

January 20, 1981

LB 389-433

SPEAKER MARVEL: Senator Higgins.

SENATOR HIGGINS: Mr. Chairman and Senator Chambers, I merely want to state the fact that your very presence here and the fact that we are listening to you is a contradiction of your remarks that you do not have freedom. Thank you, Mr. President.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Speaker, members of the body, I would like to request permission we lay over the resolution until the hostages are in the air.

SPEAKER MARVEL: Any objection? If not, so ordered. We will go to item #6 now, introduction of bills.

CLERK: Mr. President, new bills. (Read by title LB 389-432. See pages 271-280 of the Legislative Journal.)

SENATOR CLARK PRESIDING

SENATOR CLARK: Could I have your attention just a moment, please? The AP has reported that the American hostages will fly out of Iran in the next thirty minutes. (applause).

CLERK: (Read by title LB 433. See pages 280-281.)

SENATOR CLARK: Senator Nichol, for what purpose do you arise?

SENATOR NICHOL: Mr. Chairman, members of the Legislature, I wanted to say something but I don't want to say it if we have urgent business to do. This will take about two or three minutes.

SENATOR CLARK: Continue, we don't have any business right now.

SENATOR NICHOL: Okay, Senator Marsh has a bill in having to do with mammals and I wanted to tell you the story of the three mammals if I may. May I do that, sir?

SENATOR CLARK: Go right ahead if it is funny.

SENATOR NICHOL: Well, I don't know about that but once upon a time there were three mammals who lived happily in Mammalary Land. There was a papa mammal that we called Pappy and mama mammal that we called Mama and baby mammal we called Babble and the reason we called baby mammal Babble was because he talked a lot and asked embarrassing questions.

CLERK: (Read record vote as found on pages 908-909 of the Legislative Journal.) 25 ayes, 9 nays, Mr. President, 15 not voting.

SPEAKER MARVEL: The motion carried. The bill is advanced. Are you ready for the next item? We are going to continue on Select File. What we are trying to do in the meantime between now and noon we hope to have the priority list as promised for you. So we hope that everybody who possible will stick with us until we adjourn. Go ahead.

CLERK: Mr. President, Revenue Committee will meet in executive session Tuesday, March 17, at one-thirty in Room 1520.

Your committee on Judiciary reports LB 126 to General File with amendments; 129 to General File with amendments; 228 to General File with amendments and 242 to General File with amendments. (See pages 909-913 of the Journal.)

Senator DeCamp would like to print amendments to LB 273 in the Journal. (See pages 913-194 of the Journal.)

Your committee on Revenue reports LB 486 to General File and 412 to General File with amendments. (See pages 914-916 of the Journal.)

Mr. President, a new resolution by Senator Fenger and others. (Read LB 37 as found on pages 916-917 of the Legislative Journal.) That will be laid over.

I have a report of registered lobbyists. Your Enrolling Clerk has presented certain bills to the Governor. (Re: 55, 114, 128, 217, 246, 279, 388, 434, 462. (See page 917 of the Journal.)

Your committee on Miscellaneous Subjects recommends approval of certain gubernatorial appointments. (See page 918 of the Journal.)

Mr. President, LB 500, there are E & R amendments to the bill. Mr. President, there are E & R amendments to LB 500.

SPEAKER MARVEL: Before we proceed with that I want to introduce some guests who are underneath the South balcony from Chadron State College, 6 students, Angie Kolar from Neligh, Jim Stewart from Omaha, Laura Larson from Wauneta, Casey Frye from Lander, Wyoming, Gene Mohr of Stratton, Rhonda Hernandez of Scottsbluff. They have ridden four hundred and thirty miles on bicycles. If you would like to talk to them or see their equipment it is in the rotunda after 1:00 p.m. We welcome you to the Unicameral. Senator Beutler.

April 6, 1981

LB 129, 412

or altered either by committee amendments or by this floor. I think we have to analyze this whole question of referring things back and holding public hearings on them everytime there is a change because we may find ourselves having as many public hearings here towards the end of the session as we had earlier on. I just wish the body would consider that. I am not opposed to sending it back to the Reference Committee but I hope this precedence doesn't last, and if it does, I would like to know now so that I can start requesting hearings.

