practical way of stopping it through the corporation route is this type legislation which parallels closely to Minnesota, Iowa and Missouri and have gone at it with a similar approach. Thank you.

SENATOR KREMER: So what you are doing, you are...in LB 184 you are stopping the conglomerates, really?

SENATOR BURROWS: Yes, sir, that is what I feel we are actually stopping.

SENATOR KREMER: Large scale interests. Thank you.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker and members of the body, it is difficult for me to be in this position when so many of you in this body are more closely related to the industry than I am, but when Senator Burrows said something about a medium sized farm or Senator Sieck, I would like to know what a medium sized farmer is. And, first of all, how do you define a farmer? Is he a grain farmer? Is he a cattle, or what is his occupation as it relates to specialties in agriculture or agri related business? Secondly, how many sections of land are we going to start prescribing that can be in the hands of a corporate family? Are we going to keep it at one-quarter, a half a section, a section, or several sections? And fourthly, Senator Burrows says the majority of the family corporation must be involved in that operation, or, and if I stand corrected, must be held by the family. Now, what if that family is Senator Lamb and his wife, that's the majority and you also say that one must live on or participate in the day by day activities. Who is going to police that? Senator Lamb is here in Lincoln with his wife right now and I suppose that is part time duty, but he is not going to be participating day by day because his wife is here with him frequently and it may be such that he has got to retain a hired hand. So we are going to make all these judgments, and I don't think we can do it. I think we are overreacting again to something we see occasionally where they have yet to demonstrate that they can compete with that individual who is actually out there day by day taking care of his business and the agriculture he is involved in. Certainly these people do this for some advantages and we know what that is. Why don't we get at the advantage? The advantage is a

hedge in corporate law and taxes and who writes those laws? The federal government writes tax law and they allow certain kinds of advantages to adhere to certain kinds of groups, conglomerates or whatever they might be. The best place to stop this kind of thing is to go right to where Congress writes the law and start to close the loopholes so that these large organizations whether they be insurance, Prudential, the Rock or whatever the nickname is, or some other agency that is diversified where they will not seek to use this as a hedge to gain tax benefits and will use their money in possibly a better way. That's where the law should be written, not by state by state simply because occasionally we see something that sort of frightens us. So when you can define to me a family farm then I guess I might have a tendency to reconsider my position, because right now I know some gentlemen on this floor I guess you could call family farmers, but their operations are considerable, considerable. I used to live on the farm, one time about a quarter and a couple of eighties was about all you could manage. Today you go down to that community in which I lived and I can assure you that there are sections of land that belong in the hands of a certain few people and seldom do you see a corporate come in there and do business, and if they do, they don't stick around long because they are not that successful. I still oppose LB 184.

SPEAKER MARVEL: Senator Burrows, do you wish to close.

SENATOR BURROWS: Yes. Mr. Chairman and members of the Legislature, the bill in no way creates any size structures for agriculture in the family farm. This is a misconception that has been circulated. It approaches it on majority of stock owned by members of a family. The amendments, and I would like to go over them. I think what Senator...Senator Koch has some misconceptions of the bill. They do not approach size in any way as they define a family farm. The first amendment deals with striking "Incorporated through Nebraska" and gives a grandfather clause to all the corporate ownership and involvement in agriculture that is here now. The bill does not, as it defines family farm, separate land ownership or livestock. This is all involved in agriculture and is involved, but it is grandfathered presently under the bill and it broadens it so we have a broad grandfather clause and do not disrupt economic activity in agriculture. The second amendment strikes at the very heart of what is of great concern to most Nebraskans and that specifically says,

irrigation development shall be considered a farming purpose and would not allow a loophole for large developers of outside money, of big corporate money, coming down into agriculture from other sources and developing Sandhills land. Now as a realistic approach on water in the State of Nebraska, we have it right here. When we start defining the water law who can and what land that you can specifically put an irrigation well down, you are going to stifle the individual farmer's ability to put a well down much more than you will the large corporation, which has the assets to hire the best attorney to go lay the groundwork out for it. We have the best potential of slowing massive Sandhill development down with this bill of any approach that has been presented to the Nebraska Legislature. When you define it out in any other route by water law, you will stifle the individual farmer out there, even that large family unit more than you will the large corporate structure that comes into the state and wants to exploit our resources without regard to whether those Sandhills are going to blow away ten or twenty years from now. If you want to look at this in perspective, look at the Appalachian region and what happened there where the huge corporations came in and exploited the land. They left a poverty area. They drained the profits out of the state and left an impoverished area, exploited and left to a bunch of people to live off of land that had been exploited to the Nth degree. I urge you to adopt these amendments and pass a reasonable bill that follows our surrounding states that have similar background. All the surrounding states to the north, south and east have corporate farm law. They have recognized the problem and that they have had a heritage of private, and personal ownership system of family farms that they want to protect. The reason we can't get it nationally, by national law, is the fact that you have New York State, California, the Southwest that was originated through Spanish land grants and we need to pass a bill to protect the family farm here in the State of Nebraska. If you let the big corporations own it, then they drain their profits and the small towns dry up. The Independent Business Association polled 77 percent in support of regulating, a year ago, in regulating corporate ownership of land. You now have the opportunity to vote for it. I urge the adoption of the committee or these three amendments which were agreed to by the committee and make it a good detailed perfect bill. Thank you.

SPEAKER MARVEL: The motion is the adoption of the Burrows amendment to LB 184. All in favor of that motion

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LB 70, 163, 172, 184, 242, 250,  
285, 302, 310, 324, 369, 375, 494,  
497, 527, 557, 558, 559, 560, 561, 562.

aye, opposed vote no. Have you all voted? Senator Burrows.

SENATOR BURROWS: I would like a Call of the House and a roll call vote.

SPEAKER MARVEL: The first motion is, shall the House go under Call? All those in favor of that motion vote aye, opposed vote no. Record.

CLERK: 16 ayes, 1 nay to go under Call, Mr. President.

SPEAKER MARVEL: The Legislature is under Call. Please return to your seats. Record your presence. Senator Burrows, do you want to record....Senator Kahle, Senator Hefner, Senator Goodrich, Senator Wagner, Senator Landis, Senator Newell, Senator Chambers, Senator Pirsch, Senator Labedz, Senator Higgins. While we are waiting, under the north balcony Mr. Jack Fletcher and his son, Monte, Jack is a former resident of Lincoln County, Nebraska, and now lives in Upland, California, and they are guests and friends of Myron Rumery. And from Senator Remmers' District, 14 students from Tablerock, Nebraska, Mrs. Griffith, teacher. Should be in the north balcony. Are they?

CLERK: Mr. President, while we are waiting, your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 163 and find the same correctly engrossed, 557, 558, 559 and 560, 561, 562, all correctly engrossed. (Signed) Senator Kilgarin. Your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 242 and recommend that same be placed on Select File, 494 Select File with amendments, 369 Select File, 310 Select File with amendments, 497 Select File with amendments, 250 Select File, 302 Select File with amendments, 70 Select File with amendments, 285 Select File with amendments, 324 Select File with amendments. (See pages 1771 through 1773 of the Legislative Journal.) Mr. President, Senator Schmit, Kremer, Chronister and VonMinden move to place LB 375 and 377 on General File pursuant to Rule 3, Section 18(b). Senator Carsten would like to print amendments to LB 172, and Senator Lamb to LB 285. (See pages 1769 through 1771 of the Legislative Journal.)

SPEAKER MARVEL: Senator Labedz, Senator Higgins, Senator Chambers, Senator Goodrich. Senator Burrows, do you want to start the roll call? We have four that still are unaccounted for.



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SENATOR BURROWS: Are they in the building?

