

January 16, 1981

LB 95, 247-283

Mr. President, Senator Schmit would like to have a meeting of the Ag Committee underneath the North balcony now if he could, and it is Ag Committee underneath the North balcony with Senator Schmit, immediately if possible.

PRESIDENT: The Legislature will be at ease until Speaker Marvel determines that we will go back.

EASE

PRESIDENT: The Legislature will come to order just for the purpose of the Clerk reading some matters into the record. Mr. Clerk, you may proceed.

CLERK: Mr. President, Senator Clark would like to announce that Senator Goodrich has been selected as vice chairman of the Telecommunications Committee.

Mr. President, new bills. Read LB 247-265 by title as found on pages 205-209 of the Legislative Journal.

Mr. President, your committee on Appropriations gives notice of agency hearings for Monday, January 26, signed by Senator Warner as chairman.

PRESIDENT: The Legislature will continue to stand at ease until approximately 11:15 a.m.

CLERK: Meet in Room 1517 at eleven o'clock? The Executive Board in Room 1517 at eleven o'clock.

PRESIDENT: The Legislature will come back to order. The Clerk has some matters to read in.

CLERK: Mr. President, I have a reference report referring LB 172-205 and rereferring LB 95. (See page 213 of the Legislative Journal.)

Mr. President, I have new bills. (Read by title, LB 266-283 as found on pages 214-218 of the Legislative Journal.) Mr. President, that is all the matters that I have this morning.

PRESIDENT: Any other messages on the desk, Mr. Clerk?

CLERK: No, sir, I have nothing further.

PRESIDENT: In that case the Chair will recognize Speaker Marvel.

SPEAKER MARVEL: I move we adjourn until Monday, January 19, 1981, at 10:00 a.m.

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LB 9, 50, 257, 266,
313, 475, 508.

CLERK: Mr. President, I have a series of Attorney General's Opinions, the first to Senator Vard Johnson regarding LB 9; one to Senator Vard Johnson regarding LB 266; a third to Senator DeCamp regarding LB 508; one to Senator Wesely regarding LB 257, and one to Senator Hefner regarding LB 206. (See pages 794 through 804 of the Legislative Journal.)

PRESIDENT: Ready then for agenda item #4, General File. The first bill on General File this morning is LB 313, Mr. Clerk.

CLERK: Mr. President....

PRESIDENT: We will pass over the first two bills which are Senator Stoney's bills and come back to them. Starting out then with LB 50. Oh, that's off of there. All right, so then we are at 475.

CLERK: Mr. President, LB 475 was introduced by the Constitutional Revision and Recreation Committee and signed by its members. (Read title.) The bill was first read on January 20 of this year. It was referred to the Judiciary Committee for Public Hearing. The bill was advanced to General File. There is a committee amendment pending, Mr. President, by the Judiciary Committee to add the emergency clause.

PRESIDENT: The Chair recognizes Senator Nichol.

SENATOR NICHOL: Mr. President and members of the Legislature, this is simply the emergency clause and the reason for it being that this should go into effect sooner so that we would have a Commission on Judicial Qualifications. I understand that at the present we don't have one and because of the voting of the public last November this should be done immediately. I move for the adoption of the E clause.

PRESIDENT: Any discussion on the....that is a committee amendment, Senator Nichol? A committee amendment which is to add the E clause. Any discussion? I guess that is your opening and closing, Senator Nichol. The question then is the adoption of the committee amendment to LB 475. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 27 ayes, 0 nays on the motion to adopt the committee amendments, Mr. President.

PRESIDENT: The motion carries. The committee amendment

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LB 245, 11, 179, 206, 206A,
257, 346, 396, 452,
468, 495, 542, 543

Banking, Commerce and Insurance Committee reports LB 257 to General File with amendments. (Signed) Senator DeCamp.

Ag and Environment reports LB 542 to General File; LB 11 to General File with amendments; LB 396 General File with amendments; LB 452 and 468 indefinitely postponed. All those signed by Senator Schmit as Chair.

Business and Labor reports LB 495 as indefinitely postponed. (Signed) Senator Maresh.

Banking, Commerce and Insurance reports LB 543 to General File with amendments. (Signed) Senator DeCamp.

Senator Lamb would like to print amendments to LB 179 in the Journal.

Senator Nichol's Judiciary Committee reports LB 346 to General File with amendments.

I have a set of Rules reports from Senator Wesely's Rules Committee. That will be inserted in the Journal. (See pages 977-979.)

Mr. President, I have a communication from Secretary of State and accompanying certificate regarding the Legislature's override of LB 206 and 206A. Both will be inserted in the Journal. (See pages 980-982.)

SENATOR CLARK: Senator Schmit, do you want to advance 245?

SENATOR SCHMIT: Mr. President, I move that LB 245 be advanced.

SENATOR CLARK: We have two more amendments up here.

CLERK: Mr. President, the first amendment I have is offered by Senators Dworak, Goll, Vickers, Sieck, Warner, Lowell Johnson, Carsten, Clark, Haberman and Koch and it is found on page 868 of the Journal.

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RECESS

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Record your presence please. We need nine more votes before we can start.

CLERK: Mr. President, Senators Barrett, Dworak, Hoagland and Wiitala would like to be excused for the afternoon.

SPEAKER MARVEL: John, will you record your presence? Thank you. Now we need one more and we will be ready to start. Howard Peterson, will you record your presence please? Senator DeCamp, would you encourage Howard Peterson to...yes. Record.

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

SPEAKER MARVEL: 257.

CLERK: Mr. President, LB 257. (Title read.) The bill was first read on January 16. It was referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. There are committee amendments pending, Mr. President, by the Banking, Commerce and Insurance Committee.

SPEAKER MARVEL: Senator DeCamp.

SENATOR DeCAMP: Mr. President, we originally put the bill out with the intent and I pretty well understood that we would use it, first of all, for the uranium issue, which was prevalent at that time, and secondarily, those of us who had an interest in using it for the original energy purposes would utilize it, try and get our amendments on, fight over those separately. It is my understanding, Senator Clark can correct me if I am wrong, any of the members of the Public Works Committee, that we have a bill on uranium in the committee now and it has been pretty much understood that we are going to hold that, do an interim study, work out those details later. So I see no reason to adopt the committee amendments on uranium so I would move that they be rejected with that understanding unless somebody wants to go ahead on uranium now. If that occurs, then I will offer an amendment, signed, that is in the Journal, and give a complete explanation of what the amendment is having to do with the energy issue. And so you all understand, the committee amendments gut the bill completely and utilize the bill for the uranium issue. I repeat, I think that issue can be dealt with this summer in the interim study with the bill we now have in the Public Works Committee. The energy elements of the bill are a completely separate issue, should be dealt with separately. I

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don't want anybody to be fooled, tricked, deceived, confused, and we will attempt that after the committee amendments issue is resolved. So I urge rejection of the committee amendments since they have to be voted on.

SPEAKER MARVEL: Senator Clark.

SENATOR CLARK: Mr. President, members, I certainly would want you to accept the committee amendments. This is nothing but a subterfuge is all this is. This bill would never have gotten out of our committee had it been the original energy bill. So Senator DeCamp changed it to make it a bill for uranium mining so we voted it out. Now he wants to change it back to the original bill, not exactly, of course. It is an old trick that he pulls all of the time. All you have to do is accept the committee amendments and we have got the uranium bill. If you don't like it, kill it, but, for goodness sake, don't let this ruse be perpetrated upon the entire Legislature. This is a terrible thing to happen.

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I can't speak for other members of the committee but I can say as I understood the original bill was stripped. It was turned into a bill to provide for some control of uranium mining. Now if Senator DeCamp intended to have a rebirth of the original bill, he may have but that was not my understanding and I really can't say at this point in time whether he spoke that way to other people or not but I would suggest that certainly I would not have voted to advance the bill if I had known that at this point in time we would be asked to reject the committee amendments. So regardless of what you want to do, I know there is some deep concern about the original content of the bill. There is some meritorious parts in that bill but I would not have voted to advance the bill under those conditions.

SPEAKER MARVEL: Senator Wesely.

SENATOR WESELY: Mr. Speaker, members of the Legislature, I would like to urge rejection of the committee amendments and return to the basic bill and simply because of this, I think the reason that the change was made in the committee amendments in the first place was the crisis situation that we thought we were under concerning uranium mining in the northwest area of Nebraska. We were concerned. We wanted to do something so we gave up the energy portion of the bill to try and deal with that specific problem. Senator Cullar then introduced his bill. The bill was heard by the Public

Works Committee which I serve on, and it became quite clear that that emergency that we thought existed was not, in fact, an emergency and thus the whole issue of uranium mining is not as pressing a need as it once was. So I think the question of energy and the need to deal with that is a very important problem and that is why I think we should go ahead and understand now the uranium part of the bill is no longer necessary and we should go back to the energy questions involved in the bill as introduced and discuss those on their merits.

SPEAKER MARVEL: Senator Remmers.

SENATOR REMMERS: Mr. President, members of this body, I would like to reinforce what was said by Senator Clark and Senator Schmit, that this bill would never have gotten out of committee as the original bill and the amendments now make it very similar to the original bill. And I won't even be as charitable as Senator Schmit was about there being some good parts about the bill. I really can't see very much meritorious about the bill and so I just want to re-emphasize the fact that that bill would never have gotten out of committee in this form.

SENATOR NICHOL: Mr. Chairman, members of the Legislature, a few days ago we changed a bill drastically and the body wanted to refer it back for hearing and I objected but voluntarily suggested that we do take it back for a hearing. I would wonder if Senator Wesely or the other, Senator Fowler or Senator DeCamp, would be willing to do the same on this since it has been changed considerably. And from what I heard from others in my district, they weren't carried away with the bill in the first place. So I would be interested to see if they would be interested in doing this.

SENATOR VICKERS: Mr. President and members, I, too, rise to urge the adoption of the committee amendments simply because I, even though I am not a member of that committee, I think it is very obvious what is going on and what went on in order to get LB 257 out onto the floor. I would also suggest that there might have been a little bit of game playing to even get that bill to go to the Banking Committee to start with. It seems strange to me that the energy bill goes to the Banking Committee, but, of course, there had to be a few sections put in the bill dealing with some tax issues of some sort in order to justify an energy bill going to the Banking Committee but it seems to me the energy bill should have went to the Public Works Committee and the Public Works Committee being the committee that normally

would deal with this sort of an issue but it is pretty clear I believe, and I think the body should be aware of it, that a game was played to get this bill to go to a specific committee, be treated in a specific manner. Now a specific amendment has been put on it for the expressed purpose of getting the bill to the floor so they can deny the amendments and have the bill out here, a way to get around, circumvent, if you will, the committee structure in this Unicameral and I oppose Senator DeCamp's motion to not accept the committee amendments. I think they should be accepted.

SPEAKER MARVEL: Senator Fowler.

SENATOR FOWLER: Mr. President, I think Senator Vickers, who usually is fairly straightforward and honest, I think kind of misspoke the circumstances with regards to this legislation. I am going to rise to defend Senator DeCamp. As far as the first fact that the bill went to the Banking Committee, I don't think there was any games played there. I don't think that Senator Lamb and the Executive Board manipulated that bill there. The Banking Committee is the one that last year heard the energy bill. It is the committee that traditionally has taken this aspect of the energy question. Public Works has dealt with public power. But as far as energy legislation somehow being slipped over to Banking this year, that is simply not true and I think that is an attack on the integrity of Senator Lamb and the Executive Board and the referencing of bills this session. Senator Vickers, no games were being played with the referencing. In regards to Senator Nichol's statement that this should have a public hearing if it is changed, well, the original bill did have a public hearing. There would be no need, if the committee amendments are rejected, to send it back to committee for a hearing. There was such a hearing. Now it is the uranium question that came in with another bill and had a separate public hearing. If anything, it is the uranium issue that should be detached from this bill because that now is being considered before the Public Works Committee and has had a hearing. If we are going to look at that type of precedent, then we should reject the committee amendments which alter substantially this bill and go back to the original concept. Now I don't think it is an accident that those that have stood up and tried to talk about the integrity of the committee amendments are those who come from districts in the state where there are oil producing interests. I think that really is the basic question facing us with this bill. What is being presented is a bill to raise Nebraska's severance tax on oil and gas, one of the lowest in the nation, inadequately low, I would say. That issue is before us and those Senators that are standing up are not representing

anything other than oil interest in their protestations with regards to the maneuvering on this bill. So I think that is the clear issue before us. Is the Nebraska Legislature just going to simply follow the wishes of the oil industry and ignore the energy question this year, let it go away hopefully somehow unresolved, or are we going to address straightforward the issues in this bill? What Senator DeCamp is proposing is to strip away the uranium section which is not needed, is handled in a separate bill, so that we can discuss energy issues and we can discuss Nebraska's severance tax, so we can discuss the fact that millions of dollars are flowing out of the Nebraska economy in higher and higher energy costs. That is the issue in front of us. I don't think we should hide behind some sort of procedural shadow. I think we should be straightforward about it. I think this Legislature needs to address the energy question. It is unfortunate that the only times we seem to be willing to do that is when the Arabs shut off our oil and then we pass resolutions and we posture on the floor and talk about how we have got to do something about energy and then we forget about it until the oil is shut off again. I think Senator DeCamp is to be commended for bringing this before us when maybe in fact we can operate on a calmer manner and not deal with an energy crisis. I support rejecting the committee amendments. I think this session of the Legislature should address the energy issue.

SPEAKER MARVEL: Senator Cope.

SENATOR COPE: Mr. President, members, I certainly have no oil interests, we have no oil in Buffalo County, but the problem that I have, and perhaps it can be answered, is simply this. As I understand most of the oil companies that are in Nebraska are small companies. Now this added one percent could, I am not saying it would, but it certainly could limit exploration for oil in Nebraska, and I think right now that that is vitally important. We don't know just what we have in Nebraska with oil supplies and if, I am not talking about major companies, I am talking about small companies, we are going to take that much money out of exploration I am sure and I don't like to see that. I think maybe we are penny pound wise and pound foolish. So if someone can answer that to my satisfaction, I can go along. Otherwise, I certainly would protest vigorously.

SPEAKER MARVEL: Senator DeCamp, do you want to close on your motion to reject the committee amendments?

SENATOR DeCAMP: Mr. President, members of the Legislature, I

want to address every one of the issues raised and the first one had to do with how the bill got out of committee. The bill got out of committee one hundred percent, one hundred percent, because we had the uranium amendment on it. That is why Senator Clark voted for it, Senator Remmers. That is why Senator Schmit voted for it and there was that clear understanding and it was stated in committee that that was the issue and that was why I was gutting the bill. Subsequent to that time, legislation was introduced on the floor by a suspension of the rules by this Legislature and a separate public hearing was held on the issue of uranium. I, personally, am happy to go ahead, happy to go ahead and deal with the uranium issue this session. Apparently from the input that came out of the last hearing, it is a more complex topic than some originally thought. That is why I am suggesting since the decision of the Public Works Committee on the issue of uranium was to delay...that that issue be delayed and not dealt with here on the floor. But now let us get to the separate subject, the bill itself. I have told you clearly in advance that after rejection, as I did to others, I intended to offer and others intend to offer amendments relating to the energy issue. That is all we are seeking to do is offer you the amendments, the arguments pro or con, so on and so forth. Now as to bad faith, if there was bad faith in what is intended, then it is surprising that at a very private meeting between Senator Clark, myself, Vincent Brown representing the oil people, they agreed to accept a compromise of three percent increase or I mean up to three percent in severance tax on oil. They had certain exceptions about stripper wells, so on and so forth. The point I am making is there was no misunderstanding on their part or anybody's part that we intended at least to offer amendments relating to the energy issue. So that is all I am suggesting we do, utilize the bill which is an energy bill to deal with the energy question this year. Now to Senator Vickers' objection about hanky-pank, this reeks of the same objection he raises about twenty-four times a day that anything he hasn't done somehow is mysterious, dishonest, dirty and bad. All things done in clandestine meetings, smoke filled rooms, with the possible exception of multitudes of secret shadow coalition meetings to cut old John's head off, all other meetings are somehow dirty and foul, and if he hasn't made the decision, then it is evil. He said the Banking Committee, Senator Vickers, for your information, it is Banking, Commerce and Insurance. The most fundamental aspect of commerce in this day and age is energy and you will someday discover that even where you come from. Even if you think you have got unlimited oil, we have got problems energywise in this country and in this state that imports about ninety-five percent of its energy, and unless we are willing to face up

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and start developing things, we are going to be in deep you know what very quickly. To Senator Schmit, indeed, you voted to advance the bill on the basis of the uranium issue and I specifically said, "Fine, we will try our amendments separate, independent. We will have to muster the votes. We won't try them as amendments to the committee amendments, trying to get a simple majority. We will make them win their way on their own with explanation." That is exactly what I am offering to do. Reject the committee amendments and then make our amendments stand on their own, good or bad, wise or unwise. At least they would be a separate issue. If you choose to go ahead at this time and adopt the committee amendments, then I think you are making the commitment to deal with the uranium issue this session in this bill and I am willing to do it but it is complicated and I am not sure we have enough time. I don't think there is any deception when I say we will offer our energy amendments separate and that is what we intend to do.

SPEAKER MARVEL: So the motion is to reject the committee amendments to LB 257, is that right? Senator Clark, for what purpose do you arise?

SENATOR CLARK: A point of clarification please. When we vote on this issue, if we vote green, we are voting to reject the committee amendments, is that right?

SPEAKER MARVEL: Yes, the motion is to reject.

SENATOR CLARK: And if we vote red we are going to vote to accept the committee amendments?

SPEAKER MARVEL: Senator DeCamp.

SENATOR DeCAMP: Mr. President, I am moving to adopt the committee amendments. You have heard the arguments. I have personally suggested we delay the issue on uranium. I have said if you adopt the committee amendments you are basically committing to go ahead with the uranium issue now. So a red vote is to adopt the committee amendments, or I mean a green vote is to adopt them. Boy, I am getting confused myself. A red vote is to reject the committee amendments basically. Is that a fair statement?

SPEAKER MARVEL: Senator Clark. Okay, does everybody understand the issue now? The motion is to adopt the committee amendments, that if you are in favor of that you vote green. If you want to reject the committee amendments you vote red. All those in favor of adopting the committee amendments vote

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aye, opposed vote no. Have you all voted? I am talking about twenty-five votes. Have you all voted? Record.