SPEAKER MARVEL: The motion before the House is to refer LB 129 to the Reference Committee, is that right? Okay, all those in favor of that motion...Senator Hefner, do you wish to speak again? The motion is to refer 129 to the Reference Committee. All those in favor of that motion vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 33 ayes, 2 nays on the motion to rerefer to Reference, Mr. President.

SPEAKER MARVEL: That motion is carried. The bill is re-referred.

CLERK: Mr. President, LB 412 was offered by Senator Dave Newell. (Read title.) The bill was first read on January 20, referred to the Revenue Committee for public hearing. The bill was advanced to General File. There are committee amendments pending by the Revenue Committee, Mr. President.

SPEAKER MARVEL: Senator Hefner, do you wish to take the committee amendments?

SENATOR HEFNER: Mr. President, members of the body, the committee amendments become the bill now and so I am going to ask Senator Newell to explain these amendments.

SPEAKER MARVEL: Senator Newell.

SENATOR NEWELL: Thank you, Senator Hefner. Basically the amendments, the amendments to the bill clarify the intent in the use of the greenbelt provisions. In the former language it was required that the agricultural zone be totally agricultural and that has created some problems. The Attorney General has written some opinions about the difficulty of anything being totally or solely agricultural so we are changing the word from "solely" to "predominantly" agricultural so that we can get that kind

April 6, 1981

LB 412

of zoning since there is no such zone that could be totally, or exclusively was the word that was used in the original bill, predominantly is the major change there. "Residential and nonagricultural commercial tracts with the overall density of more than one unit per ten acres shall not be allowed with the zone...". Also it reinstates language to disallow platted residential or commercial land from getting the greenbelt privilege. The original bill, that was taken out because it was thought not to be necessary but it further clarifies the issue we decided to reinsert that language. It changes the deadline for application from April 1 to May 1 so that the individuals involved can have a little more time to determine whether or not they want to apply for the greenbelt provision. April 1 is when you have to pay your taxes and so you get those notices and it gives you a little time to decide whether or not the greenbelt would be beneficial to the individual who might apply for it, to keep their land in agricultural presumption. Basically the counties have indicated that they are in agreement and the homebuilders had some concerns and are in agreement in this regard. And so with that I ask the body to accept the committee amendments.

SPEAKER MARVEL: Senator Haberman.

SENATOR HABERMAN: Mr. President, members of the Legislature, would Senator Newell yield to a question please? Senator Newell, Section 3 raises the interest to sixteen percent. Is that still sixteen or does it go to fourteen when we passed this bill the other day that altered that?

SENATOR NEWELL: It does to...whatever is in the bill so it would be fourteen percent if, what is the number of that bill, if 167 goes to fourteen percent.

SENATOR HABERMAN: Thank you.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: A question of Senator Newell, if he would yield. Senator Newell, prior to this amendment, what was the condition of that tax that had been placed in a privileged position when land was changed from this greenbelt position to another zoning of a higher purpose? What was the original tax liability of the owner?

SENATOR NEWELL: The original...

SENATOR KOCH: If I was a buyer or the owner of agricultural land and requested that this be placed in the greenbelt provision and then eventually my land was sold and it was going

April 6, 1981

LB 412

to be used for residential purposes, what was my tax liability?

SENATOR NEWELL: Senator Koch, the way the greenbelt works, is that what you would like basically?

SENATOR KOCH: Before we are now operating on it.

SENATOR NEWELL: Before the greenbelt was in place, you had to pay the price of the higher use of the land, the highest use of the land which ever that cost would be, and so if you had land that was in a prime development area and before we had the greenbelt the value of that land would have been for the higher use or the non-agricultural use and you would be taxed on that non-agricultural use.

SENATOR KOCH: Yes, but if it was under the greenbelt provision, what are you taxed on, strictly agricultural use, aren't you?

SENATOR NEWELL: That is right. If it gets the greenbelt provision, it would be taxed on agricultural use and not on the higher use.

SENATOR KOCH: All right, now let's pursue that one step further. If what you are proposing here becomes law, now tell me what will happen to me. I would pay fourteen percent on those taxes that accrued, the difference between the higher use and agricultural use?

SENATOR NEWELL: Senator Koch, the committee amendments is what we are discussing right now.

SENATOR KOCH: Right.

SENATOR NEWELL: All right.