SPEAKER MARVEL: We are voting on the Burrows amendment to LB 184.

SENATOR BURROWS: Proceed with the roll call.

SPEAKER MARVEL: Call the roll, Mr. Clerk.

CLERK: (Read the roll call vote as found on pages 1766 and 1767 of the Legislative Journal.) 27 ayes, 11 nays, Mr. President, on adoption of the Burrows amendment.

SPEAKER MARVEL: Okay, motion was carried.

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

SPEAKER MARVEL: Senator Burrows, do you wish to explain the bill?

SENATOR BURROWS: Yes. Mr. Chairman and members of the body, I think one of the key things this Legislature should look at is the fact today we are surrounded by states with corporate farm legislation. North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Missouri, Oklahoma and Kansas, all of them have restrictions as to corporations coming in from the outside one way or other and buying up farmland. Now as the national corporations, and we can go through the whole spectrum, have more profits in the oil industry, the lenders, and the potential to buy massive amounts of farmland, we become the prime hunting ground out of the midwest for the purchase of large corporations, for the purchase of farmland by large corporations. We have a history in Nebraska that originated with 160 acres, the idea of capitalism as a private personal ownership. Now I am not asking you to think in terms of quarter sections but that of people and corporations that are owned by small or limited numbers of people, in this case family farm corporations where they have a majority of the stock, or authorized corporations where all of the owners of that corporation are individuals, none of them corporations and none of these aliens or nonresident aliens. We have had an Alien Ownership Act on the books since 1889 that deals well with the individual, but it does not stop alien ownership through a corporate system where they can parent and subsidiary corporations and hide the true ownership of that system. Why do we have a military to defend ourselves, when we allow a situation

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to exist in our laws where we can simply exploit the agriculture of the state and of the nation and allow all companies, foreign oil interests and those that have the most dollars to float around to buy our soil and give up our country itself without firing a shot. There is no rationale to fight a war over the ownership of land if you can simply outsmart the country or the people in that country and get the dollars and buy the land itself. The land is the country and that is what we are talking about in stopping both corporate and alien ownership of our nation. This is not a new idea, this bill. Minnesota has had it passed for years and our surrounding states have done very well in moving forward to block the path of selling their states to outside interests. Now you might look at the corporate holdings in the U.S. The last report showed only six-tenths of one percent, but I warn you to look at that report with some skepticism. That is the most prime land in the U.S., much of it held in citrus groves in California and land that has fifty times the productivity of Sandhills land that is raising cattle in Nebraska, and much of the agriculture. So you have well in excess of two percent of the agriculture resources and productivity withheld or held already by nonresident aliens. Two percent is the equivalent of one state. Now, what would we think if someone came in and took Florida? I think we would set out right fast to see the takeover of Florida or lose one state in our nation by conquest, but we sell the equivalent of one state and then say it is of no concern. I think it is of real concern that we keep our nation intact and the land is our nation. This bill does not hamper family farm corporations. It allows fifty years for a family farm corporation to continue in corporate ownership if qualified under the act, and that is ample time for a grandson or a son to reestablish in the farming if they intend to do so. Otherwise, they can turn to the private ownership system or redivide the farm as they would see fit. The bill is a reasonable bill. It is tried in Minnesota, substantially amended to take care of any special problems in this state and worked on for approximately seven years. In this issue I think you are going to have to make the choice on your vote of whether you think it is okay for the multinationals that do have the money and the power in this country to come in and own the land, take the profits out of the state and let the main streets dry up. This has been the history in the studies in California. We have had studies done of valleys where they were family owned and the villages and the towns in those valleys prospered while those that were corporately owned by large outside interests dried up and withered away because

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the corporations that came in from the outside did not buy from the local merchants. I urge you to support this bill, pass it off General File and proceed on to the next legislation. Thank you.

SPEAKER MARVEL: Senator Lamb and then Senator Wiitala and then Senator Sieck. Senator Lamb.

SENATOR LAMB: Mr. President and members of the Legislature, up until this year I served on the Agriculture Committee and I believe this bill has been before us everyone of the four years that I served on that committee. I guess I sympathize with the objectives of Senator Burrows. I have problems with the implementation, is my analysis in a nutshell, I guess. One of the criticisms of this bill is that some people would be limited in their ability to form corporations. Even though many of us think of them as family type farmers, they may not exactly work the land. They may be retired, but they would be precluded from forming a corporate entity under the terms of this bill unless they had a relative, a close relative, who actually lived on the place or farmed it. This is spelled out on page 3, section 5 toward the bottom of the page. The...of course, I recognize that toward the back of the bill there is a section, section 12, which purports to take care of the situation when a so-called family farm no longer becomes a family farm because of some change in the family status. Within fifty years this entity can return to private ownership without the corporate status or requalify as a family farm. Now fifty years is a long time, I recognize that. Perhaps that would take care of that situation. But I guess I really have problems with the part of the bill which would preclude a person who has owned this farm or ranch for a number of years has now come to the place where he or she would like to incorporate but cannot qualify as a family farm corporation because of the certain family characteristics that they just by luck have inherited. So at this point I do not support the bill as I have not supported it in the past, although I recognize that Senator Burrows is sincere in trying to deal with a problem that many of us recognize is a severe one. However, I would say that probably one of the most important reasons that there are getting to be big corporate farms is related more to the federal income tax situation than anything else, and it may behoove us to look in that direction rather than in specific legislation such as this to deal with that same problem.

SPEAKER MARVEL: Senator Wiitala.

SENATOR WIITALA: Mr. Speaker, members of the body, I urge your support of Senator Burrows farm legislation, LB 184, for a whole host of reasons. First of all I just want you to recall some history as it relates to this bill. The bill has a long history of about seven years of being presented before an agricultural committee. Senator Burrows has diligently listened to the criticism of his bill and incorporated constructive suggestions and criticisms into his language to the point where I think his bill has arrived at a time where it addresses a serious question, as a mature bill. I don't believe that LB 184 attacks corporations per se but one thing it does is favors proprietorship. It is not against corporations that remain in the hands of an agrarian proprietor or manager. But, when it steps over the traces and becomes an anatomist being, entering the state, usually outside our state boundaries it is an entirely different problem. If I could believe the large corporation purchasing farm lands, not as a proprietor but as an investor, hiring managers and asking farmers to be tenants rather than custodians of their own soil, I could be safe in saying that corporate farming was a good practice. I don't believe that the large corporate farms are interested in soil stewardship. They are interested in investments and profits but probably most of all in our present economic climate a chance for tax write offs, a chance to invest in real estate. This practice of continual concentration has damaging effects on the farming community. I mean it is bad enough that farmland is concentrating as it is. But, that is the law of economics but to accelerate it through this type of a process, drying up more and more communities, seeing our profits exported from the state, seeing people removed from the land, that is an entirely different story. I identify with this not only from the fact that I came from the agrarian past but also my experiences in the city. I bemoan the fact that the neighborhood community grocery store is gone. Not so much the store itself is gone but the community that surrounded it and supported it is gone. Now I would sure hate to see in the future the practice that the only way you could get accessibility to the farm lands of this fair state is by purchasing it through a franchise much like the quick shops that replaced the small neighborhood grocery store. Earlier in the session we voted in favor of LB 9, Senator Maresh's bill which excluded pension trusts from entering Nebraska and purchasing farm lands for investments. I think that LB 184 is consistent with that very same philosophy. I feel quite sincerely that it is no threat to the farmers of Nebraska. At least the kind of farming that has existed here well over a century involving single proprietorship and highlighting soil stewardship. With that, I would urge your support of LB 184. Thank you.

SPEAKER MARVEL: Senator Sieck and then Senator Barrett.