CLERK: 25 ayes, 13 nays, Mr. President, on the adoption of the committee amendments.

SPEAKER MARVEL: The motion is carried. The committee amendments are adopted. Senator DeCamp, do you wish to go to your amendment or do you want to explain the bill?

SENATOR DeCAMP: Yes, Mr. President, Mr. President, members of the Legislature, I applaud the Legislature for the courage they have shown. They don't want to duck the uranium issue and I didn't either. Again I applaud you. If there are technical corrections, I will certainly try to get them. Now that we have adopted the uranium aspect and determined to go with that, I would submit it is time to deal with the other energy aspects of the legislation. It is all compatible. It all deals with energy just as our regulation of uranium does. You have passed out to you information on the subject of additional energy questions and what the legislation does. The amendments are sponsored by myself, Senator Fowler, Senator Wesely. Let me quickly touch on what it does. It gives cities some flexible authority in the area of thermal efficiency standards. You may remember we passed legislation last year that directed, that directed that new construction meet certain standards. This would give cities permissive power in certain areas on existing structures. The amendment as we originally had it was opposed violently by homebuilders and others. As we have it now, we understand there is no, at least to my knowledge, no known opposition to it. It is just permissive flexibility for the cities. But let me get to the heart of the issue since that is what it is all about, the issue of whether we are going to have an increase in severance tax, and I am proposing in here an increase to three percent. I realize that Mr. Brown and the oil barons have determined that they can defeat this and I know they have lobbied it well. They reached an agreement with me privately for an increase. I see that was kind of halfway to throw me off guard. I am not sure that it pays off in the long run to do those things, whether you be a lobbyist or anybody else. However, the money from the increase in severance tax would raise a million or so dollars, hopefully, and we would take our monies that we are already raising and direct them to insulating public buildings, schools, so on and so forth. It would have a five year termination. The bill also has some aspects of solar energy credits so that on new solar developments, solar construction, you would receive a tax credit for a certain small, I think, twenty

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percent percentage of that. This would be direct encouragement of development of solar. I urge you to adopt the amendment and those that think it is putting money down a rat hole or whatever I think will discover they will be begging for solutions to energy within a couple of years. I am trying to anticipate some of those needs. The heat and energy that is going out of our public buildings and school houses, a lot of it could be saved with using this money for insulation of these things. I urge adoption of the amendments.

SPEAKER MARVEL: Okay, Senator Wesely, do you wish to speak to the motion to adopt the amendments?

SENATOR WESELY: Yes, Mr. Speaker, members of the Legislature, there has been material passed out to each of you. I think you have gotten quite a bit of material in the last few months about the energy issue in Nebraska. We have studied this issue extensively over the interim. The LR 305 study which a number of us participated in found quite clearly the energy problems in the State of Nebraska are severe. They are critical. We are facing a time in the next ten years when you are going to see a quadrupling of energy prices in the State of Nebraska. That is to say ten years from today people will be spending four times as much as they are now on energy. Let that sink in for a second, four times as much. They will be increasing their consumption about one percent a year in that same period of time which is to say almost no increase in consumption will end up still costing people four times as much in price. I think what you are seeing is a crisis ahead of us in the State of Nebraska. You are seeing a time when people who feel the pinch now are going to be absolutely hurt to a point where they won't know which way to turn. The harm that has been inflicted up to this point in the energy crisis is nothing compared to what will happen in the next ten years and the State Legislature, this body, each and every one of you are responsible for doing something about this problem. We all share in that responsibility. There are things we can do in the state level that can improve the energy situation we now are in in the State of Nebraska. There are steps we can take which will head off the crisis we face. We have seen the light at the end of the tunnel and it is a scary light and it is one that I think is going to shock all of you once you take the time to take a look at that future that we face in the energy area. But I think the bill before you with the amendments that are being proposed at this time by Senator DeCamp will for the first time see that some programs get some funding that they need. We are going to see a maintenance of some programs that have started to make a

difference in this state. We are talking about ag extension programs. We are talking about energy efficiency education programs. We are talking about solar workshops. We are talking about efforts that have already been undertaken and can now be expanded and maintained in light of the federal cuts that are on the way, that have helped Nebraska, that have proven themselves, that have earned their continuation in the State of Nebraska. Now so many of you don't seem to care at all as I look around the room as you discuss with one another whatever you are discussing. I don't see a bit of concern about the energy problem. You don't care, do you? It just is amazing to me. The energy crisis, there is nothing more important in this state at this point. It is what is causing our inflation right now. Can you understand the problems that we are facing with the energy crisis, with the oil problems that we have had? We have seen the inflation come. We have seen the disruption of our economy. We see worse things in the future and yet your reaction is nonconcern. It is inattention. It is nonsupport of an effort to try and deal with the problem, and when you go back to your constituents and they say, "I can't pay my utility bills. I can't afford to heat my home in the winter." What is your answer going to be? What are you going to say you have done to help with that problem? What is your response going to be? Is it going to be to turn your back on a bill that is going to help the situation or are you going to support a potential solution to a problem that is as serious as any in this state? What is your response going to be? I hope it is a positive response. But when I go to talk to my constituents, and I have asked them what are the problems you face? They tell me energy. I can't pay my utility bills. I can't drive my car anymore. I can't afford the gasoline. I can't do all kinds of things as a result of the problems we have. Our businesses are closing. Our industry is having to shut down because of the fact they can't afford the cost of energy anymore. We can do something about that. This bill attempts to do something about that. Each of you has relatives that are in situations such as my grandfather. My grandfather when he lived at home still heated one room in his house, his bedroom, and that was it and the rest of the house was closed off. And in the middle of the winter in his house he had to wear a heavy winter coat because he could not afford to pay his utility bills. This is several years ago, and since that time you have seen energy prices increase dramatically and they are going to get worse, not better. You know of the natural gas decontrol efforts they are undertaking right now. You are going to see a doubling of natural gas prices in a couple of years. You are going to see electricity prices increasing twenty percent a year and I think you have

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seen that come close to that just in the last few years. Times are bad and they are going to get worse. We need to do something. You are responsible. You are the leadership of the State of Nebraska. This problem is a critical one. The bill before you which deals with some efforts to do something about the problem is a good one. We have worked hard on it.

SPEAKER MARVEL: You have thirty seconds.

SENATOR WESELY: Thank you, Mr. Speaker, and I encourage you to please support this proposal or at least give it some thought so when you go back to your constituents and they ask you what have you done to help me with my energy problems, with my utility bills, you will be able to say, "I was helpful. I helped this bill. I did this.", instead of being forced to say, "I turned my back." I am sorry I don't see a problem." There is a problem. There is a solution. The solution is in this bill.

SPEAKER MARVEL: Senator Fowler.

SENATOR FOWLER: Mr. President, I rise to support the amendments. What the amendments offer is a conservative solution to a major problem. It is a conservative solution because it talks about conservation. It talks about using resources wisely. It talks about not wasting but allocating things properly. What the amendments call for is to start trying to make more efficient use of energy in our public buildings. Now the Appropriations Committee when we sit down and we look at costs, the highest cost we face beyond personnel costs, the highest escalating costs is the energy costs at all of our state institutions. Millions of dollars every year are added to the state budget and not one bit of additional service is provided, not one increase in quality. What is the conservative solution? Not to keep throwing all that money into paying the higher energy bills. The conservative solution, the solution offered by Senator DeCamp, is to start conserving some of that energy and that is what the amendments to 257 talk about. Now when all of us run for office, we go back to our constituents and people look at us and say, "How come you guys never do anything down there? How come you don't get anything done? How come we have all these problems and you waste all your time?" Well, now and then some Senators step forward and offer to this body for their consideration solutions to problems, not easy solutions, not necessarily simple solutions, but things that can be acted on. Now if this Legislature today simply says, "We are not going to deal with the energy problem. We are not going to address

this concern." I think they had better have a sound foundation for doing that and, to date, the only reason that I have heard to opposition to the amendments to 257 is that the oil industry, the industry that depends on waste, the industry that depends on waste of energy, that profits from our lack of conservation, the oil industry doesn't like it. And I can understand why the oil industry doesn't like these amendments, because what it talks about is wise and prudent public policies, and these wise and prudent public policies might cut their excess profits. See, we have an industry that feeds on our lack of conservation, an industry that feeds on our irresponsibility, and if this Legislature goes along with that irresponsibility, ignores the conservative solution that Senator DeCamp is proposing simply to satisfy one industry, then I think that the voters are certainly correct in saying this Legislature does not step forward with positive achievements. We spend hours debating a lot of issues like license plates and it seems that a lot of Senators here do not want to spend even thirty minutes discussing the energy problem, and I think the reason they don't want to talk about it is they know that the oil industry is trying to exert its political muscle to stifle discussion so that we can't even address this question in a responsible manner. I think if you have objections to the amendments, I would like to hear the specific objections. I think we can talk about the merits. But I think it would be very poor form for this Legislature simply to go home and say, "Oh, gosh, we don't need to worry about the energy crisis. The oil industry told us not to worry."

SPEAKER MARVEL: The Chair recognizes first Senator Haberman and then Senator Remmers and then Senator Nichol and then Senator Kahle and then Senator Cullan. Senator Haberman.

SENATOR HABERMAN: Mr. President, members of the Legislature, my, my, it was kind of refreshing to hear Senator DeCamp say something about Mr. Brown and the oil barons. He actually referred to the influence of some lobbyists and this is kind of refreshing because people have allude that Senator DeCamp is influenced by lobbyists but I didn't think that he would ever say anything like that. I rise to oppose this for several reasons. Number one, you all received, no, maybe you didn't, but the federal government is giving \$4,000 of tax relief for energy sources. They are giving forty percent of the first \$10,000 in the solar, wind and other equipment. The federal government are giving the taxpayer a big cut to use energy cutting devices. Now we want to take a particular industry, and I will be up front, this industry is heavy in my district, we want to jeopardize this industry. Nebraska has

one of the lowest rate of productions of oil wells in the United States. We are one hundred percent artificial lift oil wells. Now they are much more expensive than free flowing oil wells but we are a hundred percent. We are going to have to close down a lot of stripper wells. Those are wells that are ten barrels per day and less. We are going to have to close them down with this added tax. The people are going to lose money as well as the industry and the state is going to lose money because they are going to quit drilling wells. They cannot afford to drill wells and pay this extra tax because our oil is not the same kind of wells as in Oklahoma, Wyoming and the rest of the states. They want to talk about spending money and saving money. You all received this yellow report, The Irrigation Efficiency Related to Agricultural Issues. Energy Recommendation Report #1. It cost \$3,000 for this little report, these little pages. If you want to talk about saving money, let's save it on junk like this. Well, I would just have to say that I don't think we have to point at one industry like this. It is awful easy to do it because it sits out there in three or four counties or five counties. It doesn't really affect Omaha. It doesn't affect Lincoln. So it is awful easy to point your finger and say, "Ah! We will go after those boys." And they are not causing the problem, the OPEC nations are causing the problem. Go after them. Raise the cigarette tax. Raise a lot of other taxes but let's don't pick on an industry that is growing in Nebraska or do you want to stop their growth. That is all I say. Sure, we are all in favor of saving energy. We are all in favor of that but let's don't do it this way. There is other ways to do it. Thank you, Mr. President.

SPEAKER MARVEL: Senator Remmers.

SENATOR REMMERS: Mr. President, members of the Legislature, I rise to oppose those amendments. I first want to say that I hope that I never question anyone's motives or methods or integrity and I am not questioning anybody's motives, methods or integrity and I wasn't when I spoke earlier as far as the change in the bill is concerned. I recognize that that is everybody's privilege and I am certainly not criticizing anybody's motives. I also want to say that I do respect a member of the lobbyist group that speaks for the oil industry. I respect him and I will listen to his points that he gives me on his industry the same as I will to the lobbyist of any other group. I think they represent legitimate groups whether they are speaking for education, whether they are speaking for the Highway Department, the University, or any other companies, but I don't owe them anything. I don't owe the oil companies anything. It is true that there are a few stripper wells in

my area but I would like to have you believe that I would say what I am going to say even if the 1st Legislative District did not have any oil wells because what I am going to say I believe very sincerely. I think that this bill, the amendments here are another example of a social planning that we have had for so many years that have not resulted in anything very constructive. It has resulted in hampering the economic processes of our country without solving the problems of the poor. And I think this is another situation where we will have another vast bureaucracy. We would have study committees. We would have mountains of paperwork. For instance, one of the first suggestions I see here to give cities and villages the option to establish minimum standards for existing buildings. I can imagine what that would get into and I think when you are all through there is very little of this money that is going to trickle down to the poor that you are speaking of. And I would like to say that those of you that are speaking for such great concern for the poor, I hope you also give me credit for being concerned for the poor. I think I am as concerned as anyone else but I just don't think this is the way to go. It is very easy to take the corporations and make them the whipping boys with excessive profits but I think this bill is dishonest in its approach. I don't mean that the sponsors are being dishonest but I think that the approach is misleading. It is very easy to think that these large corporations have huge profits, but if competition doesn't take care of those profits, there are two other ways you can do it. One, you can tax them to the extent that they cannot compete which I am afraid would be the case of the oil industry in Nebraska. Nebraska oil is not big oil and I think you would make it very difficult for Nebraska oil to compete in this very fierce competitive area. It is not big oil so there is only very limited ways that they can operate under such conditions. You can tax them to where they have no resources left to invest, and as a result will give up the exploration of oil in Nebraska, or the other option is to pass it on to consumers. Nebraska oil has to compete in the total oil market, and as a result, if you tax...put this severance tax on Nebraska oil, they are going to be at a disadvantage with other companies because other companies, they do have their severance taxes in other states but they also have a different oil economy than we have. So I think we are penalizing an industry in this state that does not have much representation in this Legislature. There aren't very many Senators from the oil producing areas of Nebraska. There is just a handful of us so it is very easy to pick on these wealthy corporations, these power hungry, profit hungry people, but I think the honest approach would be to put your tax someplace else. This tax as a severance tax, the people will not realize who is paying for this boondoggle

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which is what I think it would amount to because they don't see this hidden tax but they are paying for it anyhow. Who are we kidding? You can't tax profits from a company without having those taxes passed on to the consumer. The consumer eventually pays all taxes.

SPEAKER MARVEL: Your time is up. Senator Kahle.

SENATOR KAHLE: Mr. President and members, we heard a passionate plea a bit ago about saving energy and I notice that we have an awfully lot of energy in here and I know it is necessary for the TV to be on. I wonder why the chandeliers have to be on up above. I am just trying to be practical. We all talk about saving energy but we want somebody else to do it. In my office downstairs I have one switch for lights in the three different areas that I have, and whenever anyone is in there, we have all the lights on. I don't know how practical this is but we also find ourselves on the horns of a dilemma because the more energy we save the more it costs us which is a double whammy. And what I am talking about is that the utility companies have overhead, too, and when we use less energy or less gasoline or whatever it might be it means less profit for each gallon sold so they have got to add to the price. So we are counterproductive, I guess, is the best word and I don't know how to get around it. But I think if we are really serious in helping perhaps the elderly and those that live in homes that are less than energy efficient, we should put it right up front and put some money in the general fund for it and not try to hang it onto some industry which is a pretty weak industry, really, in Nebraska. If we had all the coal and oil and things that some other states have, we would certainly be able to I am sure get a very minimal tax and do the job but I don't think we are serious about energy and I do agree with Senator Wesley on that. If you have flown over our cities at night, they look like a Christmas tree lit up with bright lights so that you can...I suppose it is supposed to be to stop crime. I don't know. Even our farms, we have a light on that burns all the time at night and have had for years and years and years. In fact, we have got a couple of them. Now we see feedlots that are all lit up at night. I suppose the cows gain a little faster. I don't know. We work our fields and we are trying to save energy. We do our irrigation with less energy and yet we get speeches from our city cousins that tell us, "Well, we are not saving energy." I think if they practiced what we do out there, why we would have a little less expense right here in the Capitol. Thank you.

SPEAKER MARVEL: Senator Cullan.

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SENATOR CULLAN: Mr. President and members of the Legislature, I wonder if Senator DeCamp could yield to a question please. Senator DeCamp, I apologize first of all for being out of the room for a second but I want to make sure I understand the...

SENATOR DeCAMP: Senator Cullan.

SENATOR CULLAN: ...proposal that you are having. You are proposing a three percent severance tax, is that all?

SENATOR DeCAMP: That is correct.

SENATOR CULLAN: Okay, that is all I need. Thank you, Senator DeCamp.

SENATOR DeCAMP: Senator Cullan, could I say something else?

SENATOR CULLAN: Yes, you certainly can.

SENATOR DeCAMP: See, if you had been here on time, we would be on your bill instead of my bill.

SENATOR CULLAN: I apologize. I had a luncheon engagement and I am sorry that I am late, Senator DeCamp, but at this point in time I would have to rise to support the DeCamp and Wesely amendments. I think the...Fowler, excuse me, the Fowler amendments...I think we have to take a look at what is really occurring in the State of Nebraska and nationwide at this point in time and we have to think a little bit about the philosophy of severance taxes and what we are going to do. First of all, I think it is incredible that we are talking only about a three percent severance tax. I would like to point to the severance taxes in some of the other states, for example. In Louisiana there is a twelve point five percent of gross value; in Kentucky, four point five percent of market value; in Michigan, six point six percent; in Mississippi, six percent; in North Dakota, five percent; in Oklahoma, seven percent; in Wyoming, six percent. Nebraska is going to be very low even if we do adopt this additional severance tax. I think we should adopt the severance tax. I think the Senators who have been working on this bill have made a sincere effort to try and accomplish some legitimate goals and we ought to follow their leadership. We ought to increase the severance tax and move on. As far as the uranium amendments are concerned, that is not something that we need to accomplish in this legislative session. It is something that we will work on in the future. I urge you to support Senator DeCamp and Senator Wesely and Senator Fowler. In the long range, there is no doubt that this country

is going to have to shift its emphasis on energy from an emphasis on petroleum products to other energy supplies and sources. In the meantime, we need to do what we can to develop those sources. We need to do what we can as far as conservation is concerned and it is wise of us to grantedly increase the severance tax on petroleum products and use the increased severance tax to accomplish some energy related objectives. I urge you to support this proposal and to move forward and do something constructive about energy in the 1981 session of the Legislature.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator Nichol.