SENATOR KOCH: You said to Senator Haberman though 167 was in this, Section 3.

SENATOR NEWELL: It is not in the committee amendments. It is in the bill. All right, and that is...

SENATOR KOCH: The committee amendments are silent on this?

SENATOR NEWELL: The committee amendments are the provisions, just the clarification of the actual language in the bill. We will be discussing shortly the interest rate which I think is where the controversy is and I would be more than happy

April 6, 1981

LB 412

to explain that in that context but I don't want to get it too confused because there isn't any disagreement that I understand on the clarifications of the law, that most of the issue is it revolves around what interest rate we ought to pay.

SENATOR KOCH: Thank you.

SPEAKER MARVEL: Senator Hefner, do you want to make a motion that we adopt the committee amendments?

SENATOR HEFNER: Mr. President, members of the body, I move that we adopt the committee amendments.

SPEAKER MARVEL: All those in favor of that motion vote aye, opposed vote no. These are the committee amendments to LB 412. Record the vote.

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

SPEAKER MARVEL: The motion is carried. The committee amendments are adopted. Senator Newell, do you want to explain the bill briefly?

SENATOR NEWELL: Yes. Mr. President, members of the body, basically the bill just clarifies what the present greenbelt is and tries to put it in a little more useable form since there has been some question about whether or not you can have predominately...we are moving from "exclusively" agricultural zoning to "predominantly" agricultural zoning since it is in the Attorney General's opinion it is pretty difficult to have exclusively agricultural zoning. That part, I think there is little or no disagreement over. It also presently raises the interest rate to the interest rate on all interest which presently is sixteen percent, but with 167 would be lowered to fourteen percent. Now the basis for the interest rate change is simply this. Presently it is at six percent. We are providing in this situation where we are allowing the individual who applies for the greenbelt to make the application. They request the greenbelt designation which lowers their value, the tax that they have to pay. The assessor carries two values, the agricultural value and the higher use value for whatever that is worth. If the individual sells the land for the higher use, in other words benefits from the higher value, he sells it for the higher use, then they go back for a period of five years and collect the difference from what they would have paid...what they did pay in terms of ag value and what they would have paid in terms of the higher use because

April 6, 1981

LB 412

basically they have sold it for the higher use, basically they have held it for that kind of use. So basically they go back and pay the tax difference and an interest rate which is equal to the interest rates that we currently have or that we will have basically when the Legislature changes that whole question, interest rate presently sixteen percent, could be fourteen percent. If we reduce it again it will be twelve but it will basically be in conjunction with the uniform interest rate provisions.

SPEAKER MARVEL: Before we continue, underneath the South balcony it is my privilege to introduce Lt. Col. Vincent Feuerborn, Commanding Officer of the Naval Reserve Center in Lincoln, Nebraska and he is a guest of Senator Goodrich. Will you stand so we can welcome you? In the North balcony from Senator Marsh's District, three foreign students from Union College, Mrs. Susan Chapin, teacher. Where are you folks located? And also from Senator Marsh's District 35 students from St. Theresa, Lincoln, Nebraska, teacher is Mrs. McMahon. Where are you located? Senator Koch, do you wish to be recognized, then Senator Rumery.

SENATOR KOCH: I would like to speak to, not the lobbyist, but the introducer of this amendment. Where is he? Senator Newell.

SENATOR NEWELL: Yes, Senator Koch.

SENATOR KOCH: Now since we are on the issue of what I would be subject to in terms of the additional tax, now tell me how we arrive at it again. In other words, I have applied for the greenbelt provision, right, agricultural land taxed that way. Now then a few years later I have decided that my land shall be sold to someone and it probably will be residential or commercial or industrial. Now then you are saying that as the owner of that land I go back and pay the difference in the taxes as opposed to what it was for agricultural purposes, now as opposed for what it is for its new use? Is that correct?

SENATOR NEWELL: Senator Koch, not completely, no.

SENATOR KOCH: Well, then, will you enlighten me?

SENATOR NEWELL: Yes. Senator Koch, the way it works is like this, if your land is in the way of developing and the assessor determines that the land can be sold or can be used for a higher use, because of the laws of the state they are duty bound to assess that in terms of its actual value. All right?

SENATOR KOCH: Its new value.