SENATOR SIECK: Mr. President and members of the body, I heartily agree with Senator Witala. I think he hit the nail on the head. We need good soil stewardship and who are better stewards of our land than the owner operator, the proprietor of the land. As far as controlling the size of the farm, this bill doesn't say anything about controlling the size of the farm. It could vary from ten sections to 160 acres or even 80 or 40. It really doesn't say anything about the size of the farm. The size of the farm varies so much in the State of Nebraska so it would be pretty difficult to say the size. What it does say is the large corporate entity coming in and gobbling up large sections, large portions of our land, that is what it says. I have a corporate farm enterprise that has bought several acres in Seward County. Now they want to get out from under it. But they want to make an enormous profit. The profit is so great that the individual farmers in that particular area can not buy it. It isn't the type of land that is highly productive. It is either in burr oak or pasture land. The only one that might buy it is the Game and Parks Commission. But even then I don't think they could buy it because of the price. But this is on the market because the corporate wants to get out but they do want to make a profit. I think this is what we see in the future. They do want to make a profit and that is why a lot of this land is bought. Just yesterday we had a dust storm in Wheeler County by a large corporate farm that owns land up there. They are not taking care of it. It drifted the roads shut. We need to prevent this. We don't want these large enterprises coming in. They are not controlling their land. We want people to conserve and watch what is happening to their land and controlling it. Someone said economics will take care of it. Well economics is not going to do us much good after it has blown away. We have several farm organizations that are supporting it and they are interested in agriculture. We need to take better care of our land and I think the farmer-owner-operator will do this. You look down the road, those people that own and operate their land are generally good stewards. The man that wants to buy a large chunk is only interested in the dollar, he is interested for his stockholders. He has to show them a profit and he will exploit the land. So I heartily endorse this 184 and I move for its adoption.

SPEAKER MARVEL: Senator Barrett and then Senator Vard Johnson.

SENATOR BARRETT: Mr. Speaker and members, I rise with some mixed emotion to speak in opposition to 184. I know Senator Burrows went to great lengths to explain to us that other states surrounding Nebraska do have similar statutes on the books. I couldn't help but wonder if this is the rationale for passing a bill such as 184 with the far reaching ramifications that it does have. I know the hour is late. I will not belabor the point, but a couple of very quick observations. Senator Sieck

suggests that we should protect our resources, protect our land so there is no question about it. But, I wonder if our concern shouldn't be with the....over what is being done to the land rather than the approach which is taken in this bill which is who is doing it to the land. Senator Koch, our learned colleague suggests that we should close tax loopholes and I think perhaps this should be the bottom line too to the preservation of our family farms. Perhaps, perhaps we should look to Washington for changing the present tax laws which do make it so advantageous for corporate entities to purchase Nebraska farmland. I believe that it was Senator Koch who also suggested that we might be over reacting to an emotional issue and I think that there is an element of truth to that also because if the bill were stripped of its emotion I think we might very well find that the bill is unnecessary, unworkable and perhaps even unconstitutional. Thank you.

SPEAKER MARVEL: Senator Johnson.

SENATOR JOHNSON: (mike not activated)....wholehearted support of Senator Burrows bill. I have really been very appreciative of Senator Burrows over the past ~~three~~ years that I have been here in bringing this measure to us time and again for our approval which we have not given, but we ought to. Senator Wiitala and Senator Sieck and others have talked at length about the relationship between corporate ownership of farmland and poor soil conservation practices. I have in my hand a study done by the Select Committee on Small Business, United States Senate, dated January 10, 1980. In that study the committee notes the following: Several studies in the testimony of Dr. Rotterfield indicated that farmland ownership by non-farmers leads to exploitation of the soil, over cropping, soil erosion and generally poor conservation practices. Logically an investor holding land for relatively short term gain rather than for the purpose of farming it for his lifetime and passing it on would want to maximize the production of the soil during the soil that it was being rendered and managed, especially if it is hoped to sell the land for development rather than for farming purposes. Yesterday when we dealt with Senator Schmit's amendment to the appropriation bill to provide more monies for water resource development, there were a number of us on the floor who said simply that soil and water is probably the most priceless asset that we have in this state. I agree with that wholeheartedly. I think that it is concomitant upon us to take all of the steps that we can take to protect our soil and to insure the continued stewardship and use of our water. If this bill, by restricting who owns our land aids in that direction, then we ought to support it all the way. Now Senator Wiitala also mentioned that corporate ownership of farmland has a tendency to destroy the kind of community, the kind of community that is inherent in farming practices in this country. Now you and I are direct descendants, I guess of

Jeffersonian democracy and Thomas Jefferson extolled the virtue of the small farmer. He extolled the virtue of that person who owned that parcel of ground and tried to eke out a modest living, the well informed citizen. But, the truth of the matter is again studies have demonstrated time and again that with investor ownership of land comes the basic destruction of the social network that has supported rural America. And, I quote from the same study, "Non local ownership of farmland also poses a threat to the rural community. As early as 1940 a study of Arizona rural communities showed that a small dairy farms were replaced with large cotton farms operated by hired managers. Agricultural employment became stratified, land ownership became concentrated, absentee ownership increased, land and water resources were exploited, soil fertility was exhausted, small rural communities died and local self-government became non-existent. Subsequent studies have verified these results conclusively. The United States Department of Agriculture in its testimony agreed that non-local ownership has lead to less local control of resources, less intensive land use, lower community involvement, loss of secondary income and increased ownership concentration. Touching on this last point, Professor Rice in his testimony explained that non-local investors tend to buy larger tracts of land than local farmers do. This concentration of ownership makes land unavailable and the parcel sizes needed by starting farmers or farmers looking to expand their acreages. Members of this body, I think this piece of legislation is probably one of the most important pieces of legislation to come before us. Because it really does have to do with what the future in this state will look like, not just for us, but for our children and our childrens children. I certainly encourage your support.

SPEAKER MARVEL: Senator Koch.

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SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker and members of the body, I have seen these kinds of debates before. It's getting very late in the day, it's been difficult, people sit back and say, you know, that train will fall off the track pretty soon, but I want to tell you something, this train is picking up momentum and it may go all the way to the Governor's office, and I am a little concerned. My good friend, Senator Wiitala, yearns for the good old days, the corner grocery store. I submit to Senator Wiitala that he ought to start one, or we ought to take all the grocery stores and put them into a certain size. They shall be no bigger than 50,000 square feet and only can have so many cash out registers. But I remind you that corner store which I was familiar with once did not have the kinds of produce that we now have in Hinky Dinkys and Safeways and others, and they are probably not as efficiently managed either. Senator Johnson talks about the good old days of conservation. I remind him of the sod busters. The sod busters came in and broke up virgin prairie land and put it into crop production and a part of our problem in the 1930s was not the best conservation practice, and for those of us today that blame bad conservation practice upon large corporations and agriculture, I think we are misleading the public. We can see all kinds of evidence of poor practice of conservation on that family farm of 160 acres or whatever size you want to call it. The only kind of conservation you have depends upon the sensitivity of the individual, his respect for the soil and for the water and for the trees, and those kinds of resources which are appropriate to us to preserve for our posterity. So today we use the big corporation as the straw man. Show me, show me those great conservation practices. They are not thorough throughout the state of this Nebraska, not at all. Now let's go to Senator Burrows. He is talking about heirs buying back. Oh, certainly, when you go to sell what is the capital gain going to be? Pretty tough. We all know a little bit about that. Now let's go to the Constitution, and I will quote you out of the State of Nebraska's Constitution right here. In case you are not familiar with it, it's Section 25, Rights of Property. It talks about discrimination, and I think we are getting into discrimination. It talks about the fact that a citizen may not only acquire property but he may sell it at as fair a price as he can obtain in the fair market, and to me, we are infringing upon that privilege. If I have that private property which I am entitled to under the Constitutional rights not only in this state but in the



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nation, I still have a right to determine my destiny in terms of profit. Since when has profit become such a nasty word? I bet you heard that mentioned too, about profits. Why is that nasty? That's the only way the free enterprise system stays in business to give us this good life, so we can sit here arguing about it today. Now if profits are exorbitant, then I suggest that some people ought to try and get in the business world and see how good they are today. They are not nearly as good as some people outside think they are looking inside, and some people have to expand their holdings in order to stay in business. That is a fact today. If we want to start eliminating people, then let's do it all the way through the line. There are other important factors of our society we ought to limit too. We ought to limit the oil industry. I saw Senator Hefner vote for this bill a little bit ago. He is in a rather large corporation. I think it is called Skelly. Maybe we ought to put some limits on their operation and go back to the corner service station again.....