SENATOR NICHOL: Mr. Chairman, I rise in opposition to the present amendment and also to the bill in itself. I don't think this is one thing to do at this time and I would like to draw your attention to the handout that shows buildings that we are going to spend, proposed buildings we are going to spend money for, and what I want to point out is no county in which these buildings are located is there a county that produces any oil. Isn't that funny? Isn't that unusual? Mr. Speaker, I would like to yield some of my time to Senator Remmers who didn't have a chance to finish his presentation. Is that okay?

SENATOR CLARK: That is fine.

SENATOR REMMERS: Thank you, Senator Nichol. Mr. President, members of the body, I would like to just reemphasize one point and make one more. One is, if we are going to do this type of thing, let's be honest about it and put it up where people will know when they are paying for it. A severance tax is simply hiding the cost. If you think you need to raise the money, put it on oil products, put another cent of tax on the gasoline and all other products because the cost is going to have to go there eventually anyhow. You are going to pay for it in higher gasoline prices whether you put the tax on the severance tax or whether you put it on the pumps when you are filling your gas tanks with gasoline. I think the honest approach would be to tax it up there if you are going to tax it. Furthermore in that way you would not be punishing, which is not a very large industry in the State of Nebraska, the oil industry, but you would be getting the money from the oil industry as a whole if you think that the oil industry is going to be paying it because, again I say, the oil industry is not going to be paying this. The consumers are going to be paying it. Then I would like to take just a moment to speak to another issue and that is

the matter of severance tax. I think we have the philosophy in this state that the whole purpose of a severance tax was to leave something for future generations. When you deplete resources of the land, we are using the oil, that when this oil is gone that there be something to show for this resource in the future. And I don't know just how far back our school funds go, but the idea was that we put it in a permanent school fund and then in that way future generations would benefit from the resources that we have depleted. And I think that we should be very careful before we reject that, the idea of the philosophy of the severance tax in Nebraska as being something that is being left for future generations. I know that you are going to say that the energy costs are going to destroy the chances of future generations but I don't think we are going to do it this way. So my main plea is that you are honest about your approach. Put the cost where we know what we are paying and, second, have another thought about the philosophy of the severance tax in Nebraska in the permanent school fund. Thank you.

SENATOR CLARK: Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, one of the things that I think about quite frequently as I vote on issues is the effect my vote will have on my children and your children and our children's children. I think that one of the marks of a legislator is that that legislator thinks about future generations. It is easy to consume our resources now and deplete what we have and pay no heed to tomorrow because our life is very finite. We have a short span. We have to be concerned about our children's well-being. I am a strong supporter of public education and one reason why is because I want to make certain that our children will have the ability, the education, the talents and the knowledge to be civilized, to lead productive lives and so on. And so when I deal with this energy issue, I think more about tomorrow than I do today and I think more about what we are doing to a very finite resource, oil and gas, and what we are not doing to exploit that which is available to us in almost inexhaustible sources, the sunlight, and it strikes me that 257 with the Fowler amendment is one way that you and I will have of ensuring to our children and our children's children that they can have a plentiful life just as our forefathers brought forth for us, but if you and I sit back in our chairs and continue to countenance the depletion of the resource without attempting to provide alternative resources, then we are really sowing the whirlwind for our children's tomorrow. Now I recognize, Senator Remmers, that a three percent severance tax will fall hard on some of the industry in your area and certainly not on

the industry in my area because we don't have any oil producing folk in residential Omaha but I also recognize that a lot of that tax will be born by all of us in our oil and gas prices but I am prepared to pay the tax. I am prepared to pay the price because I think it is only right that I do the very best that I can today to make certain that our children have a bountiful tomorrow and I think it is only fit and proper that we, as a Legislature, do everything we can on our own power to lessen our reliance on foreign oil, frankly, to lessen our reliance on just a handful of corporations that really control our energy futures. And to the extent that we promote solar, to the extent that we promote building efficiencies, to the extent that we allow our public schools to become modernized, so incidentally, Senator Kahle, they don't have all their lights on one switch but they have lots of different switches for all the different lights and the other things, we are helping to create a better tomorrow and it takes some vision for us to do this. It takes some willingness for us to say, "We are willing as consumers to pay a higher price today so that our children can do better tomorrow." And I think LB 257 as amended or with the amendments, with the amendments, will be another important and large step for us for the future and I wholeheartedly support the amendments.

SENATOR CLARK: Senator Hefner.

SENATOR HEFNER: Mr. President and colleagues, I rise to oppose the amendment to 257 and the reason I oppose it is because I think we have too doggone many regulations already. And talk about conserving energy, I think that we have, I think the people in Nebraska are starting to conserve energy and I think that we need less government regulations instead of more. I think that if the government would get out of the energy business, private enterprise would take over and they would see that we would have plenty of energy at reasonable prices. Last year the Department of Energy of our federal government had a budget of ten billion dollars, ten billion dollars. Do you know that that is more profit than all the big oil interests earned in one year and yet, and yet, they did not produce one more gallon of oil. It still had to come from the private enterprise system and so, therefore, I say, "Let's let the people, let's let private business go ahead and find our oil for us and they will." And look at our own State Energy Office, I don't know how many employees they have over there. I would be willing to say they have probably got fifty to sixty employees that started from just several employees. Now I don't know what their budget is. I understand that last year they couldn't even

spend all the money they got from the federal government. So I think we need to look at this very carefully. Last fall the citizens in the State of Nebraska and all over the United States spoke loud and clear, and I think I told you this before, that they want less government. They don't want more. And then I would like to tell you a story. I received a call from a County Commissioner in my home district who said that a person in Cedar County received \$600 for cutting his own wood this winter. Big deal. Big deal, he received \$600 for cutting his own wood this winter. And so these are some of the foolish things that come out of our energy offices, and like Senator Remmers said, a severance tax is a hidden tax. That is right. Most of the people didn't even know that we had a two percent severance tax on at this time because it is hid. People pay for it when they buy the finished product. Senator Wesely and Senator Fowler said that we needed to save energy. We can start right here in this building. Last year during a snowstorm, I had a little snowbank in my office and the window was closed as tight as I could get it closed but I think if we want to start saving energy we can start right here, and also during this winter, some days it was so doggone hot in this Chamber that we had to take off our coats. Let's get a better system of regulating our heating and cooling system. And so I say to you today, let's not be adding more rules and regulations in our energy business. Let's let the free private enterprise take care of it.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Wesely.

SENATOR WESELY: Thank you, Mr. Speaker. Members of the Legislature, there have been a number of points raised that I would like to respond to and provide some information for you. I think that we have had an interesting discussion to this point but I certainly think that there is more that needs to be done to inform members of this body and the general public about how serious the energy crisis is and what needs to be done to solve it. Number one, I think Senator Haberman, and we have heard from all of the different oil producing Senators about how terrible this bill is, I think it is quite clear where they are coming from. At this point I think it is quite clear we should discount those people who are opposing this bill who represent these oil producing counties. They are doing their job. They are representing their constituencies. We represent the whole state though. The whole state has a problem with energy and let's talk about these people that have gotten up and talked about how our oil wells are going to be closed down

because they can't afford to keep open with a one percent increase in the severance tax. In 1978 a barrel of oil brought \$12 a barrel in the State of Nebraska and that barrel now gets \$38. In three years it tripled in price on the amount that they are earning on that barrel. This tax of a one percent increase would mean about 32¢ less that they are going to be making on that darn barrel of oil that they are now getting \$38 for. I think that is absolutely ridiculous. We are talking about 32¢ less that is going to go in and save this state a great deal of money and we talked about...Senator Remmers talked about, "Oh! This is a hidden tax and, oh, this is a terrible way to tax and raise money." Well, let me tell you, what better way is there, because we are talking about taxing the resources of this state, the oil and gas resources of this state, which are not going to be here forever. They are going to be gone. I was talking with Senator Kremer who showed me an Ogallala aquifer study that shows a year from now, in our lifetime even, we are not going to have near the production capabilities that we now have in this state for oil and gas. It is a resource that is being eliminated. By using the money from the tax on this resource, we are going to be able to conserve that resource and make it last longer, conserve all our resources in this state. It seems to me to be absolutely the best source of raising the money, and as I said before, there is a great deal of profit there for these oil producers and this is not going to hurt them. This is, in fact, a very small amount of money that we are asking for them to contribute to the betterment of this state. And I think when we talked before about, well, we should conserve and I am sure with it all the way and, gosh, we should do something but let's do it on our own, we did some studies the last two years in this body and the biggest problem we have in this state to conservation isn't that people don't recognize the need to conserve, people want to conserve, our consumption rates are reflecting that, but the real long term, real effective conservation is yet to be achieved because we don't have the money to invest. We are at a point now where it costs up front capital money to put down to put in that insulation to conserve and it costs money up front, but over the long run you gain. Well, we just don't have that up front money. Sure, everybody realizes long term we will get that investment back. We will get that money back many times over but it is that initial investment that we don't have the resources for, and when Senator Kahle and other people talk about that, they have to recognize the fact that somebody is going to have to support the financing of these efforts. That is the big problem we have and this is the best source of funding for that. It is the most appropriate source, and quite frankly,

I think when we talk about the ag efforts to conserve keep in mind a lot of this money that we are going to raise through this tax is going to go to ag extension programs. The University is going to take that money and use it to maintain ag extension programs on conservation and I think that is absolutely a wise way to go. Now we have talked about, Senator Hefner talked all about the terrible amount of money we are spending on energy and how the private enterprise will take care of the problem. Well, let's talk a bit about that because what we are trying to do with this bill and with other efforts is to subsidize and help conservation efforts. That has been opposed as, oh, government interference and all that. Well, by god, the government has been interfering for a long time in the energy area. We have been subsidizing electrical production through REA loans. We have talked about nuclear production. We have spent billions of dollars on nuclear research...

SPEAKER MARVEL: You have one minute.

SENATOR WESELY: (Interruption). We are not new to the field of encouraging different energy development and what we are doing now is saying, "One way we can go is to encourage energy conservation." That is an alternative we haven't started to subsidize and help as we have in other areas. It is time we started. It is the cheaper alternative. It will save in the long run. I don't think there is any doubt that there is a great need and a wise investment here. The money from the severance tax is going to go into public buildings. It is going to go into weatherizing low income homes. Low income people are getting energy assistance money. That is money down a rat hole as far as I am concerned if you don't weatherize those homes. We can save public funds many times over by conserving energy in these low income homes. We can save tax dollars by conserving in our schools, in our public buildings where energy inefficiency increases our utility bills. They are exempted from the lid and the encouragement is there to go ahead and spend that money and those tax dollars on the energy bills when, in fact, we could put that money into conservation and save those tax dollars.

SPEAKER MARVEL: Your time is up. Senator Haberman.

SENATOR HABERMAN: Mr. President, members of the Legislature, we had a big flak here a few days ago to save one hundred and eighty jobs in Omaha. Well, this is the same thing right here. Here is a letter from one outfit who operates an average of forty rotary rigs in the State of Nebraska in

just three counties, Dundy, Hitchcock and Red Willow. These rigs employ approximately sixty people most of who live in Nebraska. In addition, we have one hundred and seventeen thousand five hundred and sixty-six acres of leases. Now if we put this tax on, and it says right here, "Nebraska has a tremendous future in oil exploration. It has been in the past an attractive state in which to operate. The proposed increase in severance tax will be detrimental and will act in a negative fashion towards future exploration." What is the man telling us? That in three counties we stand to lose sixty employees, three out of how many counties. I have another letter, this firm operates twenty-four oil wells in one county and they average 4.9 barrels of oil a day. The states that Senator Cullan was talking about, their average is a lot higher than 4.9 barrels a day. If you tax these people more, they are not going to pump these wells. They are not going to drill these wells and we are going to lose an industry. We are going to lose employees. So I say to you, let's find some other method instead of this special type of taxation and legislation. Thank you, Mr. President.

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Mr. President, members of the Legislature, I appreciate the enthusiasm with which some of my colleagues are addressing the energy problem. I guess I have to take some of the chastisement from Senator Wesely that none of us care about the energy situation. I think I see Senator Carsten smile a little bit over there because a number of years ago Senator Carsten remembers when we began to work on energy and we stood on this floor and we said we had better be doing something about energy because if we didn't the day would come when the finite source of petroleum would run out. At that time this Legislature was considered to be ridiculous and foolish. We were considered, and I well remember, Senator Wesely, the testimony before the Revenue Committee, Senator Cal, I think you remember, when they said that there were billions of barrels of petroleum in reserve. There would never be a shortage and that it could never run out and we were ridiculous to talk about trying to do something about it but the facts was this Legislature took some steps and did some things that proved to be prophetic. It is interesting also, colleagues of mine, that at this time and date we have still not taken the most advantageous position we could take and utilize the source of energy which is renewable and available to us all right here in Nebraska if we were to convert grain to alcohol. And so that is history. Now I know that there are many good arguments in support of the bill and I would like to be able

to support the bill that is here today but I will not support the proposal as it has been outlined because of some of the reasons advanced by Senator Pemmers and other of my colleagues. I believe that the issue needs to be addressed. I believe the issue of conservation is a very important one and I believe the issue of winterization, insulation, all of those are important. Senator Kahle has pointed out we have been told time and again to conserve. Ladies and gentlemen, it costs me about \$30 every two days to drive to Lincoln. You don't need to be encouraged to conserve at that rate. Those engines that pump water for us, Senator DeCamp, require six to eight gallons per hour at \$1.25 to \$1.35 per gallon diesel fuel, that is \$10 an hour, twenty-four hours a day is \$240 a day. Only an idiot is going to let that engine run just for the fun of hearing it roar. There are some very important issues that need to be addressed, and I don't think the issue was resolved before the Banking Committee. I don't think it is going to be addressed in the manner in which it is addressed in these provisions. Now I concur entirely with Senator Wesely that I do not shed any tears for the petroleum companies. I think they are going to get along and I think they are going to survive on \$38 a barrel oil and I think it is probably going to go to \$40 and it is going to go to \$42 and it is going to go to \$50. Do you know why? Because the people in positions of authority and responsibility within the Congress have said it is going to. Now I want to be careful how I say this because I don't want to be accused of putting words in someone's mouth, but if there were direct collusion between the Congress and the oil companies, the situation that exists today could not work more to the benefit of both. The taxes paid by the petroleum companies into the coffers of the federal government are a substantial benefit to the federal government. They are of no benefit to the state. They bring no revenue to the state but the federal government and the oil companies are both doing well at the expense of the average consumer, and there may well come a time, Senator Wesely and Senator DeCamp and Senator Fowler, and I think that it is probably nearer than we believe, when we need to take a look at the situation as it exists today but not only, Senator DeCamp, in the area of severance tax on petroleum but a little additional tax on those tons and tons of coal that are chugging across Nebraska and many other sources of energy because it all needs to be addressed. I said one time on the floor of this body, and I have been chastised for it, but time has not proven me wrong, I think it was in 1974, the energy crisis was created by man for profit. If you will check the records now, you will find that reserves of petroleum are at an all time high, but because of those reserves being at an all time high, the price must go up.

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The price must go up. Now that is the reverse of the way it works in the cattle feeding business and the grain producing business, everything else. But we are not going to address the problem with the bill proposed here today because it addresses it in the wrong way. You are setting up a new agency, bureaucracy. You are going to handle the money, an agency which has not demonstrated any ability to handle it in the past, is not going to do it now.

SPEAKER MARVEL: You have thirty seconds.

SENATOR SCHMIT: I would suggest there is a better way to do it and we ought to address it in a better equitable fashion at another time.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, I really think the severance tax has not been adequately discussed because it is one source of taxation that we ought to use at a maximum. We pay the severance tax, a share of it, everytime we buy gas and oil of that severance tax that is levied in another state. It goes into the refinery. It eventually is costed out but it is the tax that we can put on that doesn't go directly through to the consumer in this state, and as a state, when we give a very minimal severance tax, and we are asking for too small an increase in the severance tax here, if anything, we are asking for a tax that goes against that oil, goes into the refinery and is spread across the entire United States. I can't understand a state not making a maximum use of a tax that can be imposed largely on people outside the state, if we want to look out for Nebraskans, and it is high time we take some serious interest in approaching the energy solutions that we have available to us. Whether this bill is perfect in solving the problems, at least we can step forward and move into it and correct any deficiencies we have in moving forward with the program in the following year. But to fail to move I think is inexcusable. To look at a severance tax as an undesirable tax from the standpoint of Nebraskans I think is very foolish. It is the tax that we can pass out across the United States because it is taking it against our oil that is going commingled into the refinery and spread across the entire United States. Certainly they cost the severance taxes of all states into the final product cost of the oil. That is true but we are paying those severance taxes from the other states, and if we don't put one on that is comparable, we are fools as Nebraskans and giving up lost revenues to this state and paying those for the other states. It is as simple as that and I would really appeal to the body to look at

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that severance tax as a number one tax source for the State of Nebraska. One percent tax is not going to upset any oil exploration. We are giving away our product and the tax revenues we can take from them. Thank you.

SPEAKER MARVEL: Senator Landis.

SENATOR LANDIS: Mr. Speaker, I call the question.

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

CLERK: 26 ayes, 0 nays to cease debate, Mr. President.

SPEAKER MARVEL: Debate is ceased. Senator DeCamp, do you want to close on the motion?

SENATOR DeCAMP: Mr. President, members of the Legislature, I think I am getting that feeling that Ernie must have and it is not real good. Marvel, Senator Marvel promised me if I wouldn't scream, talk real clear, you would listen so I am going to do that.

SPEAKER MARVEL: Also cut down on the oratory.