SENATOR NEWELL: Okay, its true value. They come to you and they say, "Jerry, look, this is going to be developed someday soon and its true value is instead of \$1,000 an acre, its true value is \$3,000 an acre", and so you say, "I don't intend to sell this land for this higher use. I want to keep it in agricultural production. I am a farmer. I am not a speculator. I request to use the greenbelt provisions." You go in and you apply for the use of the greenbelt, and then the assessor says, "Okay, we are going to put two values on your property, Senator Koch. We are going to put \$3,000 for the higher use and \$1,000 for agricultural use and you only have to pay the \$1,000, you pay the lower figure. But, Jerry, I want you to know that there is some penalties involved in this if you ever do change your mind."

SENATOR KOCH: Call me Senator. Call me Senator. We are not friends yet.

SENATOR NEWELL: Yes, you have a point there, Senator Koch. "But if you do ever change your mind and sell it for the different value, for the higher value, and you may do that ten years down the road or you may do that twenty years down the road but we are going to assess the higher value for the five years previous to that that you got the greenbelt provision". Now you may have got it fifteen years before but for that last five years when you sell it for the higher use then they go back and assess you the difference in tax between what you originally should have paid before you asked for and got the greenbelt provision and then they will also assess the interest that you would have owed on that at whatever the going interest rate was.

SENATOR KOCH: Senator Newell, thank you, I understand it now implicitly. In fact, it is frightening and I will tell you why it is. And I know what you are trying to get to, you are saying that many people who live in an area where there is active annexation and some growth, that people who take the greenbelt law, the provisions thereof, are merely speculating, that agriculture is not their intent. So what you are saying then is that we are going to try to cut down you using your land for speculation purposes holding until such time as there is a willing buyer and a willing seller, and once I make the determination of the difference between my tax at \$1,000 an acre and the amount of possibly two or three or four thousand dollars an acre, then as the seller of that and the changing of its use, I am going to be penalized for that amount of tax plus an interest rate on that tax and that is what I am going to have to pay the

April 6, 1981

LB 412

county assessor for the privilege of greenbelt law and I am stating to this body there is no longer a privilege of greenbelt law. You have just taken away its provisions and now I will allow my time to go to Senator Warner, since I recall when he was one of the introducers of this piece of legislation, and if you will turn Senator Warner on I will ask him a question.

SPEAKER MARVEL: You have one minute, Senator Koch.

SENATOR KOCH: I am going to ask you a simple question. Will you support this proposal, the bill plus the interest rate and the change?

SENATOR WARNER: I do not support the interest rates, Senator Koch.

SENATOR KOCH: Thank you, neither do I.

SPEAKER MARVEL: Senator Rumery.

SENATOR RUMERY: Mr. President, members of the Legislature, I would like to ask Senator Newell a question or two, also, if he would yield.

SENATOR NEWELL: Yes, Senator Rumery.

SENATOR RUMERY: Senator Newell, I fail to see the rationale for charging taxes on this land for what it might have been used for during those years. It didn't yield any more corn or oats or barley or whatever it was than it did before and yet the owner has got to pay the extra taxes as agricultural land because when it was sold sometime later it did have a higher valuation but it didn't have it while it was being used as agricultural land and I don't see how we can possibly tax it on what it might have been used for like when it was sold later. I don't see how we can logically say that we will put this higher tax on it while it was still used for agricultural purposes. Can you justify that?

SENATOR NEWELL: Senator Rumery, I think that we forget here that the law, our laws, have always said you pay what the true value is, actual and true value. Now if your land is in...I mean, I am not changing the law at all. I am only changing the interest rate. I mean I explained how the greenbelt works but, basically, you would have to pay the higher value. If the land is in a prime developmental area and it can be used for a higher purpose, the assessor is duty bound by our Constitution, by our law, to assess the higher value and so we changed the Constitution. Senator