SPEAKER MARVEL: You have one minute.

SENATOR KOCH: ....so we would have full service where some people could get their car completely serviced there and a good inspection. In addition to this, I still believe constitutionally I have the right to acquire, possess property and I have the right to dispose of it in a manner that I determine which is appropriate, and I think when you start infringing upon that you are denying me my constitutional right. We may not like it but it is a part of the free enterprise system, and so occasionally there are abuses, you don't destroy the whole system and you don't condemn it all because occasionally it is abused. I oppose the advancement of LB 184 and I hope others start getting on the ball and opposing it also.

SPEAKER MARVEL: Senator Haberman.

SENATOR HABERMAN: Mr. President, I call the question.

SPEAKER MARVEL: The question has been called for. Do I see five hands? Okay. All those in favor of ceasing debate vote aye, opposed vote no. Shall debate cease be the issue. Okay, record.

CLERK: 26 ayes, 1 nay to cease debate, Mr. President.

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SPEAKER MARVEL: Debate has ceased. Senator Burrows, do you wish to close on your motion?

SENATOR BURROWS: Mr. Chairman, I want to cover a few things that were brought up in the debate. One, we had the discussion involving people. The bill involves no size and does not involve personal ownership by individuals in any way, shape or form. It speaks only to corporations which are creatures of the state...organizations created by law to allow the enmassing of funds, the putting together of substantial amounts of funds and originally created for the purpose of doing what private individual capital could not do. The original definition of capitalism involves a private personal ownership system, involving... and involving the person owning it. Now it has been expanded through corporations to do those things that private ownership could not do as well. Today it has the potentials of massive ownership of the land which our nation has advocated the opposite in policy. In Vietnam we advocated because of history redistribution of the land. In El Salvadore a revolution has pushed for redistribution of the land when a few individuals or corporations carried such a concentrated ownership the people would no longer tolerate it. I would like to answer Senator Lamb's problems on heirs that might wish to incorporate that were no longer on the farm. These individuals could use the authorized corporations and incorporate and maintain their ownership through a corporation. We really do nothing to handicap Nebraskans or individuals within the state as to how they want to handle their land. I think we should look at history just a bit as to corporations, and the one big risk of seeing amassed ownership of land. Our system has depended upon inheritance and redistribution of land for several hundred years in the United States, and it has worked quite well, but large corporations never die. They are perpetual in their nature and as concentrations of land move into the holdings of large corporations, we do not allow any more for the redistribution of the system that has worked so well for several hundred years in our United States. If you believe in the family farm, and if you believe in the small community in the State of Nebraska, I urge you to support the bill. This bill is simply a bill to protect the family farm, the family farm corporation, small business in the State of Nebraska, and the people that share and prosper in this state. We have the resources held within the people of the State of Nebraska, let us protect these resources and pass this piece of legislation on from General File. I urge you and beg of you to pass this piece from General File

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LB 184, 252, 318, 451  
LR 89

and vote for LB 184.

SPEAKER MARVEL: Okay, the motion is the adoption of the....the motion is the advancement of the bill. All those in favor vote aye, opposed vote no. Have you all voted? Senator Burrows.

SENATOR BURROWS: Mr. Chairman, I would like a Call of the House and a roll call vote.

SPEAKER MARVEL: Shall the House go under call first. First motion, all those in favor of placing the House under Call vote aye, opposed vote no. Record the vote.

CLERK: 21 ayes, 1 nay to go under Call, Mr. President.

SPEAKER MARVEL: The Legislature is under Call. Please record your presence. Senator Cullan, Senator Kilgarin, Senator Schmit, Senator Howard Peterson, Senator Goodrich, Senator Newell, Senator Chambers. Mr. Sergeant at Arms, you are looking for: Senator Newell, Senator Goodrich. Everybody else is accounted. Senator Chambers, do you want to record your presence. Okay, Senator Burrows, everybody is here but Senator Goodrich. Should we proceed?

CLERK: Roll call vote. 22 ayes, 20 nays, 1 present and not voting, 5 excused and not voting, and 1 absent and not voting. Vote appears on pages 1767-68 of the Legislative Journal.

SPEAKER MARVEL: Do you have anything to read in?

CLERK: Yes sir. Mr. President, Senator Cullan would like to print amendments to 451 in the Journal.

Mr. President, Senator Vickers to LB 252. Senator Koch to LB 318.

Mr. President, your committee. . .Mr. President, a new resolution, LR 89 offered by Senators Landis, Schmit, Chambers, Johnson, Fowler and DeCamp calls for a study to (Read title of LR 89). That will be referred to the Board, Mr. President.

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

SENATOR FITZGERALD: I would like to adjourn us till Wednesday, May 6, nine o'clock.

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

Edited by:

*Marilyn Zank*  
Marilyn Zank

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LB 487A, 556A, 184

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President, I move the advancement of 487A. It carries out the provisions of 487.

PRESIDENT: All right, any discussion? Hearing none, that is your opening and closing. The motion is to advance LB 487A. All those in favor vote aye, opposed nay. Have you all voted? Motion is to advance LB 487A. Record the vote.

CLERK: 27 ayes, 0 nays on the motion to advance the bill, Mr. President.

PRESIDENT: Motion carries and LB 487A is advanced to E & R Initial. The next bill is LB 556A, Mr. Clerk.

CLERK: Mr. President, LB 556A (read title).

PRESIDENT: The Chair recognizes Speaker Marvel.

SPEAKER MARVEL: I move that the bill be advanced to E & R.

PRESIDENT: The motion is to advance LB 556A to E & R Initial. Any discussion? That will be your opening and your closing, no one desiring debate. All those in favor then of advancing LB 556A to E & R Initial will vote aye, opposed nay. Have you all voted? The advance of LB 556A. Record the vote.

CLERK: 26 ayes, 0 nays to advance the A bill, Mr. President.

PRESIDENT: Motion carries and LB 556A is advanced to E & R Initial. At this time the Chair is pleased to be able to present to this Unicameral Legislature a distinguished guest from Seoul, South Korea. He is accompanied by Mr. Jack Hart from the Governor's Office. He is Mr. Kuan Wong Park (Phonetic) from Seoul, Korea. He is a former member of the National Assembly of South Korea, former Commanding General of the Second Republic of the Korean Army, the joint Chiefs of Staff of South Korea and our distinguished guest has held five cabinet posts in that country. We are proud and pleased to present Mr. Kuan Wong Park. Welcome to the Legislature. We will go on then to agenda item, continuing with agenda item #6 under General File, LB 184.

CLERK: Mr. President, LB 184 introduced by Senator Burrows. (Read title.) The bill was first read on January 14, referred to Ag and Environment for hearing. The bill was advanced to General File. The committee amendments were

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considered by the membership on May 5. They were not adopted. Senator Burrows had an amendment to the bill that was adopted, Mr. President. The bill failed to advance on a vote on May 5. I have nothing further on the bill at this time.