SENATOR DeCAMP: Cut down on the oratory, that is why I didn't talk until closing. I didn't open my mouth. So, Mr. President, I want to tell you all a bit of a story and then deal with the very fundamental issue in the bill. And I am going to attempt to convince my good friend, Senator Howard Peterson, to vote for this amendment because from what I can learn sitting here talking to him, he is the most opposed. I figure if I can even get a wiggle of support out of him, when he gets the facts, he will vote for it and the rest of you would too, then. About a month ago when I got wondering how this energy thing should be handled, I decided I would go talk to somebody who I personally felt knew about as much about energy and what should be done as anybody there was and somebody who'd give me straight answers. And so I took off one day here from the Legislature, one afternoon, and I went to Omaha, had a private meeting with a guy named Willis Strauss. For those of you who don't know Willis Strauss, he is the head of Internorth and Internorth is not just a baby company. I think they are among the hundred largest corporations in the United States and they do about four billion dollars a year in sales. And we spent the afternoon together and I poured my questions out to him and I think he gave me honest answers and

straight and he said, "John, I will tell you." He says, "I'm scared. We sell energy and it is wonderful. We are making lots of profit." But he said, "I am going to tell you something." He says, "For the next five years, I can guarantee you, you are going to see about a twenty percent minimum increase per year in your energy." He says, "No matter what I do, what anybody else does, it is here." And he says, "My fear is that the average family, not the poor necessarily, just the average American family will not be able to keep up with it, with his disposable income. It will get crimping his food and the other things." I said, "What do you suggest?" He said, "The immediate thing is conservation." He says, "I can take any new house that you can devise and I can show you how through some simple methods I can save half of the energy used in that house, solar, so on and so forth." He says, "So if you are going to do something at the state level, do conservation, get that done first." Now let's go to the bill and see if it does conservation and, Senator Howard Peterson, this is where you come in because you don't want the government subsidizing A or B or C. You don't want us just wasting our money. We want a good return on our investment. We don't want to be giving money away to the poor. I don't either. But let me tell you what we are doing with our two percent severance tax now. Let me tell you, Howard, here is what we do with it. We already collect two percent. Do you know what we do? We don't invest it in anything except we turn it into the school fund. There it is captured. It is not spent to run the schools or anything else. It is invested out to draw interest in very safe things. The two percent we are already collecting is decreasing each year because the rate of inflation is even more just than the interest we collect on it. So if you are going to do something, anything, if you didn't even increase the severance tax, take that money, take the money that is going into the schools now and put it in insulating the schools rather than just putting it out in a bank at interest in a CD. Now why? We have study after study, and you know it, that same amount of money put into insulation of the school would save them five and ten and twenty times as much over the next five or ten years as it is going to earn on interest. Well, that is one of the main things the bill does. It redirects that money of severance tax for the next five years. For the next five years, it puts it into something that will actually save money without ever increasing it. Forget about increasing. We redirect that money into insulating public buildings, the ones I am paying tax on. Now you say, well, the schools could do that already. Well, not quite, they are in a Catch 22 situation. They are spending money on their energy under the lid so they don't get

additional money to put the insulation in because it would require some front end capital money. This will buy the insulation outside the lids, cut down on the energy. I think it is good. Now what about the extra percent. Well, that isn't as radical as you think and all the dramatics about new bureaucracy, there is no new bureaucracy. Vincent Brown who is a very good friend of mine and the various oil people had some meetings and they agreed on three percent if I would exempt the strippers. We were still up in the air on that. I have that amendment here. Doing that would raise about an additional million dollars. They aren't fighting it. They are willing to accept it. Do you know one of the reasons they are willing to accept it is because they know that that extra percent, we are getting about half of that from the federal government because they would be paying it to the feds and they can offset it there. So we are not talking about such a dramatic increase as everybody would say. It is really pretty reasonable, and then we take that money and the original money raised under the two percent, we start investing it in insulation. Now if you want to further restrict the bill to just have strictly insulation in schools or public buildings so it benefits everybody, I am fine with that. My main goal though is to redirect the assets we already have in the first two percent, get the additional money they are actually willing to pay, and start using it for energy conservation. I can see I haven't got Howard sold yet. I would urge you to adopt the amendment with the elimination of the uranium issue. If you want to further refine it, I have got the amendments from Vince Brown that would go to the three percent and exempt the strippers. I would agree to further refine it in terms of targeting the money almost strictly to public buildings but I do believe the statements that Senator Schmit and many others said about bureaucracy and new rules and regs and all that, I don't know where you found all these. There were some of these in the original bill but what we are proposing now is a very scaled down and limited version. Now you, yes, you indeed may win and you may kill the bill and you may do nothing on energy today but I think you, yourselves, down deep will say, "Hey! We are making a mistake". The bill has no lobbyist for it which is kind of a difficult position to work from and indeed there are a lot of people working against it, but overall, if you can come up with a better way to use the money we have already got, I would like to hear it. I think we are wasting it the way it is. So I urge you to adopt the amendment and I would put the additional things on we talked about here.

SPEAKER MARVEL: Okay, the motion is to adopt the amendments

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LB 113, 113A, 125, 174,
LB 179, 291, 328A, 331,
LB 257, 379, 392, 400,
LB 478, 479

as previously explained. All those in favor of adopting the amendments vote aye, opposed vote no. Have you all voted? Senator DeCamp. Have you all voted?

SENATOR DeCAMP: Mr. President, how many are excused? And who might they be? I just wondered. Mr. President, I change from aye to nay for purposes of reconsideration.

CLERK: 16 ayes, 22 nays, Mr. President, on the adoption of the DeCamp, Fowler, Wesely amendment.

SPEAKER MARVEL: Motion lost.

CLERK: Mr. President, may I read some material in?

A communication from the Governor addressed to the Clerk. (Read. Re: LB 125, 174, 291. See page 1358, Legislative Journal.)

Senator Landis offers explanation of vote.

Senator Carsten would like to print amendments to LB 179.

A new A bill, LB 328A. (Read title. See page 1359, Legislative Journal.)

Your committee on Enrollment and Review respectfully reports we have carefully examined and engrossed LB 113 and find the same correctly engrossed; LB 113A correctly engrossed; 331 correctly engrossed; 379 correctly engrossed; 392 correctly engrossed; 478 correctly engrossed; and 479 correctly engrossed. All signed, Senator Kilgarin.

Public Works reports LB 400 to General File with amendments, Mr. President.

Mr. President, the next motion I have on LB 257 is to indefinitely postpone the bill and that is offered by Senator Beutler.

SPEAKER MARVEL: Senator Beutler.

SENATOR BEUTLER: Mr. President, I would like to withdraw that. I ask unanimous consent to withdraw that motion.

SPEAKER MARVEL: Hearing no objection, so.....

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

SPEAKER MARVEL: Senator Warner, your light is on. Do you

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wish to be recognized?

SENATOR WARNER: Mr. President, members of the Legislature, I have got a motion to...I have been listening to the discussion and I guess I am convinced based upon a number of remarks that some revision in the severance tax is appropriate and I have written down a request there striking two and going to three and the money would stay in the school fund as it is now placed. I assume that would raise in the vicinity of a million. I would imagine it should have the amendment dealing with strippers that was mentioned earlier but I don't want to get in the position of being opposed, as I voted to reject the amendment, of being catalogued on the side of opposed to adjustment in that tax rate because that I would gather was the gist of most of the argument. There was other aspects of the bill that I did have a lot of concern about so I merely will offer that motion so my position is clear that the one percent additional, from two to three, which I understood was not objected to with the money going to schools seems not inappropriate and I would move that adoption with the understanding that you have a stripper amendment relative to stripper wells which I would support but I do not have.

SPEAKER MARVEL: Senator Haberman, do you wish to discuss the Warner amendment?

SENATOR HABERMAN: Mr. President, members of the Legislature, that is exactly what we were talking about, that we are objecting to raising the severance tax. That is the whole issue. The letters I read, these people are objecting to it. So I don't see how you could come up with the solution or the feeling that that isn't the issue but it is on my part. My people are against raising the taxes and I think some of the other people who spoke here are against raising the taxes on this particular industry. So the issue there, this is what we are talking about. Thank you, Mr. President.

SPEAKER MARVEL: Senator Cullan, do you wish the floor?

SENATOR CULLAN: No, I call the question.

SPEAKER MARVEL: The motion before the House is to cease debate. All of those of you who are interested in ceasing debate vote aye, opposed vote no. Do you wish debate to cease? Record.

CLERK: 28 ayes, 0 nays, Mr. President, on the motion to cease debate.

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

SENATOR WARNER: Mr. President, the amendment as submitted strikes all sections of the bill as it now stands, all the amendments that have been adopted to date. It strikes all sections relative to the amendment we just previously discussed except Section 2 which increased the rate from two to three percent which I gathered from the discussion there was no objection to from the industry. I would understand but I do not have it perhaps is to have an amendment relative to stripper wells which I would concur in but the money would go as it does now to the permanent school fund to be distributed as that funds are. It seems to me that based on what I have listened to, at least that portion of the bill apparently has merit to which no one would object to, and if there is other things that can be done with the distribution to be looked at, that can be done, but it seems to me that it is worthwhile to maintain that portion for sure.

SPEAKER MARVEL: Okay, the motion is to adopt the Warner amendment. Senator Warner has closed. All those in favor vote aye, opposed vote no. Have you all voted? We are voting on the Warner amendment. Have you all voted? Does anybody else wish to vote? Have you all voted? Senator Warner.

SENATOR WARNER: Mr. President, I would ask for a Call of the House, then, I guess. Call in votes would be acceptable for a little bit.

SPEAKER MARVEL: Shall the Legislature go under Call? All those in favor vote aye, opposed vote no. Record.

CLERK: 21 ayes, 0 nays to go under Call, Mr. President.

SPEAKER MARVEL: The Legislature is under Call. The Clerk is authorized to accept call in votes. Please return to your seats and record your presence. While we are recording our presence, it is my privilege to introduce to you from El Salvador connected with the independent newspaper of El Salvador, one of the largest newspapers in Central America (Phonetic) Anrika Altamarano, who is the publisher of (Phonetic) El De Aroday. Will you please stand so we may say "hello"? I was practicing on my speech up here and that is the reason that I failed to get the vote as soon as we usually do.

CLERK: Senator Clark changing from no to yes.

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SPEAKER MARVEL: Senator Kremer, Senator Koch, Senator Labedz, Senator Carsten, Senator Chambers, Richard Peterson. The Clerk is still available for call in votes if you have any call in votes.

CLERK: Senator Labedz voting aye. Senator Nichol voting aye.

SPEAKER MARVEL: Record.

CLERK: 26 ayes, 10 nays, on adoption of Senator Warner's amendment.

SPEAKER MARVEL: The motion is carried and the amendment is adopted. Senator Warner.

CLERK: Mr. President, I now have a second Warner amendment to amend the Warner amendment just adopted by inserting the following language: (Read second Warner amendment found on page 1361, Legislative Journal.)

SENATOR WARNER: Mr. President, I move adoption of that amendment. As I understand it, Senator DeCamp, that would be the same amendment or the same language, at least, or similar language to what you were going to offer?

SENATOR DeCAMP: That is identical. This would raise about another million bucks, in other words, with your first amendment and then you put this on it, it amounts to a million dollars.

SENATOR WARNER: Yes. It was a million eight and it drops it to a million.

SENATOR DeCAMP: Yes.

SENATOR WARNER: I move adoption of that amendment which will be consistent with what I indicated I would offer with the first amendment.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator DeCamp, you didn't want to talk again, did you?

SENATOR DeCAMP: No.

SENATOR CLARK: Thank you. The question before the House is adoption of the Warner amendment. All those in favor vote aye, all those opposed vote nay. Voting aye, Mr. Clerk.

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CLERK: Senator Clark voting aye.

SENATOR CLARK: Record the vote.

CLERK: 30 ayes, 0 nays on adoption of the second Warner amendment.

SENATOR CLARK: The motion is adopted. Senator DeCamp.

SENATOR DeCAMP: Mr. President, the bill only has this one limited thing in it now. I move for its advancement. What is the old saying. "They who fight and run away live to fight another day" or something like that.

SENATOR CLARK: Or "When to hold and when to fold". The question before the House is the advancement of 257. All those in favor vote aye, all those opposed vote nay.

CLERK: Senator Clark voting aye.

SENATOR CLARK: Have you all voted on the advancement of 257? Record the vote.

CLERK: 25 ayes, 0 nays...25 ayes, 7 nays, excuse me, on the motion to advance the bill, Mr. President.

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PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by Senator Peterson.

SENATOR H. PETERSON: Prayer offered.

PRESIDENT: Thank you, Senator. Roll call.

CLERK: Mr. President, Senator Higgins would like to be excused until she arrives, Senator Fitzgerald all day, Senator Pirsch for the day, Senators Haberman, Hoagland, Newell, VonMinden and Warner until they arrive.

PRESIDENT: Would everybody register your presence so we can get started on Final Reading. Has everyone registered your presence so we can get started with Final Reading and the Speaker would like to have a productive day so we had better get going. Senator Nichol is ready to go so why don't we all join him? Senator Labeledz, will you press your button so we can get going here. Thank you. Record the presence, Mr. Clerk.

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

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

CLERK: I have no corrections, Mr. President.

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

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined LB 257 and recommend that same be placed on Select File with amendments; 249 Select File with amendments, (Signed) Senator Kilgarin.

Mr. President, LB 17, 59 and 167 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 17, LB 59 and LB 167.

CLERK: Mr. President, Senator Barrett offers explanation of vote. I have a report of registered lobbyists for the week of April 2 through April 9. (See page 1392 of the Journal.)

Senator Sieck would like to print amendments to LB 241 in the Journal and, Mr. President, new resolution, LR 55 offered by Senator DeCamp. (Read. See pages 1392-1394 of the Journal.) That will be laid over, Mr. President.

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LB 296, 257

SENATOR NICHOL: Have you all voted? Record, please.

CLERK: 28 ayes, 1 nay, Mr. President, on the motion to adopt the Cope amendments.

SENATOR NICHOL: Senator Chambers, do you want to...?

SENATOR CHAMBERS: Mr. Chairman, I move that LB 296 as amended be advanced for embalming and restoration.

SENATOR NICHOL: All those in favor signify by saying aye, opposed nay. The ayes have it. The bill is advanced. We will move on to LB 257.

CLERK: Mr. President, there are E & R amendments to LB 257.

SENATOR CHAMBERS: Mr. Chairman, I move that the E & R amendments to LB 257 be adopted.

SENATOR NICHOL: All those in favor signify by saying aye, opposed nay. They are adopted.

CLERK: Mr. President, I now have an amendment from Senator DeCamp. It is referred to as Request #2336.

SENATOR NICHOL: Senator DeCamp, please. Senator DeCamp, we are talking about your amendments to LB 257 which has to do with the State Energy Act.

SENATOR DeCAMP: Mr. President, I am not going to take a lot of time, I hope. As you know, LB 257 had all kinds of noble goals and they ran into a bit of a buzz saw. Maybe the most important of those though was an agreement reached with the oil and gas industry for a modest increase in the severance tax and that is in the bill now. Senator Warner put those amendments on. So now all we have to do is decide how we can pretty efficiently use the money we have towards energy conservation or towards energy whatever. All the multitudes of things in the original bill probably are not passable, quite frankly. And my good friend Senator Fowler and Senator Wesely I think maybe understand that. What is possible though is that the money we do have we use a lot more efficiently and correct some of the problems we are going to be facing here next year. I am handing out to you right now what the proposed amendment does, a copy of the amendment and a copy of the letter from Bill Palmer, the energy office whatever. The amendment does this. It simply takes the money from the severance tax and we are going to use it to weatherize public buildings, schools but the schools have got to do something themselves on it

too. They have got to come up with, what, twenty-five or thirty, some percent of the money and a school could get up to a \$100,000 for a school to do weatherization. We have study after study, state, federal. The study is done by the Energy Office on these buildings showing that if we will spend the money to weatherize them we will have a return on investment of anywhere from 20%, 30%, 40% per year on this money. So that is where the bulk of the money would go, immediate weatherization of a bunch of schools to start saving energy and saving tremendous costs and we are saying, if you are going to do this, you put up your money, we will give you some of this money from the fund. You don't have to worry about the lid. It is going to be outside the lid so you don't have to use that as your excuse. The next thing we are doing with the money, we are using \$200,000 of that money for the State Energy Office. They had \$3,000,000 of federal funds last year. I repeat, they had \$3,000,000. They are going to get \$38,000 this year so you see that is a cut of \$2,962,000. All we are giving them is a basic survival amount so we can keep our energy office going so we can keep the monitoring work and our regulatory work and coordinating work with the gas company, the utilities, so on and so forth. I am sure they would like a lot more but this is about kind of what we arrived at. We are using 100 thousand for the Nebraska Solar Office. This also has lost all its federal funds and will be closed down. We are going to keep that in existence with it. We left in the bill the solar tax credit thing, renewable energy thing, devices. Otherwise everything else in that original bill is gone. Now I believe those of you who have taken the time to check have found that the oil and gas industry which previously opposed the legislation would have no opposition, in fact, probably it does support it. I don't know if you have talked to Mr. Brown or some of the others. In this form, this amended form I am offering we do solve the Energy Office problems, at least for a year. We do, more important than anything else, money that is now, the four or five million dollars, which is now going in and just never being used except being invested and returning five or six or seven percent and letting inflation wipe out, we are taking that and we are spending it immediately so we can get twenty, thirty percent return on it in the form of insulation, capital savings. I urge adoption of the amendment. It is a modest effort at maintaining our efforts in energy conservation and programs and it corrects some problems we have with the way funds are spent now. I repeat again, I know that Senator Fowler and Senator Wesely probably feel it does not go far enough. I would like to go a lot further myself,

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however, I live in the world of reality and twenty-five votes and I think this is reality and maybe hopefully twenty-five votes.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Haberman, do you wish to be recognized?

SENATOR HABERMAN: Mr. President, members of the Legislature, Senator DeCamp, will you yield to a question, please?

SENATOR DeCAMP: Yes.

SENATOR HABERMAN: Senator DeCamp, the original bill where the schools, did they have to pay 25% of the weatherization, matching funds?

SENATOR DeCAMP: I think so. Is that right, Dan?

SENATOR HABERMAN: Did they before?

SENATOR DeCAMP: No. I am saying...

SENATOR HABERMAN: Okay, that is all right.

SENATOR DeCAMP: ...no, they didn't have to do anything before. I am making sure they have to come up with some money themselves so they don't squander money.

SENATOR HABERMAN: Have you got any thoughts or what impact this is going to have?

SENATOR DeCAMP: Yes.

SENATOR HABERMAN: Will it be underneath the lid?

SENATOR DeCAMP: The Energy Office has done audits on all the public buildings, well almost all.

SENATOR HABERMAN: I mean, what is it going to do to the schools to have to come up with 25% of the funds underneath the lid? Are they going to be able to...?

SENATOR DeCAMP: They are outside that too.

SENATOR HABERMAN: Pardon?

SENATOR DeCAMP: They can be outside for that little 25%. It is not that many dollars and it will save them the first year more than that in their energy cost.