Warner changed the Constitution to say that we will allow the greenbelt laws to provide an exemption so the farmer doesn't have to pay the higher taxes if he does not actually intend to sell it for the higher purpose. So he gets a break from what the Constitution...from what is normally required, he is allowed to have that break. But there is a penalty provision in. That is the law currently. You know, we are not changing, we are just clarifying how it is to be used. The penalty provision is that you pay the difference if you do sell it for the higher use, if you do benefit. Instead of paying the higher tax, you do benefit from the lower agricultural taxes on it. Then you go back for five years and pay the taxes that you would have paid, you know, had you not gotten the break because you applied for it, you asked for it, and you pay the interest that is the going interest rate whichever that is. Now it used to be six percent. Okay, and this year it was in the uniform bill and the uniform bill would have raised it to fourteen percent. Okay, and we pulled it out of the uniform bill because Senator Warner had a problem with this issue and I said we would separate this and we would talk about it so we wouldn't mess up 167. But the real issue here is not the question you brought up, it is only what interest rate you should pay. You have asked for the break. You have asked to pay lower taxes. You have asked for that privilege and you basically agree to go back and pay the taxes for five years. That is all in the agreement that you sign. And the Legislature now is basically discussing the interest rate, what is the fair and equitable interest rate.

SENATOR RUMERY: Thank you.

SPEAKER MARVEL: Senator Lamb.

SENATOR LAMB: Mr. President and members of the Legislature, Senator Newell, could I ask one question please?

SENATOR NEWELL: Yes.

SENATOR LAMB: As I understand it from your explanation, this has nothing to do with the eligibility for the greenbelt treatment? I read in the paper sometime ago that there is some sort of discussion about whether or not land which has been platted is eligible for the greenbelt treatment. This bill then does not attack this problem?

SENATOR NEWELL: It does not alter this problem in any way. Right now if you plat your land, you don't get the greenbelt. This does not change it to allow you to get the greenbelt.

April 6, 1981

LB 412

SENATOR LAMB: Is there another bill that does that?

SENATOR NEWELL: No, there is not, not that I am familiar with.

SENATOR LAMB: Thank you very much.

SPEAKER MARVEL: Senator Newell, do you want to discuss your amendment for a minute?

CLERK: Mr. President, Senator Newell moves to amend the bill: (Read Newell amendment found on page 1307, Legislative Journal.)

SENATOR NEWELL: All right. Mr. President, members of the body, this further clarifies the question of the tax. It is only a clarifying amendment. It does not in any way alter anything. It just further clarifies. This amendment is probably not necessary but it does add to the clarification.

SPEAKER MARVEL: Senator Goll, do you wish to discuss the Newell amendment?

SENATOR GOLL: I don't know about the amendment. I just had a question though I wanted to ask Senator Newell.

SPEAKER MARVEL: Senator Newell, do you yield?

SENATOR NEWELL: I would yield to the question.

SENATOR GOLL: How would this bill apply in the case of an estate? Suppose the owner decides he is not going to sell it but then he dies and his heirs then have to dispose of the property and out of the estate and they sell it as an industrial tract. In that case, would they have to go back for five years and pick up those taxes?

SENATOR NEWELL: Now the real authority on that...I think the answer is very clear. Yes, they would because the property has been granted the exemption. The property has been granted, basically, I will call it exemption, it is not exemption, it has been granted a favorable tax rating at the request of the owner. The ownership changes. If they sell it, that still affects the property and the tax...

SENATOR GOLL: But maybe they have to sell it. They don't want to but maybe they have to. It doesn't make any difference?

SENATOR NEWELL: No. I guess the concept here, Jim, is very simple. You would have to pay, if there was no greenbelt provision at all...this bill does not change the greenbelt law. It stays the same, you know. It basically just clarifies the greenbelt law to make it more clear. But they would have to pay that anyway under the present law, they would have to go back, because you would have had to pay the higher taxes. You ask for relief. You specifically ask for relief and the agreement is that if you sell it for a higher use at a higher price that you are willing to go back and pay five years back, it is an arbitrary selection of years and so forth, what you would have had to pay had you not applied for it and that is the only thing. But if I could clarify the amendment, the amendment is just a clarifying amendment in terms of what you would call the differentiation in the tax rate. This is just a clarification.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, I guess it is probably sort of true what Senator Newell says. However, I don't agree with his amendment. Maybe it is only terminology but I think Senator Newell would like to suggest and I think the amendment suggests that the tax by virtue of the deferred status is in effect a delinquent tax or an unpaid tax and I take the position that that suggests a delinquency which I hold is not a fact because you cannot be delinquent when it wasn't due. I have an amendment, depending on what happens to Senator Newell's that will reinstate the old language and strike the new language on page 4 which leaves the bill as the current law is which is a six percent tax based upon the deferred tax going back five years when the land use through zoning is changed and I think that is a reasonable rate of interest to be charged under those circumstances. And while Senator Newell's amendment may only clarify, I have some concern what direction you are clarifying in, Senator Newell, and I would oppose it on the basis that it ought to be defined as it currently is as the additional tax as opposed to an unpaid tax as I understand his amendment to do.