PRESIDENT: The Chair recognizes Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the Legislature, I think we discussed this bill at great length the other day and I would urge the body to support it. This bill is a bill that gives some real protection to agriculture, to the family farm units of the state, to the independent business ventures of the state, the independent banks of the state and I think you ought to look at the premise here really of what the real need for support to keep independent business, independent banking across the state is. It means the family farm structure that won't bypass those local independent banks. It means an independent farm structure that won't bypass that grocery store or that filling station in that small town or medium-size town and if this goes the rest of them go, too. The real protection for independent business of the state comes with the protection of the family farm of the State of Nebraska. I urge you to support this measure and if there is any in-depth discussion what the bill does, it defines family farm corporations, allows for authorized ones where basically all corporations that would be organized by persons inside the State of Nebraska could continue to engage but would adequately stop multinationals from coming into the state. I think that it is time we move on this measure as have our surrounding states. I urge the body to advance the bill from General File, and if there is other discussion, I will cover it further in my close. Thank you.

PRESIDENT: We will break in for a point of information that Senator DeCamp, you feel that we should have some information. The Chair recognizes Senator DeCamp for a special (interruption).

SENATOR DeCAMP: Mr. President, members of the Legislature, the wire services are carrying a message that has been verified apparently that the Pope was just shot and no detailed information on how serious or anything else.

PRESIDENT: The Chair will try to keep you advised when we find out any more definite information about the story. All right, now, Senator Peterson, do you wish to discuss LB 184? The Chair recognizes Senator Howard Peterson.

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SENATOR H. PETERSON: Mr. Chairman, I would rise to suggest that what Senator Burrows is doing is to eliminate a very important source of capital for this state. I would also beg the members of this body to remember a very difficult period of the thirties where the insurance companies had to take over Nebraska farms and I would question what would happen if we went through the same thing again. How do you prevent a corporation from taking over the farms of this state if we close out those farms? It appears to me that what we would do if we passed this particular bill, we would completely eliminate the possibility of insurance companies making loans in this state.

PRESIDENT: The Chair recognizes Senator Sieck.

SENATOR SIECK: Mr. President and members of the body, I have to disagree with Senator Peterson. I don't feel that this will close the loans that the insurance companies can give to farmers. I think they will continue doing this and I also remember the thirties and I remember that they didn't want to own the land. The quicker they could get rid of it the better and they encouraged the farmers and they extended the loans just so that the farmer could keep their land and many farms were saved. Why? Because of the insurance companies. They were willing to hang in there and allow the farmers to hold the land. Now I just don't feel that this will stop large corporations from coming in so we need to have a law and we need to protect that family farm, that farm, the land that is owned and operated by an individual and not by some trust or some Wall Street people who have shares of stock in it and want to get a lot of money coming into Nebraska and then take our good earth and not take care of it. I feel we need to protect our soil and the man that lives on the land will protect it. I encourage you to support Senator Burrows bill.

PRESIDENT: The Chair recognizes Senator Kahle.

SENATOR KAHLE: Mr. President, members, Senator Burrows has been very persistent with this legislation. He has brought it up I know every year since I have been here and I think even before that. I helped him get it out of committee a couple of times and then fell off later. This year I am going to stick with Senator Burrows. I think we have a split personality or whatever you want to call it in this Legislature when we pass legislation such as Senator Schmit introduced to help young farmers obtain a start in farming with so-called low interest loans backed by state bonds and here we have insurance companies that are looking for places to invest their large amounts of capital, in my esti-

mation not caring much about how much they produce off of that land or what happens to it. I am not saying they aren't going to use good management or they are going to ruin it because I don't think that is the purpose but they are looking at that land as a hedge against a depression or whatever you want to call it, a breakdown of our financial system, and they are not looking at it the same way that a farmer looks at land, as a way of life and a way to raise a family and to survive in a good environment, I think. So I think we are at cross-purposes when we think that young farmers are going to be able to compete with large corporations and insurance companies that have unlimited capital and can bid up the land to any price that they want to pay for it. So I believe that it is time, and perhaps too late, I am almost sorry I didn't support Senator Burrows more in the past, because I think we have already let the horse out of the barn door and now we want to shut it but it could be that we are still in time to save a lot of our land for perhaps young farmers that want to start to farm. Thank you.

PRESIDENT: The Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I also want to speak this time in support of Senator Burrows' bill. I have supported it but the last time I thought that the discussion would have been sufficient to carry the bill through. I have mixed feelings on a measure like this where you restrict who can obtain land, Senator Burrows, but there come a time or times when you have to weigh different considerations, and if, in fact, and I think it will be accepted by the people in this body as a fact, that different enterprises, not just insurance companies, will invest in farm land, not for the purpose of producing farm products, then that land is taken away from the public for the use that it should be devoted to. And what I envision happening being the prophet of doom that I often am, Senator Burrows, is a situation where large corporations could buy up the land with the ultimate intention of producing farm products but take it out of production and let a crisis be created by certain products not being available, then having the land with which to produce the products, and thereby control prices. The country has been divided up or parts of it by large food processors and some would stay in one area, others would stay in another and they would not compete directly against each other. So I think what Senator Burrows is trying to do is have a situation exist at least in this state where land which could be used for farming purposes would not be misused by those whose only interest is to make money or

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to save profits from other moneymaking ventures. Senator Burrows, I have been accused of wanting the government to take over the land and let the farmers work it. I am not going to tell you this morning how I feel about that subject in all aspects but the people who vote against this bill maybe are just telling me they are not opposed to somebody else owning the land and letting the farmers work for it, they are just concerned about the identity of the employer. If it is not the government, which at least is composed of some elected people, then let it be corporation heads who are not elected or accountable to the public at all. If we are not going to let the government take the land and let the farmers work for a decent wage, Senator Schmit, and other farm interest on the floor of the Legislature, then we certainly ought not let corporations take it for the purpose of private profit or for the purpose of protecting profit which was gained in other endeavors. So I am in favor of Senator Burrows' bill and I think that we ought to go ahead and advance it this time. Even if you have a question or two, the issue is important enough to warrant additional consideration this session. If the bill does not advance today, then we may not have a chance to deal with it any more so I hope that we will give enough votes to let the bill move.

PRESIDENT: The Chair recognizes Senator Koch.

SENATOR KOCH: A question of Senator Kahle, if he would yield.

PRESIDENT: Senator Kahle, will you respond? I don't know. He wants you. He specified, Senator Kahle. Will you respond?

SENATOR KAHLE: Yes, I sure will.

SENATOR KOCH: Senator Kahle, as a man who has lived by the soil for all your life and still doing that, would you be willing to sell your land if the appropriate price were given to you and providing you wanted to get out of the business?

SENATOR KAHLE: That is a difficult question. If I didn't have two sons who were farming, I probably would consider it but as our land in our family has been in operation a hundred years now, no.

SENATOR KOCH: But hypothetically, would you be willing to sell it to the person who is going to give you the most money for that land after you have developed it and preserved it?



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SENATOR KAHLE: That is a hard question to answer, Senator Koch, because our land, of course, is not for sale.

SENATOR KOCH: Okay, I understand that but because your land is not for sale there may be other pieces of land that are for sale and would you agree with me on this position that when you start limiting the competition in terms of the buyer and what the seller might get, aren't you then going to possibly depress the value of that land as well?

SENATOR KAHLE: It is possible but I will tell you, Senator Koch, there are things we are going to have to do in order to preserve the family farm that are not as palatable as I would like to see them but I think the time has come that when corporations could come in and buy huge areas of our land it is time that we did do something about it and it is going to hurt us that want to sell our land, perhaps.