SENATOR HABERMAN: I am not really criticizing your doing it, just give us a whole bunch of stuff here...

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SENATOR DeCAMP: I know, I know, I...

SENATOR HABERMAN: Thank you, Mr. President.

SENATOR DeCAMP: ...I didn't get it until recently myself because we had to reach agreement with some of the oil and gas boys and some other people that have an interest in this.

SPEAKER MARVEL: Senator Kremer.

SENATOR KREMER: I would like for Senator DeCamp to yield to a question. Senator DeCamp, I am not quite sure I understand number two on this sheet that was laying on our desk. 20% income tax credit for energy conservation and renewable energy devices. Who does that apply to?

SENATOR DeCAMP: Okay, the question is, who does the 20% income tax credit for energy conservation and renewable energy devices apply to. Is that right?

SENATOR KREMER: Yes, that is the question.

SENATOR DeCAMP: The answer is both residence and businesses.

SENATOR KREMER: Both residence and businesses.

SENATOR DeCAMP: Residence and a business but not together. You can not get them both.

SENATOR KREMER: How do you explain energy conservation? What would I have to do to be eligible for a 20% adjustment on my tax, my state income tax? Right?

SENATOR DeCAMP: That is already an existing law under the sales and income tax laws and there are specific things already laid out there and I can get a copy of existing law for you.

SENATOR KREMER: Okay, thank you.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker, members of the body, I sort of liked 257 the way it was after Senator Warner amended it once. Now all of a sudden we are coming in with major surgery and I am going to put this as succinctly as I can for the benefit of Senator DeCamp and others. The public schools have already been involved in energizing and weatherizing their systems and they have received federal

grants for this and I know schools systems that have received the grants and have applied the money for that purpose. I don't know where you got this piece of whatever it is but I would just as soon see the money go into the fund like it always has and go to the schools based upon the present formula. There will be a lot of schools out here that won't apply for a grant, many of them already weatherized and they do that because they are interested in saving energy. In fact, if you want to look at the record the public schools in this nation are on record showing that they have probably done more in this area than most any other state agency or institutions and I can't believe we are going to say to the State Department of Education, they are going to approve grant applications and nobody will get more than a \$100,000 when they do it. So if you want to provide to the State Energy Office some money to support it since they are losing some federal dollars, go ahead. That is fine and a \$100,000 to Nebraska University I guess, Solar Office, for whatever purposes, go ahead. But why do you want to earmark the rest of that money that is going to be raised because of the increase in severance tax for a very specific purpose? It should not be for that purpose. Let the administrators and the school boards determine to what extent they have to take on this kind of a project. If federal dollars are not available then so be it, but here one more time we are going to earmark almost in perpetuity that the only way you are going to get any of this additional dollars are going to be derived from a severance tax increase is you have got to come in with a grant and then if in thirty days you are not notified, it is approved and I submit to you that in a matter of a few years in many cases they already have reached the weatherization some systems that I am familiar with, have spent considerable dollars to weatherize and to reenergize their systems and I do not support this amendment. I will not support it. I will support the part where certain money goes to the Energy Office because they have lost their source of funds and to the Solar Office. I think the rest of it should not be earmarked though for public schools. It ought to be placed there, go back to the schools the way it does now and let them make the determinations locally how they are going to use that dollar outside the lid.

SPEAKER MARVEL: Okay, Senator Maresh.

SENATOR MARESH: Mr. Speaker, a question of Senator DeCamp. In your explanation on these amendments you state that a \$100,000 would be allocated to the Nebraska Solar Office and you say they will cease to exist after September 30, 1981. Shouldn't that be clarified that if this money is

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not available they certainly won't cease to exist if we give them a \$100,000, will they?

SENATOR DeCAMP: That will allow them to continue. There will be no money after September 1 otherwise so they will close.

SENATOR MARESH: So that is an explanation that they will cease to exist if we do not give them the \$100,000.

SENATOR DeCAMP: That is right.

SENATOR MARESH: Senator DeCamp, wouldn't it be wise to use some of this money for planning of alcohol stills in the state to promote gasohol? Could this be used for private enterprise to give them expertise on planning for an alcohol still?

SENATOR DeCAMP: Okay, as you know I have worked with Senator Schmit and you and others on the alcohol-gasohol issue for years. We have put any number of dollars, I guess it might be millions now in the form of tax credits and everything else. I decided that doing any additional things in this bill would not, just would not be the time or place and that the people working on alcohol, particularly the Ag Committee have pretty well got their things in line as to what they are doing and I wouldn't try to get into that with this particular piece of legislation, that is all.

SENATOR MARESH: It disturbs me that we learned in Washington, D.C., when Senator Schmit and I attended the National Gasohol Commission meeting that some of these stills are dangerous and one blew up in Texas and killed a person that was constructing one and I wondered if as a state we couldn't provide some technical knowhow on, if somebody wants help we could provide this help with this funding.

SENATOR DeCAMP: Well, of course, the money to keep the State Energy Office even open, even in existence basically, hopefully is dealing with that right now. They are working on that project.

SENATOR MARESH: On gasohol production.

SENATOR DeCAMP: Yes, that is one of their aspects.

SENATOR MARESH: And what kind of funding do they use?

SENATOR DeCAMP: Well, as I say, they had \$3,000,000 from the feds last year and they have lost all of that except for \$38,000 so it is going to be very, to be very honest with you,

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it is going to be a massively, massively scaled down program but it would keep them in existence and able to coordinate with the various functions they were doing, maybe until we get more direction or whatever.

SENATOR MARESH: And how much are you allocating to that office?

SENATOR DeCAMP: \$200,000, sir.

SENATOR MARESH: Just a drop in the bucket if it is going to have to do with planning for alcohol stills, won't it?

SENATOR DeCAMP: Well they have got some existing personnel and they have got a lot of work done and admittedly we are not going to solve all of the energy problems. As I say, it is the most bare budget, bare bones thing you are going to find but it does keep the operations going.

SENATOR MARESH: Thank you.

SPEAKER MARVEL: Senator Remmers.

SENATOR REMMERS: Mr. President, members of the body, I hope you were listening to the comments made by Senator Koch. I agree with him wholeheartedly and I think he expressed them much better than I can. I would like to add that I know of several school districts in my area that have spent thousands of dollars this last year in weatherizing their building, putting in new windows. I don't believe these schools need this special incentive to do this type of thing. Now those that have gone ahead and taken care of the weatherization on their own, they are not going to get any benefit out of this and this is the trouble with too many of our federal programs and our state programs where we give special grants to people that take the time to write their programs and do the paperwork and so forth and ask for them. One other comment I would like to make is in regard to the reference to the 7% lid, that this would be outside of the 7% lid. I guess I take objection to this idea every time I hear it expressed on this floor. I think if we are going to...I think that any approach to getting around the 7% lid is dishonest. I think that we should face up to the 7% lid and if we can't pass it and if the people don't want it, why then let them live with it but let's not try to run around the end on the 7% lid with this type of a thing. I like the bill the way it was after we Warner's amendment.

SPEAKER MARVEL: Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, I want to say a few things here and I really wish you would listen because I was not going to get into them deep but they are kind of important and they are going to affect you in the future and they don't have too much to do with energy. They have to do with finances in this state and multimillions of dollars and, Senator Koch and Senator Remmers, I want to address my information primarily to you. I would rather have no severance tax whatsoever, zero percent than do what we are doing with that money now. What we are doing, you, I, Ernie, everyone of us ought to be strung up on a light pole and what we are doing with the teachers' retirement funds and the other funds we all ought to be strung up for. What you don't know is while we screw around here on 10 thousand dollar bills and 50 thousand and 500 thousand dollar issues, in the last three or four years a 165 or 170 million retirement fund of teachers has been depleted, down 30, 40 million dollars has been lost from it. Now what are we doing with the severance tax funds? I will tell you what we are doing. I will tell you why I would rather take the money, I would rather throw it from the top of the Sower and let people scramble for it than do what we are doing now. We are taking the 4 million dollars we are getting now. We are putting it in something called the permanent school fund and it is locked up forever there and invested and it has earned 4, 5, 6% and the value of that fund, the value of that fund. I can go buy, I can buy physically everything that that fund owns because that money was put into bonds, long term bonds at 2 and 3 and 4 and 5 and 6%. If the people, if the teachers, if the people of this state really knew what had happened to the money, their hard earned money, they would lynch us, they would lynch us. Those funds have been depleted and ruined because of poor investment practices because we didn't do anything. So I would rather take that money which is what the essence of this bill is, take the 4 or 5 million and give it directly to the schools to do something where they get a guaranteed return on their capital of 20 or 30%. We will pass out information that document that that is what we are going to do with the funds, that that is what you will get. Now the free money you were talking about for insulation before for the school, she is gone, baby, she is done. There ain't no more free money for schools for weatherization. I am saying we use some of this money, we continue weatherizing our schools and we get something for it. Your money, if you take the severance tax money now and don't do anything more, what you have done is you have increased the severance tax and then you are going to rathole it and deflate it in locked in, long term government bonds or something because we have not changed the other

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statutes here which we have got to do even on the last day we have to sacrifice everything else, there is one bill here we have to get passed and that is to give some flexibility to invest those funds more wisely. Senator Fowler and some others know about this but you are wasting that money if you don't do something with it. Senator Koch, the 4 million dollars you are talking about comes from severance tax. The schools will get this year, based on about the most recent information and investment earnings, maybe 6% on that but the 4 million is going to deflate because it is locked in at 12 or 15 or 16% or whatever the inflation rate is. We aren't even making inflation. We aren't even balancing. It is the most unwise, poor, bad, horrible, terrible investment practice that anybody has been allowed to get away with and as I say, if the truth were known, a whole bunch of us should be lynched. We are unwisely handling these funds. I am trying to take that money and give it all to the schools and get immediate return of 20 and 30%. That is what that amendment does. That, to me, makes sense and the schools if anybody, should be the ones wanting it. So I would urge you to adopt the amendment. It does that primarily. It does the other things I mentioned but I think it accomplishes some good things.

SPEAKER MARVEL: Senator Wesely.

SENATOR WESELY: Mr. Speaker, members of the Legislature, Senator Koch talked a bit about the concerns that he had on the school weatherization funding and I think it is important that you know some more details on that. First off, I think he is inaccurate in talking about the federal funding program and the demand there and the situation that we are under. Right now there are some 227 requests that have been put forth for this federal funding at a total cost of about 7½ million dollars. Of that amount, I think about 50 of those requests were funded at 1.8 million but that still leaves 177 identifiable energy conservation needs for these public buildings that cost 5.6 million dollars. Now this is only the tip of the iceberg. There are 2,500 schools in this state and we are talking here about just a couple of hundred that have applied and it is quite clear that we are never going to be able to finish the job under the present situation besides the fact that the federal government has indicated they are going to discontinue this program in a year or two. So what we are talking about is a situation where we have clearly identified a need, clearly identified a benefit, we have started down the road and we have spent, I guess, 1.8 million dollars but we have millions and millions more

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need already identified and many many more projects that have yet to be identified that we obviously could save money on and when we put this money in the investment return is just incredible on it. The dollar we put down on the conservation efforts will bring back \$5 in savings in no time at all and it seems to me that when you are talking about tax dollars and savings this is truly a wise investment. Another point you ought to keep in mind is that this is a short term program, that the end of this reconversion of this money from the permanent school fund would end on July 1 of 1986 so this is only a five year intense effort to try and get money where it is needed, to try and deal with some problems that we have already identified and after that five year period the money will reconvert back to the permanent school fund. I think under the crisis situation we are in with energy it is a wise thing to do to try and put that money at this point and then after a five year period after we have taken care of some of the problem we can go back to the regular situation that we had before. So that is a little more details on the facts of the matter and I think they indicate the need for this bill and the need for this amendment.

SPEAKER MARVEL: Senator Maresh, you have an amendment.

CLERK: Mr. President, Senator Maresh moves to amend the DeCamp amendments: (Read Maresh amendment as found on page 1568 of the Legislative Journal.)

SENATOR MARESH: Yes, Mr. Speaker, as I said I think we should try to give technical assistance to those that are building alcohol plants. As I had stated earlier, Senator Schmit and I heard about an instance where a person was killed in Texas because a still was not properly designed and Senator Schmit is not here now but he told me that he would support this amendment because it is a concern, that these are properly constructed and safe. They are under high pressure of steam pressure and I think we need to make sure that these people get all the technical knowhow that is available. So I move that the amendment be adopted.

SPEAKER MARVEL: Senator Koch, do you want to speak to the Maresh amendment? Okay.

SENATOR KOCH: Mr. Speaker, I understand Senator Maresh's intent but historically any severance tax from the source that we are talking about has gone into the public schools of the State of Nebraska. Now we are going to open the gate and we are going to say, this is to develop another source of

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energy which we have been talking about on this floor ever since I have been here, that is seven years, and we haven't taken a very big stride in any direction and I don't know that we ever will. I can't support Senator Maresh's amendment because if we are going to talk about severance tax and its uses for weatherization and that type of effort, it ought to remain right where it has been historically, right where the public schools are. So we open this gate, now what is to prevent us from directing it to other sources. We might as well. As far as I am concerned you can take this severance tax and leave it just like it was. I don't hear any hue and cry out here. Senator Wesely mentioned 2,500 school districts. He is incorrect. There is just a little over a thousand. The committee tried to...oh, 2,500 school buildings. And we had a bill in the Education Committee and we are going to reduce those a little bit, however, the consensus was not very strong to do that. And so I am going to oppose Senator Maresh's amendment and I am not too sure I am going to accept Senator DeCamp's amendment once we are done playing around with it.

SPEAKER MARVEL: Senator Remmers.

SENATOR REMMERS: I really wanted to speak to Senator DeCamp's amendment.

SPEAKER MARVEL: Senator DeCamp, do you wish to talk to the Maresh amendment?

SENATOR DeCAMP: Yes, Mr. President. I have read the amendment and I have no objection to it. As I read it, just for the record to clarify it, as I read it it just basically says to the Energy Office, kind of keep interested in alcohol, gasohol, whatever. It doesn't have any specific money involved in it but make sure that they do not lose interest in it. And so we are giving the Energy Office the money as I mentioned earlier. It is a very limited amount of money and I think it just clarifies what I said earlier about they are interested in alcohol as they are in other things and I am sure that will be among their duties and if Senator Maresh wants to clarify that I sure have no opposition.

SPEAKER MARVEL: The motion is the adoption of the Maresh amendment to the DeCamp amendment. Senator Maresh, do you wish to close on your amendment?

SENATOR MARESH: Only that I think as it was stated, that the Energy Office is looking towards alcohol production and I think we need to give these people that build these stills all the help they can get to have all the latest technical knowhow to produce alcohol, the cheapest way possible. So I move that the amendment be adopted.

SPEAKER MARVEL: The motion is the adoption of the Maresh

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amendment to the DeCamp amendment. All those in favor vote aye, opposed vote no. We are voting on the Maresh amendment. Have you all voted? Have you all voted? Senator Maresh, what is your pleasure? Okay, record.

CLERK: 25 ayes, 1 nay, Mr. President, on the adoption of the Maresh amendment to the DeCamp amendment.

SPEAKER MARVEL: The motion is carried. The amendment is adopted. Okay, before we go to the next amendment from Senator Lowell Johnson's area, 22 students, fourth graders, North Bend, Nebraska, Betty Grueber the teacher, in the North balcony. Will you raise your hands so we can see where you are. Welcome to the Unicameral. Okay, the motion now is the DeCamp amendment. Senator Remmers, do you wish to speak to that?

SENATOR REMMERS: Mr. President and members of the body, I want to speak to a few comments that were made in regard to the investments. I think that kind of muddles the water a little bit. I don't believe that how the investments in the state permanent school fund have been handled has anything to do with this energy bill. If the investment policies are bad we should change it. I think that the investment policies were set at a time when the inflation rate was not quite as dramatic as it is today and I would hate to be critical of those that invested the funds at that time. But if the investment policies are wrong, let's address that part of it. Let's not put that as part of this bill because I don't think it has anything to do with this bill. I would say that if the money is to be used in another way I would support turning this, if you think the money should go to the schools, putting it into the state aid fund. I could support an amendment of that type but I think when we speak of the bad investment policy we have I don't think that that has anything to do with this bill.

SPEAKER MARVEL: Okay, the motion is the adoption of the DeCamp amendment. All those in favor...yes, Senator DeCamp, do you want to close on your amendment?

SENATOR DeCAMP: Mr. President, real simply, it would seem to me that on this particular amendment if there was anybody in here wanting the amendment it should be the schools. They should say, look, you take 5 million dollars a year now, then you put it into a fund that is decreasing the principal value every year because the way it is invested and locked in and we are getting 3 or 4 hundred thousand dollars, no, 2 or 3 hundred thousand spread among all the schools of the state. This takes that money, concentrates it into the thing that the

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schools are hardest pressed on which is energy. That is where they are getting massacred and it says, get your weatherization. Get your insulation done and here is the cash to do it. Now we know from the statistics, from the studies, from the plain simple facts that if you take one dollar and you buy a dollars worth of insulation, you are going to get about a twenty to thirty percent return on your capital year after year after year. This is a five year program. That means you have got your original capital whether it is in the form of insulation or in the form of a dollar but instead of sitting in a fund going nowhere you have got it and you are using it now. Instead of getting one million dollars over the next five years in interest income and having the principle locked up, the schools are going to get twenty-five to forty million dollars in insulation and get those things weatherized. The figures, the studies have been done. The Energy Office has used their funds, federal funds. They have got audits on these buildings. They know the energy costs are incredible. They figure they can cut them in half with proper weatherization. This gets it going. I really urge you to adopt it and I think it is, in pure dollars and cents, I can't think of a more practical investment. As I say, I would rather honestly see the severance tax eliminated, no severance tax, rather than invest that money the way we are now at 4 or 5, 6 or 7 percent interest. That is nonsense.

SPEAKER MARVEL: The question is the adoption of the DeCamp amendment to LB 257. All those in favor of the motion vote aye, opposed vote no. Have you all voted? Record.

CLERK: 26 ayes, 6 nays on adoption of Senator DeCamp's amendment.

SPEAKER MARVEL: The motion is carried. The amendment is adopted.

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

SPEAKER MARVEL: A motion to advance the bill is in order. All those in favor of advancing the bill vote aye, opposed vote no. Have you all voted?