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

SENATOR NEWELL: Yes, Mr. President. Senator Warner, I did bring that by you and I misunderstood you the first time when we discussed the amendment. I don't see the purpose for your objection but I would like to ask you a question, Senator Warner. If you don't suggest...I mean we are arguing

April 6, 1981

LB 412

over whether the tax that you go back and pay is an additional tax as it was originally stated in the legislation or if it is an unpaid tax, and you say that the connotation changes and it is an important sort of thing. Let me ask you what is the difference between an additional tax and an unpaid tax?

SENATOR WARNER: To me the connotation is that unpaid suggests delinquency, additional tax clearly would not be a delinquency. That is the only difference that I see, Senator Newell.

SENATOR NEWELL: Thank you. Let me ask you this other question, Senator Warner. The intent is that you are normally taxed the higher value of your property, that you would ask for an receive a reduction in taxation for the lower use which is the agricultural use, isn't that correct? I mean, I want to clarify things as they go along.

SENATOR WARNER: Yes.

SENATOR NEWELL: So basically the difference between...the fact of the matter is that you have asked for a reduction in taxation and the agreement that you sign, the agreement that you request in order to get the greenbelt exemption infers that it is an unpaid tax, that it is a tax owed, and that if you go back for five years, it is a tax to be collected. Isn't that correct?

SENATOR WARNER: Not from my point of view, Senator Newell. I understand your rationale. Mine doesn't track the same.

SENATOR NEWELL: Senator Warner, I am curious, I am curious, just real curious what the difference between that is. Is that a tax owed, let me ask that, is that a tax owed, the difference?

SENATOR WARNER: Well, it may..it conceivably could not be a tax owed for a great many years.

SENATOR NEWELL: Excuse me.

SENATOR WARNER: It could be an indefinite period of time.

SENATOR NEWELL: That is right but the agreement says it is a tax owed if you sell your property for a higher value, right? It would be a tax owed.

SENATOR WARNER: As of that point.

April 6, 1981

LB 412

SENATOR NEWELL: And so that is all we are saying. It only applies, the amendment only applies if you sell your land for a higher use, and so, therefore, it would be a tax owed. The difference between additional...I mean, I think this fits more clearly into your original intent (interruption).

SENATOR WARNER: Which the law now does as I understand it.

SENATOR NEWELL: But it fits more clearly into your original intent, does it not?

SENATOR WARNER: I don't think so.

SENATOR NEWELL: Thank you very much, Senator Warner.

SPEAKER MARVEL: The motion before the House is the adoption of the Newell amendment. All those in favor of adopting the Newell amendment to LB 412 vote aye, opposed vote no. Have you all voted? Have you all voted? Senator Newell.

SENATOR NEWELL: It is not the most important amendment in the world so...

SPEAKER MARVEL: Okay, record the vote.

CLERK: 11 ayes, 15 nays, Mr. President, on the adoption of the amendment.

SPEAKER MARVEL: Motion lost.

CLERK: Mr. President, Senator Warner moves to amend the bill. The Warner amendment would strike the new language found on page 4 and would reinsert the stricken language in line 10 on page 4.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Mr. Chairman, members of the committee, of the Legislature, this amendment I guess is really the substantive difference between Senator Newell and myself, at least, on this piece of legislation. The amendment that has been read will reinstate the stricken language and strike the new language and the effect of that is to place the interest rate on the deferred tax at the current level of six percent as opposed to the percentage for delinquent taxes which is in LB 167 and currently sits at fourteen percent. The reason I propose it are two or three things. First, as I am sure all of you are aware, that the concept of greenbelt taxation is to help encourage orderly develop-