SENATOR KOCH: Thank you, Senator Kahle, and I know that you are sincere in what you are stating. No doubt Senator Burrows is very sincere but I will restate the discussion of a week ago. I believe that the problem can be solved at another level, and not in this Legislature nor any state legislature. It has to go back again, and I will state it one more time, when Congress becomes concerned about huge corporate interests as it relates to our land and its ability to produce or to be utilized for different purposes, as long as they allow certain tax advantages for those kinds of people who use it as a hedge, then it is difficult for me to stand here and say I am going to pass some law that is going to impede the free enterprise system and I think most of us would agree when Congress passes tax laws there are certain kinds of legal loopholes that are allowed to people or to corporations and they take advantage of those kinds of laws, and why shouldn't they, because by law we have made it legal to do so and I submit to you that if this body is so sincere about its interest in corporate farming and the advantages and disadvantages which accrue to us, then that is where we ought to try to influence the people. I heard Congressman Smith the other day talk about she is going to get rid of that widow's tax that is unfair, whereby a piece of farmland or whatever it might be ends up in the hands of a widow, she has to pay a certain tax and we all know what that is. If the land remains in the hands of the surviving spouse who would be the male, that is exempt. Now if we really want to get to the root of a problem and if the problem is as great as we think it is, then that is where we should direct our attention, to our delegation, and say let's try to close those tax advantages so that corporates would not be out here taking advantage of large amounts of

land primarily because it is an advantage to them in terms of corporates' taxing. I am going to renew my statement one more time. Where are we going to draw the line? Where are we going to draw that line? I look out at the community in which I was raised, I look at the longevity of life there and I look at those still farming who one time farmed eighty acres or a quarter now are farming sections and they will do it very easily simply because of technology. Then I look down the road another twenty-five years and I see their sons leaving and going to college and probably not going to pursue agriculture, then who is going to be there to farm it?

PRESIDENT: A half a minute, Senator.

SENATOR KOCH: One of the reasons I voted for Senator Schmit's bill, and Senator Kahle called it a split personality, I voted for that to encourage young farmers to get back on the land and be able to endeavor in that business and to compete. That is the reason I supported it but I am not going to support Senator Burrows in trying to draw a line on who can and who cannot get into the market to buy land because I don't know how finely we can draw that line. I don't know who we are going to prevent from buying it. We don't do that in other markets.

PRESIDENT: Time, Senator.

SENATOR KOCH: I have one last statement since I gave Senator Kahle some of my time, and that is who are we next going to take on? Who is it going to be? And if we really believe these people are getting monopolistic, then that is an antitrust suit and that is where it should be resolved. I oppose the advancement of LB 184.

PRESIDENT: All right, the Chair recognizes Senator Marsh.

SENATOR MARSH: Mr. President and members of the legislative body, I am opposed to LB 184 for several reasons. I do not want the state telling me to whom I may sell the land I may own. I do not want others to come into our state and say, we want you to buy in our stores, we want you to buy our cars, we want you to buy but not our farm land. No, that is a "no-no". On the other hand we do not want that foreign person's home country saying we may not make investments there. We complain when we are restricted. I do not want unfair competition put into the buying and selling of farm land in this state. Not only do you run the chance of reducing the cost, and perhaps that is what is meant, perhaps the land artificially should be reduced in the introducer's

mind so it would make it easier to add to someone else's collection of acres. Whatever the reason, I do not believe 184 is the direction this state should go. The artificiality of injecting into the farmer or the rancher's area already has many laws entangling that individual's holdings. Do not add another one for additional problems when and if that land is chosen to be put on the market.

PRESIDENT: The Chair recognizes Senator Koch.

SENATOR KOCH: Mr. Speaker, members of the body, let me provide you with one other piece of analogy. If we are going to start this in the agricultural sector, then let's not just define it to that. Let's put it in the real estate sector. We find in the area in which I live huge corporations coming in there buying up vast numbers of apartments, converting them into condominiums, doing a lot of things. To me, that, if you want to talk about the business enterprise, let's talk about it all, if we are so frightened by those kinds of business transactions because it is just as evident there as it is anyplace. In fact it is probably more evident there than it is in the agricultural sector. Again, I restate, simply because we observe Prudential buy a couple of ranches out in Platte and Lincoln County, I don't think that is reason for us to act based upon that condition, and I knew immediately when I read that in the paper that this would fan again the discussion of family farms but that is only one case. Now we can talk about other interests in this state, and I have heard those names used and I won't use them because they are domestic, companies in this state who went out and bought large numbers of acres of lands, and we once in awhile curse them, but the point is they are allowed to do it, and until we see evidence that this is becoming so flagrant, I do not believe we should act so hurriedly. I don't believe those two instances or several can convince me that it is so dangerous right now that we should immediately draw the line and say we are going to preserve the family farm because if any one of us, forty-nine of us in here, could put together a corporation, we may be all agriculturally interested or directly related to it, and I believe we would be prohibited from going out here and buying large amounts of farmland even though our motives may be very noble, that we might want to be stewards of the land, we might want to put in all the conservation practices and do all those things besides just trying to get a tax writeoff, therefore, one more time I urge you not to support LB 184.

PRESIDENT: We are now ready for closing by Senator Burrows. Before we do, Senator Burrows, I would just like to introduce

from Senator Beyer's District some 51 fourth grade students from Westmont Elementary School in Springfield, Nebraska, 7 adults and Mrs. Kay Sieck, teacher. They are up here in the North balcony. Would you kind of wave to us up there so we know where you are? There they are. Welcome to the Nebraska Legislature. Now, Senator Burrows, if you would close on your motion to advance LB 184.

SENATOR BURROWS: Mr. Chairman, members of the Legislature, first I would like to correct a problem or cover the problem that Senator Peterson brought up with the bill. He was afraid insurance companies might not want to make loans in the state. I think this is not founded. In Section 10, subsection (9), it allows insurance companies to take possession of land or any other lenders for up to a ten year period, and in that ten year period, again dispose of that land. This is similar to similar provisions in most of the surrounding states and none of the surrounding states have shown any indication that there has been a problem of lenders continuing to loan on the land with similar provisions of law. As I have stated before, we are an island now in this midwest that does not have a corporate farm bill and it has not adversely affected the amount of money available for loans in those states. So this is an argument I think that was founded without understanding the bill. What it would do though is create a situation and if you parallel the 1930s, if there was a massive takeover of land by insurance companies, in the '30s they did not want to retain the land because the technology of that time did not provide potential continued ownership and they desired to put it back in the family farm unit. With existing technology, they might, if not required by law, continue the ownership and take it on a share deal and control that product onto its final end. This is a potential that exists without setting something up by law to prohibit this and this just gives a redistribution system for that within a ten year time frame. Free enterprise has been used very strongly in opposition to the bill. This bill is for the protection of the free enterprise system with a competitive agriculture, with many participants for the future in agriculture, the most efficient family farm system, human efficiency, the most efficient in the world, and to turn it over to corporations that historically have been inefficient on production costs in agriculture would be the biggest mistake this country could make, the most costly to the consumers of the United States. If they get the concentrated ownership, they don't have to be efficient in production to end up getting their profit because they price it on through when they get a large enough percent of the production in small hands. I would like to reference on the large corporate structures of this nation to the Federal Trade Commission report of 1970

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written by Willard Mueller. In the summary of that report, and at that time 200 industrial corporations controlled two-thirds of the industrial assets of the nation. Now it is less than 150. It found that they were less efficient on production cost by their huge size. In the various segment at that time that was the most efficient by concentrated capital, the 200 biggest corporations had become less efficient on production costs and they referred to their efficiency they had gained in avoidance of taxes and in monopolistic power or concentrated marketing power. Two efficiencies on that term which were monopoly power and avoidance of taxes, the two efficiencies they attained to gain their power, both of them undesirable for all the consumers across this nation. That was the Federal Trade Commission report of 1970. We have the most competitive, best working agriculture in the world and we ought to protect it. Small businesses across the state, basically all of the business structure, the jobs, depend upon a solvent agriculture that is owned by a large number of (Interruption)...