SENATOR DeCAMP: Mr. President, I hate to burden people with a Call of the House when we only have five opposing, six opposing and...seven...and twenty in favor and all we are trying to do is advance the bill.

SPEAKER MARVEL: Record. Record the vote.

CLERK: 25 ayes, 7 nays, Mr. President, on the motion to advance the bill.

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LB 58, 283, 491,
LB 257, 466, 389A, 529A

SPEAKER MARVEL: The motion is carried. The bill is advanced. If there is objection we will revert back to item #2 which is LB 466.

CLERK: Mr. President, if I may, right before that, the committee on Ag and Environment gives notice of cancellation of hearing. (See page 1568 of the Legislative Journal.)

A new A bill, 389A offered by Senator Wesely. (Read. See page 1569 of the Legislative Journal.) 529A by Senator Schmit. (Read.)

Mr. President, your Enrolling Clerk respectfully reports that she has presented to the Governor LB 58, 283, and 491.

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LR 62, 65
LB 35, 213, 257, 284,
384, 404

PRESIDENT LUEDTKE PRESIDING

REVEREND ELIZABETH BEAMS: (Prayer offered.)

PRESIDENT: Roll call. While we are waiting for you to register your presence, the Chair would like to introduce from Senator Dworak's District 19 seventh and eighth grade students and ten adults from District 84, Platte County, Platte Center, Nebraska, Mrs. Esther Mohnsen, teacher. They are up here in the North balcony. Would you welcome the seventh and eighth graders from Platte Center. Welcome to your Legislature. Would all of you who are here register your presence so we can start the day, please? Record the presence, Mr. Clerk.

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

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

CLERK: I have no corrections, Mr. President.

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

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 404 and recommend that same be placed on Select File with amendments; LB 213 Select file with amendments. (Signed) Senator Kilgarin, Chair.

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 35 and find the same correctly engrossed; 257 correctly engrossed; 284 correctly reengrossed; 384 correctly engrossed. (Signed) Senator Kilgarin, Chair.

Mr. President, I have leases supplied to us from the Department of Administrative Services, State Building Division, pursuant to statutory provision. They will be on file in my office.

And finally, Mr. President, LR 62 and 65 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 LR 62 and LR 65. We are ready then for agenda item #4 on gubernatorial appointments, ready for the first committee, Miscellaneous Subjects, and as I understand, Senator Barrett, you

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LR 76
LB 12, 99, 228, 257, 361, 385,
LB 561, 428, 451, 472, 472A, 501

SENATOR CLARK: Senator Cullan. The question has been called for. Do I see five hands? I don't see them. Now I do. All those wishing to cease debate will vote aye, opposed no. Have you all voted to cease debate?

CLERK: Senator Clark voting aye.

SENATOR CLARK: Record the vote.

CLERK: 25 ayes, 1 nay, Mr. President, to cease debate.

SENATOR CLARK: Debate is ceased. Senator Wiitala, do you want to close?

SENATOR WIITALA: Mr. Speaker, members of the Legislature, in all due respect to my distinguished colleagues, Senator Warner and Senator Marsh, since the legislative intent has been placed in the record by their remarks as far as the responsibility to the duties of the Performance Review and Audit Committee, I would respectfully withdraw my amendment at this time. Thank you.

SENATOR CLARK: It is withdrawn. Do you have anything else on the bill?

CLERK: Mr. President, if I may read some matters in right before?

SENATOR CLARK: You go right ahead.

CLERK: Mr. President, a new resolution, LR 76 calling for a study offered by Senator Hoagland. (Read LR 76 as found on page 1724 of the Legislative Journal.)

Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined and reviewed LB 12 and recommend that same be placed on Select File; 501 Select File; 472 Select File with amendments; 451 Select File with amendments; 428 Select File with amendments; 472A Select File; 99 Select File with amendments; 385 Select File with amendments; 361 Select File with amendments. 228 Select File. (See pages 1725-1726 of the Journal.)

And Senator Remmers would like to print amendments to LB 257, Mr. President. (See pages 1726-1727 of the Journal.)

Mr. President, the next motion I have on LR (sic) 561 is a motion by Senator Landis to reconsider the body's action in adopting the Kremer-Schmit amendment to LB 561.

SENATOR CLARK: Senator Landis.

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LB 35, 257

PRESIDENT: (Gavel.) The Clerk had difficulty in hearing. He is going to have to verify. It has been very noisy this morning. I have just not done this but we are going to have to have a little more order here for the Clerk to hear so we are going to have to verify the vote.

CLERK: (Read verification of vote.) 34 ayes, 12 nays, Mr. President.

PRESIDENT: LB 35 passes with the emergency clause attached. Go on to the next bill on Final Reading, LB 257, Mr. Clerk.

CLERK: Mr. President, LB 257 has a motion on it.

PRESIDENT: Read the motion.

CLERK: Senator Remmers moves to return LB 257 to Select File for a specific amendment. That amendment is found, Mr. President, on page 1726 of the Journal.

PRESIDENT: The Chair recognizes Senator Remmers.

SENATOR REMMERS: Mr. President, members of the Legislature, the amendment that I have added would leave part of the bill as it is. It would leave the \$400,000 for the State Energy Office and it would leave the \$100,000 for the University of Nebraska for solar energy and other renewable energy source development. It would change the weatherization program for schools and put the money in the foundation and equalization fund and it would eliminate the tax credit to business and individuals for energy conserving devices which would, a tax credit of 20% or \$3,000 for individuals or 20% or \$4,000 for a business, it would eliminate that tax credit. When LB 257 was heard in committee even the sponsors seemed embarrassed by its contents. It had absolutely no chance of getting out of committee. The sponsor then stripped the bill and changed it into a harmless uranium mining bill. The bill should have been killed in committee. Well this naive country boy did not understand that it did not matter in what condition the bill gets out of committee because it can always be restored on the floor. I wasn't the only one that fell for the ruse. That might be the way the system sometimes works but it has not improved the legislative process. I am not a slow learner and I will not be caught in that manner again. On General File we had an attempt to restore the original bill but the attempt was soundly defeated. The Warner amendment was adopted with an overwhelming majority of thirty-one to nothing. The Warner amendment simply increased the severance tax from 2% to 3% and to pay these funds into the permanent school fund. All the government handouts and tax credits were rejected. With the Warner

amendment as the bill, the bill advanced to Select File on a twenty-six to seven vote. With those margins I thought the bill would not create any more problems. Well this country boy had another lesson to learn. On Select File all the social planning with the accompanying bureaucratic red tape and plans to redistribute the wealth were brought out in the new amendments. Here it was back with all its ugly warts. I was not worried. With thirty senators supporting the Warner amendment it had not occurred to me that this one truly could be brought back to life. I am wondering what happened to the people that voted for the Warner amendment. Well at this stage I am willing to accept part of the bill as it now stands but I ask that the weatherization program be stricken and the money placed in the state school foundation and equalization fund so that all schools can share on an equitable basis. I really felt that the money should have been left in the permanent school fund. I think that is where it belonged. We had some arguments about poor investments in the permanent school fund which I think were irrevelant and should be addressed in another manner but I believe I have lost that one so I am willing to leave it in the general fund to distribute on the basis of the school foundation and equalization formula. If we return this money to the schools for weatherization programs, we are going to set up more bureaucracy in the State Education Department. First there will have to be a Planning Committee, endless meetings and several full-time administrative positions with necessary clerical help to administer the program. Then we have the requests for grants from the schools, inspections to see if they qualify, instructions on the procedures and standards of work and approval to proceed with the work and, finally, inspections and reports. If past grants are any guide, several hundred thousand dollars will go into bureaucratic cost and such rewards remaining will go to those schools that have not assumed their own responsibility to do this work. Many school districts have already completed much weatherization and they would receive nothing from this fund. Only those that have delayed would be the ones that would profit and any school board that does not recognize the need or does not assume the responsibility for weatherization does not deserve help. If the money is placed in the state aid program, all schools would share on an equitable basis and I believe these boards are more responsible in the expenditure of their funds than this legislative body ever will be. There are no extra budget costs, remember because we are going to take this money. It is already in the bill from the severance tax. The school boards are not so ignorant. They are so unconcerned that they have to have a carrot dangled in front of their face before they will

do what is right for their school district. If the money is channeled out through the state aid program we won't need any more bureaucracy. We won't need any more paper blizzards. It can be taken up in the already existing programs. Then perhaps even more objectionable to me than the school weatherization program is the tax credit for energy conservation devices to private individuals and corporations. Thousands of people have already decided energy conservation is important and they are doing something about it. Now these people would receive no help. For the people getting into the act now there is no gamble and they are not people that cannot afford the projects. The poor will not take advantage of this boondoggle because tax credits do not mean much to them. Every day we have proposals on this floor to give somebody a tax cut and also a proposal to spend more money. Somebody must pay more. There is no free lunch. This tax credit, I believe in the next five years could cost the state several million dollars in lost taxes on expenditures that for the most part would be made anyway. In the campaign last fall there was no message that came through stronger than the message that we want less government, the message that we just cannot afford all those good things the government wants to do for the people. The message came through in the national elections. Quoting from Murray Weidenbaum, the Chairman of President Reagan's Council of Economic Advisors, he says, "So much government regulation is supposedly proconsumer but is actually anticonsumer at heart. Why? Because the hidden costs are passed on to the consumer." I believe that the people of our state will make those decisions that they need to make on their own and I ask that this bill be returned for the amendments. Thank you.

PRESIDENT: Before we go to the next speaker, the Chair would like to introduce from Senator Newell's District some 32 students from Omaha North, Mary Brown is the teacher, up in the North balcony. Welcome, Omaha North, to your Nebraska Unicameral Legislature. The Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President, members of the Legislature, I can understand Senator Remmers' frustrations with the bill. I have, too, been frustrated with some of the changes that have gone through this bill. I would personally like to go to the original bill as it was introduced which would have had a 6 percent severance tax and would have used half that amount, or I should say 4 percent of that amount, to go to the different programs that we had found to be needing in terms of energy conservation and energy development. It would have left the 2 percent with the permanent school fund, however, the

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majority of this body saw fit not to raise the severance tax to that degree and Senator Remmers was one of the leaders opposing that increase in the severance tax which I felt was more than justified. So as a result we found that we could not, in fact, do as Senator Remmers wanted to do and that was to leave the 2% go into the permanent school fund and then the additional monies go into the different energy programs that we identified. We simply could not have the resources we needed to do that so we did decide to take for a five year period only the total 3% severance tax and use that money to weatherize schools and also use a very small amount of that money to subsidize some energy programs in the energy office and the solar office. The feeling was that those were very good programs that needed to be helped. I guess a couple, three hundred thousand is all that we are using to support those. The rest of the money would go back to the schools to weatherize their buildings. Now if Senator Remmers would have included in his motion an attempt to raise the severance tax to 4% and allowed 2% to go to the programs that we have identified and weatherization and otherwise and left the other 2% to go to permanent school fund well then perhaps that would have been agreeable. But what he is proposing to do here is basically gut the bill because we just simply cannot afford to do the different things that we want to do simply with the 1% extra tax that we increased through this bill. So I guess there is just not a way in which to do what he wants to do without some other changes and so I would say that we have compromised down. We have got the oil industry in support of the severance tax increase that is in the bill. We have talked to the Nebraska School Boards Association. They have not taken a formal position but I know Justin King and I have talked several times and he has indicated that this is a wise use of the money that we are raising through the severance tax and for a five year period it seems to him and to myself and to others that this is going to go to a good purpose in weatherizing our schools and the investment we make in our schools through this method will return more to the State of Nebraska than we could have otherwise achieved through the permanent school fund and through the equalization formula that Senator Remmers talks about. Clearly we have seen that investments and conservation are very cost efficient and pay for themselves in a matter of a year or two and beyond that there are savings to the taxpayers because after that initial capital investment it is going to be lower taxes that we are going to have to be paying to support our utility bills through our school systems so it seems to me a very wise investment. It seems to me that Senator Remmers could have come up with something like this through a severance tax increase but hasn't and so I think we are at a point where we simply

cannot do what he wants to propose but recognizing the problems that he has identified, we have talked to Senator Koch. Senator Koch will be proposing an amendment which would provide for a review of the situation after two years by the Appropriations Committee to ensure that what we anticipate to be a very critical problem is indeed that problem that and to the degree that we have found it to be and, but still for only a five year period would we allow this change in the permanent school fund severance tax. But, again, if after two years the Appropriations Committee wanted to change that through the information they receive, they will have that authority. So Senator Koch does have an amendment that I think takes care of a lot of the problems that Senator Remmers has but still allows the flexibility that we need to carry out the programs that we identified. So I would say that the Senator Remmers amendment is not wise. It is not necessary and that is not in good form at this point and although I know all of us are perhaps wondering how many phases we have gone through with this bill, nevertheless, I think at this stage one more amendment, the Koch amendment will put it in very good form and should be passed in that form.

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President, members of the Legislature, I vigorously oppose returning the bill and I would submit to you that it is not all as complicated as Senator Remmers made it sound with his explanations of bureaucracies and so on and so forth. The bill is ultimately simple. It does simply this with the bulk of the money. The money now coming, new money, not old money in the permanent fund as Senator Remmers indicated by the way, simply the new money coming in from the severance tax would be put directly into weatherization of school buildings. Now what about all this bureaucracy and all the new things? All that work has been done, done. We know what needs to be done in the schools. We know what the savings will be. That is all done and I am going to use a couple of simple examples of actuality. There are three schools that I am dealing with here, Waverly Senior High School, Waverly Junior High School, Malcolm High School. Studies were done to see how much specific things could be done for, what the savings would be and here is an example. Waverly Senior High School with an investment of \$55,603, Waverly High School could reduce its energy consumption by 26%, with an '80-'81 cost savings of \$15,261 on fuel bills, one year with a \$55,000 investment. Next year it will probably be \$20,000 savings in one year. On one school specific things they did that were identified, replace existing

burners with new staged firing gas, all your units, air conditioning, install new zone discharge, dampers, remove existing skylights, seal with weatherproof, so on and so forth. The point is you invest X quantity of dollars. You get a return on that investment immediately between 20 and 30, as much as 40% in some cases. That is what we are doing with the money, getting an immediate return of 20 to 30% this year. It will go up next year as energy prices increase. Now what does Senator Remmers want to do with the money? I will tell you what he wants to do with the money. He wants to put it in something called the Nebraska permanent school fund, the creation of a very good friend of mine, John Lynch, many, many years ago when things seemed simple and we did not have such things called inflation. Let me tell you about the Nebraska permanent school fund. John, and you legislators have put \$61,109,000 into that fund. That is what you have put in, cash, dollars. Those are old solid dollars by the way, put in years ago. I can walk out of this door right now, walk out of this door and that 61 million dollars you put in there, I can buy everything they own. See, they did not keep it in cash. They put it in bonds and things. I can buy it for 49 million or even less because that was July 1, 1980. All your funds are in that condition and it is partly our fault, a big part our fault because we have not changed the laws for twelve or fourteen years since the thing was created. We have limited what they can do with the money, put it into things that are losers. I submit to you, you will never get a better return on your school dollars, money used directly for schools than you will here. This is a property tax cutting device. I urge you not to adopt the amendment. I urge you to go with the amendment that Senator Koch and some of the school people we have talked with have worked out and that I thought was going to be the one offered. I would also make one final comment. I believe if you will check in the form that Senator Remmers has his amendment, it is probably unconstitutional. Now I know you hear that word, "unconstitutional" bandied about a lot. This is unconstitutional on a technical ground I think. There is a part of the Constitution that says certain monies from school lands which includes some of the oil and gas revenues or oil revenues, have to go into this particular fund. We are preserving that in our legislation. He is destroying that in his, I think. That one technicality would be a terrible reason or argument against returning it but over all, I am saying it is a simple bill that will make a heck of a lot of return on dollars and I would urge you to not adopt his amendment, to go ahead and pass the bill with the Koch amendment.

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PRESIDENT: The Chair recognizes Senator Higgins.

SENATOR HIGGINS: Mr. Speaker, I would like to ask Senator DeCamp if he would yield to a question or two.

SENATOR DeCAMP: Yes.

SENATOR HIGGINS: Number one, we are going to save how many dollars with this energy program?

SENATOR DeCAMP: Okay, Marge, I used a simple example but let's talk about a twenty, I am going to say a 25% average return for sure the first or second year and as energy prices increase, it is going to be more. How do you get that? You buy a dollar's worth of weatherproofing or insulation or whatever, the energy savings as a result of that are about 30, 20 to 30% a year. If you put the money in the other place where it has been going, you actually decrease, you actually deflate the value of it because it is locked into stuff that is returning a very low amount and so if you put in a million dollars, at the end of the year your million is going to be worth \$850,000, \$840,000, somewhere in there. That is not a profit making deal.

SENATOR HIGGINS: So we are not going to save any money.

SENATOR DeCAMP: Oh, I think we will be saving...you know this is going to sound hilarious but over about a ten year period projected out, you would be saving probably in excess of a billion dollars of property tax money that will be spent heating and cooling your schools of the State of Nebraska.

SENATOR HIGGINS: Is there anything written into the bill then that says that the mill levy has to go down accordingly on real estate tax? You have got nothing in there guaranteeing the taxpayers that this money is going to lower the real estate tax.

SENATOR DeCAMP: Well...

SENATOR HIGGINS: Keeping in mind, John, in Omaha 71% of our real estate tax goes to schools....

SENATOR DeCAMP: I am quite aware of that.

SENATOR HIGGINS: ...so that is why I am most interested in how much my real estate tax is going down.

SENATOR DeCAMP: You have got your budget bills, you have got your lid bills, so on and so forth. There is nothing specifically structured that says you sit there and calculate and you save \$14, therefore, you have a \$14 reduction. That is...

SENATOR HIGGINS: The second question, Senator Remmers said this...his amendment would profit all schools. Does this include private schools?

SENATOR DeCAMP: This does not include private schools. I think that is constitutionally not permitted nor is he doing anything for private schools either.

SENATOR HIGGINS: Private school parents will be aiding this bill but they won't be getting anything out of it.

SENATOR DeCAMP: Yes, that is not entirely true. To the degree that a private school parent pays property taxes and those property taxes are reduced, they of course are benefitted.

SENATOR HIGGINS: But there is nothing in this bill that guarantees they are going to be reduced.