ment of a community. If you have all of the land surrounding a urban area taxed at a development rate, you automatically encourage property be developed perhaps before its proper time from the cities point of view because of excessive taxes and, obviously, the assessor has no way to predict on the circle of the city what particular piece of ground will come up first, or within the next year or which one will come up in five years and so forth. The city is protected because they control the zoning, and if the zoning is for urban development, then the land is not eligible for the greenbelt consideration. Secondly, if you get the rate up at the level that Senator Newell or the bill suggests, all you are doing is in effect adding to the price of the lots if it is residential property, because obviously at that higher level of interest rate, it is going to be part of the consideration in the sale of land and eventually will fall upon the eventual purchaser of the lot. Now if you project the fourteen percent back for five years, at fourteen percent interest rate, you would in essence almost come up with the same amount of tax paid those last five years if they had been paying each year. It is not particularly a problem for the seller but I think it is a problem for the eventual purchaser of the property, particularly in the case of residential land. And because of that, it seems to me that an interest rate, since it is not a delinquent tax, the interest rate in the vicinity of six percent is a reasonable level. It does provide additional revenue to a local governmental subdivision at the time that the development might be taking place to assist with those costs but it does not become a detriment to the eventual purchaser of lots by artificially inflating the value of that land to the purchaser of lots, particularly residential lots, when all of it would be just going for interest in any event. So I would urge that the body consider retaining the level of six percent. That may sound, I suppose, a little low right now but it is not low in terms of what you can generally earn on funds which are put in for a nonrestricted amount or for an unspecified amount of time. The six percent rate is about what could be earned. So I would urge the body to accept the amendment that reinstates the old language.

SPEAKER MARVEL: Senator Newell, do you wish to speak on the Warner amendment?

SENATOR NEWELL: Yes, Mr. President, I would. You know I think that we have a difficulty here because people cannot relate this issue to anything else and it seems to be one of those kinds of issues that no one really understands and/or does not care about. But the truth of the matter is that this

is a very important amendment with no justification and that is why I arise to oppose it. I passed out to the members of this body, and I would like to have those who are paying attention to this issue, to look through the maps that I passed out and, basically, those maps will show you in dark, sort of gray circles around the city those areas which are unincorporated. Now, frankly, the issue here is whether or not the greenbelt which was originally intended, and Senator Warner made this very clear in almost all of the legislative record, was intended to allow those individual people engaged in agricultural interest to remain in agricultural interest and not have to pay the higher price, the higher tax value of their property because they happened to be in the way of development. The purpose here was simply to say we don't want those people, who in the normal course of development, to have to pay a higher taxation and thereby make it harder for them to survive in their chosen endeavor, agricultural interest. At the same time, it was not intended to choke off all growth. That is why we used the zoning mechanisms and other mechanisms. Now the situation is simply this. Six percent was the going interest rate when this bill was originally passed. There was no special interest rate. There was no arbitrary low interest rate and I don't see anything in the record to indicate that six percent was in any way sort of a special sort of a situation. In fact, that was basically the going interest rate and the purpose for this thing, this whole question of interest rate, is whether or not the agricultural user if he applies for and receives a homestead exemption will, in fact, get a break, whether he should, in fact, be given an incentive to hold his land. Now when you refer to the maps you will see that in Douglas County, which does not have a growth mechanism, as does Lancaster County, does not...uses SIDs and allows SIDs to grow, but what is happening is is that many individuals have chosen to hold their land until the development of the city has grown up around them. Now what happens in that situation when the development has grown up around them and they choose to go further and further out because they can't buy the land that really is in the normal growth pattern, they have to go further out. Now what we are saying is is that we don't want to encourage urban sprawl by providing...making it even easier for this individual to make a larger amount of money, pay a smaller amount of interest, if he waits in fact for a longer and longer period of time and forces development further away from the city, further out from the city, especially in those cities that use the SID mechanism, to allow this to be a break or to be basically a speculative sort of venture. Now the question of six percent, I have heard Senator Warner's arguments for this

and I cannot understand them. If, in fact, you are supposed to pay the penalty for the opportunity to get this exemption to pay the lower tax, if, in fact, you are going to be the beneficiary of this, then, in fact, you should pay the going interest rates for that five year period that anybody else would. And Senator Warner disagrees, but if we want normal and reasonable and logical development, especially in the urban areas like Omaha which uses the SID mechanism, then the interest rate has to be what everybody elses interest rate will be or else that individual has an incentive to hold that land even longer because he waits for the development to go around him and the price to skyrocket and he pays a very small interest rate, he pays no penalty. It is really minimal in the whole scheme of things.