PRESIDENT: A half a minute, Senator.

SENATOR BURROWS: ...true competitive capitalism. I would like to reference on the potential of foreign investment that Senator Marsh referred to. Europe and Japan prohibit U. S. investors from going over there and buying. What we will do on this part is protecting our land from investment from those countries that already strongly protect their land and protect their interest from U. S. investment in their agriculture land. It is consistent with this and I strongly feel that we should protect our country, our farmland which is our nation. Thank you.

PRESIDENT: The question before the House is the advance to E & R Initial of LB 184. All those in favor vote aye, opposed nay. Have you all voted? Senator Burrows, there are five excused, and if you want to save time by, let's have a Call of the House and get it over with. All right, the motion is for a Call of the House. Then you will want a roll call vote, is that what you want or do you want to take call in?

SENATOR BURROWS: I will take call in votes.

PRESIDENT: All those in favor of a Call of the House vote aye, opposed nay. Record the vote.

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

PRESIDENT: All right, the House is under Call. The Sergeant

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LB 248A, 318, 334, 334A,  
LB 184, 118, 129, 190, 248,  
LB 463, 487

at Arms will secure the Chamber. All members who are not at their desks will return to their desks. All members will record your presence. The House is under Call. The House is under Call. Senator Goodrich, Senator Wagner. Senator Haberman is right here. Senator Labedz, Senator Pirsch. We can take call in votes, Mr. Clerk, yes.

CLERK: Senator Fowler voting yes. Senator Kremer voting yes. Senator Marsh voting no. Senator Wagner voting no. Senator Labedz voting yes.

PRESIDENT: All right, record the vote.

CLERK: 25 ayes, 14 nays, Mr. President, on the motion to advance the bill.

PRESIDENT: All right. The motion carries and LB 184 is advanced to E & R Initial. You want to read some material in, go ahead, Mr. Clerk.

CLERK: Mr. President, Senator Schmit would like to print amendments to LB 487 in the Journal.

Mr. President, LBS 190, 334, 334A, 463, 248 and 248A 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 190, LB 334, LB 334A, LB 463, LB 248 and LB 248A.

CLERK: Mr. President, an announcement from the Public Works Committee regarding an executive session to discuss interim study resolutions.

Your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 129 and recommend that same be placed on Select File with amendments; LB 118 Select File; and LB 318 Select File with amendments; all signed by Senator Kilgarin as Chair.

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LB 3, 11, 11A, 12, 70, 99, 146,  
184, 228, 250, 266, 266A, 296,  
296A, 310, 328, 328A, 361,  
366, 369, 376, 561

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined LB 184 and recommend that same be placed on Select File with amendments; LB 376 placed on Select File with amendments. Those are both signed by Senator Kilgarin as Chair.

Mr. President, LBs. 3, 11, 11A, 12, 70, 99, 146, 228, 250, 266, 266A, 296, 296A, 310, 328, 328A, 361, 366, and 369 are ready for your signature.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign LB 3, LB 11, LB 11A, LB 12, LB 70, LB 99, LB 146, LB 288, LB 250, LB 266, LB 266A, LB 296, LB 296A, LB 310, LB 328, LB 328A, LB 361, LB 366, LB 369. Okay, if we may have your attention, the first item will be from the Clerk's desk and the second item will be Senator Warner's. So, Mr. Clerk.

CLERK: Mr. President, I have a letter addressed to the membership from Senator Warner who is Chairman of the Appropriations Committee. (Read. See pages 2052 and 2053, Legislative Journal. Re: Line item vetoes of LB 561.)

SPEAKER MARVEL: Senator Warner, you are recognized to comment on the letter just read.

SENATOR WARNER: All right, Mr. President, again under the provision of the rule, the Appropriations Committee is to make such report, and as the report indicates, there was one item which the majority of the committee did support to offer a motion for override which at the time which will be designated by the Senator representing the majority of the committee's position on that issue. The other portion I might just go through briefly with you is the second and third page which is to give you for your information. Page two that is an analysis of the Governor's line item vetoes points out those vetoes that occurred relative to committee recommendations and it shows what the collective floor amendments were, and the last group indicates the vetoes that were relative to the floor amendments and shows the total dollar amount then of \$728 million to \$74,747 that would remain under the Governor's veto as the legislation now stands. If you look at page 3, headed Financial Status Summary, it is similar to what is on the back of the agenda but in a slightly different form. Above the line at the top it shows again the original committee level of recommendation in those bills. The next shows the allocation for A bills that was originally recommended, that subtotal, and then it shows the amount that was

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LB 318, 184

SENATOR DeCAMP: Mr. President, I would ask for a Call of the House since it's relatively close, I guess.

SENATOR CLARK: A Call of the House has been requested. All those in favor of a Call of the House vote aye, opposed vote nay. Record the vote.

CLERK: 14 ayes, 4 nays, Mr. President, to go under Call.

SENATOR CLARK: The House is under Call. All legislators will take their seats. All unauthorized personnel will leave the floor, please. Everyone will check in. Senator Schmit, Senator Kremer...would everyone check in, please? Senator Burrows, Senator Wiitala. I guess Senator Koch is here, I don't know. Is Senator Beutler here? Senator Howard Peterson, are you here? Senator Newell. Is Senator Nichol gone? Everyone is here. Call the roll.

CLERK: (Read the roll call vote as found on page 2156 of the Legislative Journal.) 28 ayes, 17 nays, Mr. President.

SENATOR CLARK: The motion failed. Senator DeCamp, for what purpose do you arise?

SENATOR DeCAMP: It's just the old college try, you know, we give up.

SENATOR CLARK: Fine. The Call is raised.

CLERK: Mr. President, Senator Hoagland....you don't want it? Okay. Mr. President, I have nothing further on the bill.

SENATOR CLARK: The question is the advancement of the bill. All those in favor say aye. All opposed no. The bill is advanced. LB 184.

CLERK: Mr. President, I have E & R amendments on LB 184.

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: I move the E & R amendments to LB 184.

SENATOR CLARK: You heard the motion. All those in favor say aye. Opposed no. The E & R amendments are adopted.

CLERK: Mr. President....

SENATOR CLARK: Amendment on the desk. Amendment on the desk.



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LB 184

CLERK: Mr. President, Senator Schmit would move to amend the bill.

SENATOR SCHMIT: Mr. President and members of the Legislature, I have this amendment which was offered at the request of the Nebraska Public Power District because they own 2000 acres of land which they must own by federal mandate surrounding some other installations. I have shown the amendment to Senator Burrows. I am not really sure and Senator Burrows isn't really sure if they need the amendment, but by offering it we remove any doubt that the bill would have any impact upon that problem, and I have just received it a little bit ago. It's being drafted now and it exempts that particular type of ownership from the provisions of LB 184. As I have said, Senator Burrows and I discussed it and neither of us are certain that we need it, but in order to satisfy any objections, we agreed to... I agreed to offer it. I would like to have Senator Burrows comment on it, and I think he will reflect the same thing I have said. I hope we have the amendment here in a few minutes.

SENATOR CLARK: Is there any discussion on the Schmit amendment? Senator Burrows.

SENATOR BURROWS: I certainly agree with what Senator Schmit said. I don't feel it is probably necessary but it clarifies if there is any question raised on any public power problems with the bill. So I support the amendment. It clarifies specifically an exemption there for a public power district and I have no problems whatsoever with the amendment, and urge your support for it. Thank you.