SENATOR DeCAMP: There is nothing that gives private schools direct money.

PRESIDENT: Would you just one talk at a time. It is very difficult to hear as it is without both talking at the same time.

SENATOR HIGGINS: Okay, I think I have got my questions answered. Number one, the bill will not in any way benefit private schools and, number two, nothing is written into the bill that is going to guarantee lower real estate taxes. Thank you, Senator. That is all I wanted to know.

PRESIDENT: The Chair recognizes Senator Lamb.

SENATOR LAMB: Mr. President and members of the Legislature, I rise to vigorously support the amendment offered by Senator Remmers. I really believe that this session of the Legislature will go down as one that has not checked out all the ramifications of some of these bills that we have passed and as was pointed out the other day when we passed thirty-five bills or thirty-three bills in one day on General File, on Consent Calendar, I am sure that a lot of those bills are going to come back to haunt us and I want to commend Senator Remmers for bringing to our attention a bill which I believe

he has zeroed in on the problems of the bureaucracy created. We are getting the Legislature into an area where local school boards should be more directly involved. I don't think we want to do that. I don't think the people of this state want to do that. I think those local boards have the authority, they have the expertise. They know what they need to do to save all this money. They can save all this money without the Legislature mandating or urging them on. I think it is time that we took a look at some of these bills. I think Senator Remmers has hit upon a good amendment. I fully support it.

PRESIDENT: Before we go to the next speaker the Chair would like to introduce a guest of Senator Shirley Marsh, Dr. Helmut Schwaabe from the Federal Republic of Germany visiting the United States at the United States government's request. Would Dr. Schwaabe please stand and welcome, Dr. Schwaabe, to the Nebraska Unicameral Legislature. We also have in the North balcony some 19 students from Unadilla, Nebraska, from Senator Warner's district with Rhonda Vanicek, teacher, North balcony. Welcome to the Nebraska Unicameral Legislature to Unadilla. The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I support the Remmers amendment. I think it is probably not only the best solution to the problem but I feel a little, kind of embarrassed to say that I voted for the DeCamp-Wesely amendment last time without fully understanding it and I am now in a situation where I understand it. I would like to have that vote back. It was a very close vote and one in which the mistake is very evident. We have a situation here that I think we have to discuss kind of clearly. First of all, you have two different issues. You have the whole issue of whether to set up a special fund and I think that Senator Remmers did an excellent job of highlighting and discussing that point. The other part of the whole issue is the question of the credit and the credit basically has a low fiscal note but I think it is establishing for the first time a credit system which I think the Revenue Committee has been very seriously analyzing and has basically rejected to this point. I think it is a mistake to use this bill and with these four amendments to the retailoring this bill to the extent that it has been. I wanted to offer an amendment to devise, to divide the question which is going to be not only physically very difficult but maybe impossible to do just in the way it was drafted. But the situation is simply this. We have, I think Senator DeCamp pointed this out, we have, in fact, schools across the state that have really made a commitment to trying to deal with the questions of weatherization and cost of energy and so forth.

I know that the Omaha Public Schools, Senator Koch, Senator Wiitala, the Omaha Public Schools have spent nearly millions of dollars in terms of trying to make a modification and weatherization and those dollar costs, now we are going to be provided to those schools who apply for them. There will not be enough money here. There cannot be enough money. The priority system is going to be difficult at best. Frankly, putting this in the state aid funds is the only legitimate way and setting this credit up which is the second issue is a mistake that I think the Revenue Committee has resisted for all these many years and I don't think we ought to be encouraging this for the Select File amendment. I would very strongly urge the body to adopt the Remmers amendment and I will, if for some reason this body does not do the judicious thing, I will offer an amendment to try to take the credit out of the bill. Thank you.

PRESIDENT: The Chair would just observe that we are still on Final Reading and we are going to try to be flexible in allowing you to move around but we would urge that you not leave the Chamber without letting us know because if we suddenly vote on this matter we would like to have you here. The Chair recognizes Senator Clark.

SENATOR CLARK: Mr. President and members, I rise to support Senator Remmers in his amendment. I think it is a fine amendment. It does disturb me a little when Senator Wesely would say that the oil industry supports this. Thank God the oil industry is not running the Legislature of Nebraska. Their only obligation in this whole thing is to pay that severance tax. That is their only obligation. They could care less where it goes to after it comes in. That is our obligation. I think the rest has been said. It is going to be a heck of a job prioritizing where this money is going to go. Those that have, and I know that Sidney has, my district, spent a lot of money weatherizing. We will get no money out of this. Those that have not done anything will get it and that is what they are trying to tell you and I certainly support Senator Remmers in his effort.

PRESIDENT: The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: I just want to make a couple of points on this bill, Mr. Speaker and members of the body. The first is, as I look carefully at the fiscal note that was last prepared following the adoption of the DeCamp amendments, one of the things I discovered is this, is that this bill is now in a form which would take all of the severance tax monies excluding those monies raised from producing wells on school land but all the rest of the monies it would take and place into the weatherization fund. It would not just take that

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little increase, that little increase, it would take the full 3% and put it into the weatherization fund. Now that means moving money that traditionally had gone into the permanent school land fund into the weatherization fund. I think that is a policy that we really ought to understand and know because that does represent a fairly significant policy change in the use of the severance tax by the body. Secondly, incidentally I should tell you that when I did vote for the DeLong amendment I was pretty much aware as to what was at risk and I was sort of torn in delivering that particular vote or in saving that particular vote because while I very strongly support, I really strongly support every way that the state can take to assist our citizenry in making their homes and their properties more energy efficient. I have always had a great deal of sympathy for another income tax credit. At this time we have only got one income tax credit and that is the food-sales tax credit and we have no other income tax credits. We do have one bill, I think, which is up on Final Reading one of these times to establish our second income tax credit but this bill, if it were to pass in its existing form, would establish a third income tax credit. Now the Revenue Committee really has done a yeoman's job over the last several years in resisting the entreaties of various and sundry groups and people that have come before it asking for an income tax credit. We have tried to hold our income tax code unsullied, so to speak, without establishing new credits and done a good job. We had a similar bill in the Revenue Committee two years ago to establish an income tax credit for those who did use alternate energy devices and we decided in the end to not to advance the bill. I believe we killed the bill for not because we were opposed mind you, to what the state assistance to those who wanted to or who spent the money to have their homes and their properties more energy efficient but more because we felt that philosophically in terms of protecting the sanctity of an income tax code, we really ought to resist the entreaties of those who wanted another credit. So at this time, given the kind of change that it is going to effect, to wit, it is going to totally redirect our severance tax and in addition it is going to make another break in the dike or breach in the dike, so to speak, on the credit side of the income tax code, I would have to support the Remmers amendment.

PRESIDENT: The Chair recognizes Senator Koch.

SENATOR KOCH: Thank you, Mr. President, members of the body, we went through this discussion previously and at that time my position pretty much supported that of Senator Remmers. In fact, when I recall, Senator Remmers was pretty much supportive of my position. However, since the time that bill

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We passed, I have had Mr. Siefkes along with others trying to resolve the issue and I believe we have resolved it. First of all, the weatherization program would be transferred completely to the Department of Energy and some in here have said our Office of Energy is a bureaucratic office. That is not correct. I have had many different opportunities to visit with Mr. Palmer in that office, finding him very efficient and very effective in notifying schools of federal dollars that are available for the purpose of weatherization. So I don't believe we should call them bureaucrats in a true sense of the word simply because there is an office there which is called the Energy Office. Not only that, we all know that federal dollars are rapidly being withdrawn and very strong reductions are being made and I have here before me the estimates that I would like to get to all of you that presently today there is a great demand for dollars to help schools to weatherize their buildings. Certainly there have been some ahead of the game like there always are. Some in my area have been at it for a period of five years and to you, Senator Higgins, they have been using their own tax dollars with some federal dollars on a match basis and I submit to you that what Senator DeCamp and Senator Wesely are offering is not an ill-advised proposal. I think if we want to make the best use of energy and get the most bucks for it, then we better get at the business of weatherizing to the best of our scientific knowledge. At the present time I have an amendment up there which will follow Senator Remmers' and I would hope that it would be adopted because I provide a two year sunset on this proposal. It will be reviewed by the Appropriations Committee. At that time those monies which would be because of the severance tax would then lapse into the school foundation and equalization aid and there they would remain. The present money that we have in that fund realizes us approximately no more than \$600,000 a year at best and I want you to know you can't do much weatherizing on that amount of money. Secondly, Senator Remmers says that the local school boards would not be involved. That is not quite true. Senator Remmers knows that any grant application he ever made had to be approved by its school board before the application was even officially submitted and they knew exactly what was in the proposal at the time it was submitted for possible approval. So what I am saying to you is that there will be tax relief in the fact that the schools would not have to draw upon their own local budgets for this purpose. If their grant is approved, there are some federal dollars which match it, then they will receive that proposal. So I suggest to you we are doing several things. One is we are indeed saving taxes on property. Secondly, we are making possible a savings through

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using energy most efficiently and it is time we realize there is an energy shortage of fossil fuels and it is time we get at the business and it is time we offer some stimulation to people to help them do their jobs and they know they have to have it done. The Energy Office audits all these buildings. They most of them have been audited and contrary to what you might not believe, the public schools have been sort of the leaders in this area trying to bring about a more efficient use of energy, probably do it better than the general public knows. So I would suggest to you...

PRESIDENT: One minute, Senator.

SENATOR KOCH: ...that you possibly at this time should not accept Senator Remmers' amendment, look at the amendment I am going to offer you because I think it is the best of both worlds and in the end we will all come out being a winner and nobody is going to suffer any of the consequences. Thank you.

PRESIDENT: The Chair recognizes Senator Fowler.

SENATOR FOWLER: Are there any other lights on?

PRESIDENT: There are none. This is it. You are the last speaker.

SENATOR FOWLER: Okay, well I was going to call the question but there is no need for that.

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

CLERK: 31 ayes, 0 nays, Mr. President, to cease debate.

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

SENATOR REMMERS: Mr. President, members of the Legislature, just a few brief comments. First, I do believe that I did not change the provisions of the DeCamp amendment that would put the entire 3% into this fund rather than the 1% I think as Senator Vard Johnson indicated, the whole 3% is included. As far as the question of constitutionality, I can't agree with this because the only thing I did about that part of the bill was to change the weatherization to the school aid fund and I can't see that that should make the bill unconstitutional. If it is, then it was unconstitutional before I believe. A few other points, again I

want to say that talk about a tax cut for schools, it is only a tax cut to individual schools and not those that do not get the grants. I did not mean to be critical of bureaucracy as such, of the individuals in the bureaucracy, except any time that a program like this is set up we do have a blizzard of paperwork. Yes, I have applied for many school grants but I have always found that it is a matter of writing a program, getting my board approval, going up to the agency, trying to get approval, revising it to suit their needs. Rather than doing the job finally like my own school board would like to do it, we would have to follow certain guidelines that did not necessarily make sense in our situation. We are rewarding a few and the rest of them are not going to get that kind of savings. Again, this matter of the investment policies that Senator DeCamp is mentioning, that is a legislative problem. Sure, policies that were adopted thirty years ago in investment world don't sound very sound today. We can invest some money in much more revenue producing funds than what they did in the bonds that were bought at that time but that was the Legislature's problem. That should not condemn the state permanent school fund. I still think the idea, the philosophy of the permanent school fund is sound but I am willing to concede this much of it, that we use it for the five years that is in this program for state aid to schools so that those schools themselves, that each district can make its own decision on what it wants to do in energy saving devices and the tax credit thing, again, I say it is something that I think that we have to look at very carefully. We keep giving people tax credits. We keep voting increases in the budget. Somebody has to pay that bill.

PRESIDENT: The question before the House is the Remmers motion to return LB 257. All those in favor vote aye, opposed nay. I remind everyone that we are on Final Reading. Everyone is to be at his or her desk. It doesn't help to have a Call of the House because we are all supposed to be here. Record the vote.

CLERK: 28 ayes, 11 nays, Mr. President, on the motion to return the bill.

PRESIDENT: Motion carries. LB 257 is returned. Senator Remmers, do you wish to move to adopt your proposed amendment.

SENATOR REMMERS: Mr. President, members of the Legislature, I move that we adopt the amendment.

PRESIDENT: The motion is to adopt the Remmers amendment. The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President, I am not a fool and I recognize the handwriting on the wall. It is not accidental that the votes are lined up to go back. I will say this. I would be happy to take off the tax credit which seems to be the problem, the solar tax credit, but for you to utilize this bill as strictly 100% a state aid bill which is what it now is if you adopt the amendment, I think is not quite right and why? Because you are repudiating anything on energy, repudiating doing anything on energy this year and there will be a day when energy will raise its head and lop yours off unless you begin addressing it because it is a crisis state even though you do not have people clamoring in the streets yet. The dollars invested we are proposing in strictly energy things, we have the engineering all done. That was done under federal grants and they have got it done but they don't have the money to do the work. Then the money lost, going out the windows, is going to be tremendous and you could do something about it. You could be doing something about it by taking dollars that you are going to put into state aid to buy fuel and be buying the things to save the fuel. As I say, I see the handwriting on the wall but I will tell you one final thing. Senator Remmers and all you people concerned about state aid, I am going to tell you one of these days what has happened to your teachers' retirement funds and your other funds in terms of dollars and what you have got because one of these days you are going to wake up and find out you ain't got what you think you got. It dropped 35 million dollars. You know, we scream and holler here over 20 and 30 and 40 thousand dollars. Well you have blown about 40 million in eighteen months. You have blown 35 million in one fund but you don't even know about it. Adopt the amendment. I can see that is going to happen but then I think we should kill the bill. If you want a state aid program, we put 20 million in yesterday, another 5 million here. You know, how far are you going to go? If the amendment is not adopted, I think we would be happy to pull out the tax credit which seems to be the thing you are concerned about but at least keep some money going into saving some money on energy.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Okay, the motion is to adopt the amendment and the Chair recognizes Senator Newell. Senator Newell passes. Senator Wesely.

SENATOR WESELY: Mr. Speaker, members of the Legislature, it is clear that I might have spoken too hastily when I was interviewed a few days ago by a newspaper about what we were

doing on energy in the Legislature and I said I was very proud of this Legislature, that it appeared that they had seen the light on the concerns that have been expressed across the state on energy, that it looked like we might pass a bill that we could really see some action taken on that problem. That article has not been written yet. I am going to have to talk to the reporter because it is quite clear, it looks to me with this amendment that we are not going to do anything on energy this year and, in fact, the praise that I gave to the Legislature has to be withdrawn. Well I hope it won't have to be. I hope you will change your mind on this amendment and that probably won't happen but nevertheless, you have to keep in mind a few things. Number one, the energy problem is not going to go away. It is not going to just vanish. It is going to be there. We have to do something about it. We have to show some leadership. I think that clearly the bill, if we could have amended it with the Koch amendment, would have been able to do a great deal of good. It would have taken care of some of the concerns that many of you have and could have accomplished something but with the Remmers amendment we have nothing and as far as I am concerned, we might as well, as Senator DeCamp says, just forget it and do away with the bill. I think that many of you are sure of the concern that is out there about energy but you are not perhaps sure of what we should do or what is in this bill and I understand the confusion leads to perhaps hasty action and I think that the Remmers amendment is hasty action. In Lincoln, Nebraska, we have had a number of items that have indicated a great concern that is out there. I think that concern is not just in Lincoln. It is across the state. They did a poll asking people, "What is the most important thing in the State of Nebraska? What is the most important problem that you have that you want to see something done about?" Well, the answer was the energy problem, the utility bills that they have to pay. The most important problem to Lincolniters was the energy problem. Now if you go back to your districts and you ask the same question, you all have different districts. You will perhaps have different concerns but at the top or close to the top will be the energy problem and so when the next question is asked, after you find out that is a concern amongst your constituents, what are you going to say you did about it? And I think that you could say with the passage of LB 257 with the Koch amendment, you have done some good things for the State of Nebraska but with the Remmers amendment you have nothing. It is not an energy bill any more. It is a state aid bill that Senator DeCamp talked about and again, the Legislature will have missed an opportunity to do something about an important problem. Now with the concerns that you have I think that there are better ways to deal

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with them. Senator Koch's amendment could do that. The Remmers amendment is there. You are probably going to vote for it but the State of Nebraska is going to lose. I won't lose and Senator DeCamp and Senator Fowler won't lose but the state will lose because we again have not done what we need to do on energy and we will go another year without taking the action that is necessary.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the Legislature, I think this is the one place we have a vote that will show whether the Nebraska Legislature takes a serious interest in the energy crisis of our nation. Now we have a real problem of people affording fuel right here in our state but that is not the big problem. The big problem is our dependence on foreign oil and the different forms of energy are interchangeable and for this Legislature not to make any single positive move, I think is living in the Middle Ages. Today we are spending, our military budget is going out the roof and the primary need for a military budget is really the defense of the Middle East and our oil interest in the Middle East. I think everyone in here has friends, relatives that are potential people in a future war and the future potential of war is the Middle East because of our dependency on oil. Now if our federal government can't look at this, certainly our state government can see it. The people can see it and I think this Legislature is certainly obligated to make a move at least on energy to express our concerns on energy by passing some measure that will, at least in some ways, reduce our dependency on oil and reduce our energy consumption. Now the issue is simple as far as this bill. The amendment makes it a state aid bill and takes away the portions that are an energy bill. Now any approach that we take to reduce our energy consumption is going to run into the same problem we had with this bill. We are going to subsidize when we help out on energy to a degree, those that have not done what they should have done in weatherization of schools or in private homes or anything else. So if we submit to the argument that we cannot subsidize those, we say in the future we can't do anything to solve the energy crisis in principle. That is what we are saying and I think we have got to overlook that and go with the energy crisis. I am really disappointed in our nation in this field because I believe this country has the technological advancement to solve our energy problems and become energy independent in a matter of three years if the resources of this country could be put in this direction. This is just one small step in that direction but the only step that is before us to move in the direction of becoming energy independent. I think it is a sad mistake and I

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imagine this amendment will be adopted and turn it into a state aid measure but we are overlooking the national and state energy issue that I think is really unpardonable to this session of the Legislature. I urge the membership to reject the amendment and do something on energy this year. Thank you.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker and members of the body, Senator Wesely and Senator Burrows, Senator DeCamp have stated it well, that we as leaders oftentimes espouse the fact that we should be more conscious of preserving and conserving our natural resources. We talk about our water. We talk about our soil. We talk about our energy. This bill gets to that issue and I know there are some educators I have visited with, been around a long time who have some apprehensions about how sacred that money is that we place into that permanent fund and how great it is that we get that few hundred thousand dollars a year that we dribble out to the schools. But I submit to you that those same educators if they really believe in conservation, then they would admit that LB 257 has merit. And I have an amendment that I think is most appropriate, not because I happen to be the one offering it. The amendment I would offer, providing we do not accept Senator Remmers' amendment, we would strike the tax credit portion of it which appears to be rather offensive to many people and that is a commitment I make to you. We provide a two year provision under which the weatherization funds are made available. Those funds which are not used for the purpose of grants for weatherization would then lapse into the state foundation and equalization formula just as we know it now. So I am suggesting to you that it is not in our best interest to act in haste. This bill has merit and I believe we should not adopt Senator Remmers' amendment, that we should look at the amendment that I have offered to you in its totality and get a new perspective on what might be most beneficial. It is interesting to me today that in the public schools, the elementary schools, private schools, they all have a week where they emphasize conservation of energy and those young people today know it better than we do. Don't think they don't. I have observed them in my community where they are picking up all kinds of aluminum cans for a purpose of recycling, newspapers last week in my community for the purpose of recycling. Who is doing it? The young people are doing it, not the adults. The adults contribute to the litter and to the waste. The young people today are more responsible and more knowledgeable about conservation than we are. Not only do they know it, they practice it and for us today to greedily take what we think is a windfall

into the state aid formula is not in our best interest. I would be willing to take this indirectly to the public schools because every school is eligible, Class ones through the sixes, to make those kinds of renovations they have to make in order to more efficiently use the energy which they constantly use throughout the year and Nebraska is a place most of all where we should be more energy minded than we are in terms of our heating and air conditioning costs. So I submit to you that this is open to every school. Everyone has an opportunity once they have made their audit and know what they are about and there will be sufficient money in here to help them and, again, it will be a reduction on their own local cost because this money comes from the severance tax and the matching funds, some of them from the federal funds and some local match which is outside. I think it is a great device and I hope that you do not accept Senator Remmers' amendment. Take a look at the one I am going to offer and see if there isn't a better choice.