SENATOR CLARK: Is there any further discussion on the Schmit amendment? If not, all those in favor vote aye. All those opposed vote nay. Record the vote.

CLERK: 28 ayes, 0 nays, Mr. President, on adoption of the Schmit amendment.

SENATOR CLARK: The amendment is adopted.

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

SENATOR CLARK: The question before the House is the advancement of 184. A machine vote has been asked for. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting no.

SENATOR CLARK: The advancement of the bill. Have you all

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voted? Record the vote. Senator Burrows, what was your request?

SENATOR BURROWS: I want a Call of the House and a roll call vote.

SENATOR CLARK: A Call of the House has been requested. All those in favor of a Call of the House vote aye, opposed nay. Record the vote.

CLERK: 19 ayes, 3 nays, Mr. President to go under Call.

SENATOR CLARK: The House is under Call. All Senators will check in, please. Will we all check in, please. Senator Warner, Senator Schmit, Senator Howard Peterson, I wish you would check in so I don't have to call your name. Senator Kilgarin, Senator Newell, Senator Chambers, will you all check in, please? Everyone is required to be in their seats, please. Do you want a roll call vote? Call the roll.

CLERK: (Read the roll call vote as found on page 2157 of the Legislative Journal.) 22 ayes, 25 nays, Mr. President.

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LB 466, 12, 184, 477,  
477A, 561

Since this was printed as a Final Reading bill and it has been returned now, it is going to have to be reprinted again. So I just call that to your attention and I want it made a matter of record. Thank you.

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

CLERK: 28 ayes, 7 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: Motion is carried. The bill is advanced. On Final Reading. LB 477. The Clerk will read.

CLERK: Mr. President, if I may right before that, Senator Warner would like to have a meeting of the Special Legislative Working Group on Federal-State-Local Fiscal and Program Policy.

Senator Beutler moves pursuant to Rule 6, Section 11, to override the Governor's veto of LB 12.

I have an Attorney General's opinion addressed to Senator Wesely on LB 561; and Senator Schmit on LB 184.

And I have a report, Mr. President, of session employee expense to be inserted in the Journal. (See page 2181.)

(Read LB 477 on Final Reading.)

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

CLERK: (Record vote read. See page 2182, Legislative Journal.) 43 ayes, 4 nays, 2 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. The Clerk will now read LB 477A.

CLERK: (Read LB 477A on Final Reading.)

SPEAKER MARVEL: All provisions of law having been complied with, the question is, shall the bill pass? Those in favor vote aye, opposed vote no. LB 477A. Have you all voted? Record the vote.

not help, because I didn't know for sure what...I just walked in and it was easy for the Clerk not to get me correctly recorded and I would move to reconsider so I can vote, if that is in order. I don't want to argue about whether they got me or didn't get me because that...

SPEAKER MARVEL: Senator Warner, can you come down a minute. In an attempt to be as fair as possible to... (Gavel.) I would like to make a couple of statements in regard to past reconsiderations. The rule has been that as long as there is at least one more chance on the part of the issue on the part of those who are in possession of the issue, then we do not allow reconsideration. In this case Senator Warner, if he had speeded up about 10 miles an hour we would not have any problem in this area and if you want to refer to a precedent refer to the discussion that we had on LB 221 when Senator Kelly was a member of the Legislature and he challenged successfully incidentally, the Chair in this particular area. So the Chair would rule subject to your consideration, that Senator Schmit has one more chance but it is not today. Senator Newell, for what purpose do you arise? Senator Schmit, your light is on. Do you wish to respond?

SENATOR SCHMIT: Only to say, Mr. President, I appreciate the consideration and I appreciate the tolerance of the body and I will not try to indulge in anything excessive. Thank you very much.

SPEAKER MARVEL: Thank you. The next item of business is under Select File, priority, the next order of business, LB 184.

CLERK: Mr. President, with respect to LB 184, the E & R amendments were adopted on May 20. There was an amendment from Senator Schmit that was adopted on May 20. On that date, Mr. President, the bill failed to advance. I presently have nothing on the bill.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, I would like to appeal to the body to look at this bill. I think one of the areas of misunderstanding that has been held in the bill, and I would like to explain it. Some information has been that the family farm corporation was restricted by the definition of the authorized corporation. There are no restrictions on separate classes of stock for the family farm corporation. There are no restrictions on numbers of stockholders in the family, merely a

majority of the stock in the members of the family. I think that if the people understand that these are both the authorized and the family farm corporation, are separate ways of qualifying for farm ownership and operation, that it eases most of the pains at least at the rural constituents where they have had concerns, it solves most of those concerns. I think it is time that we give some real protection to the family farm units of this state, to the independent business people of this state and set up a restrictive process where this large oil company money, where the multinational money, the large insurance companies and those interests can not come in, take up the land and rip the profits out of the state. This bill is broader, has more openings for the people within the state to work than the Kansas law which I passed around a couple of days ago that was passed. Our bill is less restrictive with the family farm corporations than the Kansas bill. They have a much tighter bill. I would urge you to support this bill and give some meaningful protection to the family farm units to this state and make a commitment that we desire a family type operation, the type that has been the most successful in the world in efficiency and production cost, that the monopolistic practices of the large corporations will not come into and take over Nebraska's agriculture. I think the prime point today, the concern of getting it now is the fact that our surrounding states on the north and south and east all have family farm corporation bills of one type or another and with the vast amounts of money some of the most profitable corporations hold, that their interest will turn in the Midwest to the State of Nebraska for its investment. So that investment purposes in our sandhills and within the state can accelerate rapidly under a situation like this. It is a concept that is not new but it is accepted across the Midwest. If you have a feel for agriculture and its future and a perpetual nature in the redistribution of the wealth of this state, a protection from these family units, I urge you to support the bill and relook at your position on it. It is not and it does not jeopardize family farm corporations in any way who wish to plan their estates but simply limits what sizes of corporations by those that are huge and vast amounts and sold on the Stock Exchange, they cannot come in. I urge your passage of the bill and I thank you and respectfully request everyone of you to support this measure across. Thank you.

SENATOR CLARK PRESIDING

SENATOR CLARK: Is there any discussion on the advancement of LB 184? If not, all those in favor vote aye, all those opposed vote nay. Have you all voted? Have you all voted? Senator Burrows.

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LB 184, 216

SENATOR BURROWS: I would like a Call of the House and a roll call vote please.

SENATOR CLARK: A Call of the House has been requested. All those in favor of a Call of the House vote aye, opposed vote nay. Record the vote.

CLERK: 15 ayes, 1 nay to go under Call, Mr. President.

SENATOR CLARK: The House is under Call. All senators will take their seats and check in please. Senator Burrows, would you check in. Senator Warner, Senator Schmit, Senator Lamb, Senator Hefner, Senator Lowell Johnson, Senator Howard Peterson, Senator Vard Johnson, Maresh, Rumery, Wesely, Kilgarin. Only Senator ~~Flannery~~ and Senator Cullan are excused. We are still looking for five more. Senator Beutler, Vard Johnson, Senator Wesely. The House is under Call. We are all supposed to be in our seats please. We are looking for Senator Wesely and Senator Vard Johnson, so, Sergeant at Arms, can you find those two? Here they are, both of them. Call the roll.

CLERK: (Read roll call vote as found on page 2236 of the Legislative Journal.) 22 ayes, 24 nays, Mr. President, on the motion to advance the bill.

SENATOR CLARK: The motion lost. The bill is indefinitely postponed. We will now take up LB 216 on special order.

CLERK: Mr. President, with respect to LB 216, there are E & R amendments pending.