SPEAKER MARVEL: Senator Newell, do you wish to be recognized? We have got Senator Newell and then Senator Remmers. You are the last one anyway, so we can proceed now... The Chair recognizes Senator Remmers to close on his motion to adopt the amendment. Senator Remmers, do you wish to close on your motion to adopt the amendment?

SENATOR REMMERS: Mr. President, members of the Legislature, we have heard a lot of pleading for compromises. We have heard a lot of comments about no one being concerned about saving energy. I don't know where anyone can get the idea that the Legislature, that the members of this Legislature are the only members that are concerned, only people concerned about energy. School boards are concerned about energy. Patrons are concerned about energy and many school boards have been doing something about it. So when you say every school is eligible that is no longer true because some of them probably already made the necessary provisions that would probably be allowed under the grant system. So everyone would not be eligible. I think it is just a question of who makes the decision. We are not saying that we are not going to spend money for energy. I think the school boards will continue to spend money for energy. I think they will continue changing their buses over to diesel powered buses, to weatherize their buildings. The money goes into the state aid program. It can still be used for energy and the schools will be using it for that. They are also concerned about energy just as well as we are here in the Legislature. I think it is a question of government help versus self-help and I think the Great Father in Washington

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LB 257, 506

has pretty well proven through the years that government help is not very effective. It just simply does not match self-help and I urge you to adopt my amendment.

SPEAKER MARVEL: The motion before the House is to adopt the amendment as explained by Senator Remmers. All those in favor of adopting the amendment vote aye, opposed vote no. Have you all voted? Have you all voted? Senator Remmers, what is your pleasure?

SENATOR REMMERS: Just let it go.

SPEAKER MARVEL: Record the vote.

CLERK: 17 ayes, 23 nays, Mr. President, on adoption of Remmers amendment.

SPEAKER MARVEL: The motion is lost. The amendment fails. Okay the motion is to readvance the bill to Final Reading. A machine vote has been requested. All those in favor of the motion vote aye, opposed vote no. Record the vote.

CLERK: 27 ayes, 5 nays, Mr. President, on the motion to advance the bill back to Final Reading.

SPEAKER MARVEL: In the North balcony from Senator Wiltala, Koch and Stoney's district, 22 students from Millard, Nebraska, High School are in the North balcony with their teacher, Richard Brown. Will you show us where you are so we can welcome you to the Unicameral. From Senator Wesely's district we welcome 65 students from Bethany, Lincoln, Nebraska. Joyce Vannier is the teacher. You are in the North balcony. Where are you? Will you hold up your hands. Okay, welcome. Under the North balcony is Barry Sherman from Kearney, a friend of both Senator Cope and Senator Kahle. Where are you, sir, we may welcome you to the Unicameral. Over in the corner.

CLERK: Mr. President, while we are waiting, Senator Warner would like to print amendments to LB 506. (See page 1744 of the Legislative Journal.)

We have four study resolutions from the Government Committee. The first calls for a study of the various aspects of the National Guard and military life in Nebraska. LR 82 by the Government Committee calls for a study of the adequacy of disability compensation for those state employees engaged in high risk jobs. LR 83 by the Government Committee which calls for a study of the existing ambiguities and conflicts in the statutes regarding the offices of County Engineer and County Surveyor. And LR 84 by the Government Committee calls

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for a study of the use of court fees for purposes other than the operation of courts. All will be referred to the Executive Board, Mr. President. (See pages 1744-1747 of the Legislative Journal.)

Mr. President, the next motion I have on LB 257 is a motion by Senator Newell to return the bill for Final Reading to strike section six through fifteen.

SPEAKER MARVEL: Okay, Senator Newell.

SENATOR NEWELL: Mr. President, members of the body, in the interest of time I am going to withdraw my amendment and try to get like a rider onto the compromise Remmers-Koch thing, I am going to add my name to that so I can feel like I am part of this whole process and will save some time and just have one amendment. So with that, I would withdraw it and I will accept the compromise that is coming.

CLERK: Mr. President, Senator Newell withdrawing, I now have a motion from Senator Fowler. Senator Fowler would move to return LB 257 to Select File, the purpose being to strike the enacting clause.

SPEAKER MARVEL: Senator Fowler.

SENATOR FOWLER: Mr. President, in the spirit of compromise that is developing I will withdraw the motion to kill the bill that I am a cosponsor on but I would say that as this bill has been amended down further and further that although this Legislature may be taking a small step in dealing with the energy problem, LB 257, that what was originally offered this Legislature was far more significant. I don't think that we should necessarily be proud of the action we are taking with the compromises that have been adopted. The severance tax increase is far less than was proposed and far less than what other states have. The energy conservation money is going to the schools that need it. The original bill had many more public buildings, hospitals, cities and counties receiving the funds. We are taking the tax credit out now and scaling the bill back considerably. I was offering the kill motion if at that time the bill had been amended down to such a form as simply to be a dollar bail out for the state Energy Office but there is still a small hope of doing a little more than that. I will withdraw that motion but I would indicate that we are doing far less than has been offered to this Legislature and that we should not be smug about our action on 257 because I do not think we are providing the leadership that we should but I am willing to accept the compromises at this time.

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SPEAKER MARVEL: Okay, the Chair recognizes Senator Koch.

SENATOR KOCH: Mr. Speaker, in the interest of time, Senator Remmers has in good faith joined with me on this amendment and has signed on so it is now a joint amendment by Senator Remmers and myself and very quickly to tell you what this amendment would do, I want to return the bill to Select File for this amendment. It reduces the present allocations of monies to the weatherization fund from five years to two years. This reduction has been supported by the Energy Office and the Department of Education based upon the known applications, based upon actual applications and some projection. The amendment further provides for an annual review by the Performance Audit and Review Committee and you heard some debate about that yesterday between Senator Wiltala and Senator Warner and at that time they will examine it and they will see what kind of progress has been made and if at that time the monies that are there are not being used, then the money would be appropriated to the State Department of Education to be transferred to the school fund, general aid program, foundation of equalization. So what we have now is a provision of two years, a sunset on it. After that time it goes to the school foundation of equalization and one other thing that it does. It takes the immediate supervision of the program from the Department of Education which they have advised me they would like to have done, place it with the Energy Office because they are the ones who perform the audits and they are the ones who have been doing the work. They have administered the programs and have the expertise to efficiently, and expedite it and their experience I think is valuable. The last thing that Senator Remmers and I do is to strike sections six through fifteen which gets rid of the tax credit proposal Senator Fowler mentioned a moment ago and I want to thank him for being a person who is willing to compromise even though you don't always get what you want in here. That is the amendment and I ask that LB 257 be returned to Select File for this specific amendment.

SPEAKER MARVEL: Senator DeCamp.

SENATOR DeCAMP: Mr. President, members of the Legislature, I want to thank about twelve or fifteen of you that I talked to in the little period of time we had who put enough trust in those of us who have been working on energy that you were willing not to put the other amendment on and who understood that this amendment would be offered and that I would support it and I do support it. And I believe that in the two years that this will function we will be able, with the documentation that is provided in the bill, to walk into this legisla-

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tive chamber and show my good friend, Wiley Remmers and Jerry Koch and Howard Lamb that this is the best investment producing investment that has ever been made by the State of Nebraska, that in the two year period alone the millions that you will put in directly to the insulation and redoing of school buildings on studies that have already been done, that you are going to have a return on your money better than investment in anything else, anything else you could dream of. Again, I thank those ten or twelve that did change. I do hope you support this amendment now and I do hope you will support the bill in Final Reading. It really is a significant bill. I think it is going to be one of the two or three most significant passed this year and a year from now when the returns come in on just how much money you have directly saved, you are going to believe it too and when the two years are up it is going to be Wiley Remmers and Howard Lamb that are going to be sponsoring the continuation of this.

SPEAKER MARVEL: Okay, the motion is to return the bill for the Koch amendment. Senator Remmers, do you wish to be recognized?

SENATOR REMMERS: Mr. President, members of the Legislature, I just want to say that I did not ask anybody to help me on my amendment. I did not approach anybody to vote for it. The only appeal I made is on the floor here. It was my idea that I thought the bill should be amended. I think we have a reasonable compromise and I can support this compromise and I hope you will vote to advance it.

SPEAKER MARVEL: Senator Koch, do you want to close on your amendment?

SENATOR KOCH: Mr. Remmers closed and I will accept that as closing and I ask that the bill be returned for the specific amendment.

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

CLERK: 28 ayes, 1 nay, Mr. President, on the motion to return.

SPEAKER MARVEL: The motion is carried. The bill is returned. Okay, we are now on the adoption of the amendment. Those in favor of that motion vote aye, opposed vote no. Record.

CLERK: 30 ayes, 1 nay, Mr. President, on the adoption of Senator Koch's amendment.

SPEAKER MARVEL: Okay, the motion is carried and the amendment is adopted. Those in favor of advancing the bill to

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LB 257, 284

E & R say aye, opposed no. The motion is carried. The bill is advanced. We have three sets of visitors this morning I would like to introduce. First of all, from Senator Hoagland's district, 25 students from St. Margaret Mary's School, Omaha, Nebraska, and among those visiting in the Legislature are Mike Boyle, Jr. who is a nephew of Senator Higgins. Miss Ryan is the teacher. From Senator Kremer's district in the North balcony, six students and five adults from St. Stephen's, Lawrence, Nebraska, Father Edwin Stander is the administrator and you are in the North balcony. Would you hold up your hands so we can say hello. Also from Senator Kremer's district we welcome 30 students from Central City, Nebraska. Pat Johnson is the teacher and in the South balcony. Where are you located? Okay. We welcome each and everyone to a quiet session of the Unicameral this morning. The next legislation is LB 284.

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

SPEAKER MARVEL: Read the motion.

CLERK: Mr. President, Senator Newell moves to return LB 284 to Select File for a specific amendment. The amendment is found on page 1522 of the Journal.

SPEAKER MARVEL: Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I placed this amendment on the desk. The amendment basically deals with tax effort. It basically is a very simple proposal. The proposal is aimed at analyzing what percentage a local government, all the local governments in a county, what percentage of the total property tax take of the state they raise for support of their local government and whatever that percentage is of the state's total property tax take, you will get that percentage of the 70 million dollars. It is very simple. It is, in fact, I think probably the only constitutional proposal that has been offered. The way that LB 284 is presently, in my opinion and the Attorney General's opinion, is constitutionally suspect and I expect soon that after this bill is passed that the Attorney General will initiate some sort of action which may take a couple years. That is what the cosponsors are suggesting, that they will be able to distribute this money in this fashion for a while before this whole court thing is resolved. Now frankly, I think that is a mistake and I think this Legislature should recognize that we cannot continue to fly in the face of the state Constitution, the Attorney General's opinion, et cetera. This will be the third unconstitutional proposal that we have offered on the 70 million dollar distribution. 516 was a mistake.

LB 3, 11, 12, 70, 95, 99, 228,
250, 257, 266, 266A, 296A,
310, 318, 328A, 369, 381, 384,
389, 428, 441, 470, 472, 472A,
497, 501, 506, 541, 543, 556A

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PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by Chaplain Palmer.

REVEREND PALMER: Prayer offered.

PRESIDENT: Roll call. Record the presence, Mr. Clerk.

CLERK: Quorum present, Mr. President, plus one.

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

CLERK: Mr. President, I have no corrections.

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

CLERK: Mr. President, I have an Attorney General's opinion addressed to Senator Chronister regarding compensation of rural water districts. That will be inserted in the Journal. (See pages 1899-1900 of the Journal.)

Mr. President, your committee on Enrollment and Review respectfully reports that we have carefully examined engrossed LB 3 and find the same correctly engrossed. 11 correctly engrossed, 12 correctly engrossed, 70 correctly engrossed, 95 correctly engrossed, 99 correctly engrossed, 228 correctly engrossed, 250 correctly engrossed, 257 correctly engrossed, 266 correctly engrossed, 266A correctly engrossed, 296A correctly engrossed, 310 correctly engrossed, 328A correctly engrossed, 369 correctly engrossed, 381 correctly engrossed, 384 correctly engrossed, 389 correctly engrossed, 428 correctly engrossed, 441 correctly engrossed, 470 correctly engrossed, 472 correctly engrossed, 472A correctly engrossed, 497 correctly engrossed, 501 correctly engrossed, 506 correctly engrossed, 541 correctly engrossed, 543 correctly engrossed. Those are all signed by Senator Kilgarin as Chair.

Mr. President, a new A bill, LB 556A, offered by the Speaker at the request of the Governor. (Read as found on page 1904 of the Legislative Journal.)

Mr. President, Senator Vard Johnson would like to print amendments in the Journal to LB 428 and Senator DeCamp to LB 318. See pages 1904-1906 of the Legislative Journal.)

PRESIDENT: The Chair recognizes Speaker Marvel for an explanation of order of business today on the agenda. Speaker Marvel.

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LB 346, 257, 257A, 466

SPEAKER MARVEL: All provisions of law having been complied with, the question is shall the bill pass? All those in favor vote aye, opposed vote no. We are voting on LB 346 on Final Reading. Have you all voted? Record the vote.

CLERK: (Record vote read. See pages 2173 and 2174, Legislative Journal.) 44 ayes (sic), 0 nays, 5 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 257 with the emergency clause.

CLERK: (Read LB 257 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. With the emergency clause attached, 257E. Have you all voted? Record the vote.

CLERK: (Record vote read. See page 2174, Legislative Journal.) 38 ayes, 11 nays, Mr. President.

SPEAKER MARVEL: The bill is declared passed with the emergency clause attached. The Clerk will now read on Final Reading LB 257A with the emergency clause.

CLERK: (Read LB 257A on Final Reading.)

SPEAKER MARVEL: All provisions of law having been complied with, the question is, shall the bill pass with the emergency clause attached? Those in favor vote aye, opposed vote no. 257A. Have you all voted? Record.

CLERK: (Record vote read. See page 2175, Legislative Journal.) 35 ayes, 14 nays, Mr. President.

SPEAKER MARVEL: The bill is declared passed with the emergency clause attached. The next bill, LB 466 with the emergency clause.

CLERK: Mr. President, Senator Labeledz moves to return LB 466 to Select File for specific amendment.

SPEAKER MARVEL: Okay, Senator Labeledz.

SENATOR LABEDZ: Thank you, Mr. Speaker. I apologize also for having to bring this bill back, but as you recall on Select File, there was some questions brought up by Senator Johnson and in this last week or ten days we have gone over

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LB 389, 396A, 548, 556A,
257, 257A, 273, 273A,
346, 477, 477A, 497,
529, 529A, 541, 541A, 561

389 and find the same correctly engrossed, 396A correctly engrossed, 548A correctly engrossed, 556A correctly engrossed. All signed by Senator Kilgarin.

Mr. President, your legislative bills 273, 273A, 346, 257, 477, 541, 541A, 497 are ready for your signature.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business I'm about to sign, and do sign, LB 273, re-engrossed LB 273A, re-engrossed LB 346, re-engrossed bill 257, engrossed LB 257A, engrossed bill 477, engrossed LB 477A, engrossed LB 541, engrossed LB 541A, engrossed LB 497, engrossed LB 529, engrossed 529A.

We are still under item number five, motions, and the Clerk will read the next motion.

CLERK: Mr. President, Senator Newell has the next motion, but he has not yet arrived.

Mr. President, Senator Fowler and Vard Johnson have a motion I understand they want to withdraw.

SPEAKER MARVEL: Senator Fowler.

SENATOR FOWLER: There will be an effort to return the claims bill so I think we will try that avenue again. So, I'll ask unanimous consent to withdraw this motion to override the veto on public transit.

SPEAKER MARVEL: Hearing no objections so ordered.

CLERK: Mr. President, the next one I have then is from Senator Chambers. Senator Chambers would move to override the Governor's line item veto of the ADC appropriation contained in LB 561.

SPEAKER MARVEL: Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature this is an issue which we have discussed from time to time this session. It is one of those highly emotional matters and it is difficult to handle an emotional manner in an unemotional fashion. But on the chance that I may get carried away in trying to maintain my cool, I'm having sent around to you a one sheet statement of what it is that I am attempting to do. The amount of money which is involved and the