SPEAKER MARVEL: You have thirty seconds left.

SENATOR NEWELL: So I oppose very strongly Senator Warner's amendment. In fact, I cannot understand why this amendment is necessary considering in Lancaster County in this situation here that the growth mechanism is really determined by the city, and that in Douglas County, a quite totally different situation, the interest rate actually works to encourage urban sprawl. In Lancaster County it has no effect, and when a land becomes available for development, the price is so high that you can easily pay the interest rate whatever that might be. So I see no rationalization for the Warner amendment. It is not uniform. It is not consistent. I just don't see any justification for it. So I would oppose it and most strongly.

SPEAKER MARVEL: Senator Vard Johnson, are you out there?

SENATOR V. JOHNSON: Mr. Speaker, members of the body, I rise in opposition to the Warner amendment. I have listened to the debate on this issue, and though I have some sympathy for Senator Warner's point of view when he says simply that the interest rate that is a part of the present green-belt law is not really interest charged for delinquent taxes and, therefore, should be treated differently from the interest rate you and I are imposing on delinquent taxes and differently from the interest rates you and I are about to impose by virtue of LB 167. Though I am sympathetic with that point of view, I nonetheless continue to appreciate how the federal government has handled what I call tax breaks that turn out in retrospect to be incorrect tax breaks. As you well know this is tax season. We are all busily doing our tax returns and one of the things that we look at on our tax returns is whether or not we are entitled to an investment credit. Now we find that we are entitled to an

investment credit on our taxes if we buy certain business property that has a useful life in excess of three years or seven years or ten years. We also find a provision which provides a penalty for us on subsequent tax returns if we took the investment credit and it turned out that the particular item didn't have such a useful life. That is known as the investment credit recapture provision. We find comparable penalties on our federal tax returns if we use accelerated depreciation and we then dispose of the property. There are certain points of time. We find a whole host of items on our federal tax returns where we end up paying a fairly significant penalty because we thought the particular transaction that we were dealing with was cast in one form and a few years later we learned that or we took some action which meant that at that particular way of casting the transaction was an incorrect method. Even though two or three years earlier we had the best of intentions, the best of motives and we, in fact, thought the transaction met the standards, nonetheless when we can look at that transaction through hindsight, we see it was wrong and we declared it incorrectly and as a result we end up paying a penalty. Well, the same, basically, is true with the greenbelt provision. All Senator Newell is doing, as best I can tell, is he is saying, "Look, the voters in this state have amended the Constitution to allow agricultural land to be taxed at agricultural values and not on the basis of other values." But it is up to we in the Legislature to ascertain the standards. I am looking at the constitutional amendment. It says, "The Legislature may enact laws to provide that the value of land actually devoted to agricultural or horticultural use shall for property tax purposes be that value which such land has for agricultural or horticultural use without regarding any value which such land might have for other purposes or uses", and we may subscribe standards and methods for determination of the value of real estate. Now the law is up to us to enact. We have enacted the greenbelt law. I think it is perfectly fit and proper that we provide in our law a penalty in the event that somebody who takes advantage of the greenbelt exemption, three or four years after taking advantage of that particular method of valuation by his or her own actions chose that method to be incorrect. And all Senator Newell has done is to say, "Look, let the penalty at least be equivalent to the penalty we presently charge if you allow your real estate taxes to go delinquent". A pretty simple point, it seems to me. The six percent rate which is currently in our law clearly has been rendered meaningless by inflation. It is not a penalty in the least. It is just a small price. It is sort of like the \$10 fine that we pay on the interstate if we go above

fifty-five miles an hour. It is a small price that one pays for the incorrect declaration. I think we at least ought to impose on those who incorrectly declared their greenbelt exemptions a penalty which is what we would impose on anybody in this state who turns out to be delinquent in his or her taxes. It is for that reason that I would oppose Senator Warner's amendment.

SPEAKER MARVEL: Senator Dworak.

SENATOR DWORAK: Mr. Speaker, I have been listening to the debate carefully and everything I hear from Senator Newell and Senator Johnson primarily is that from the perspective of the developers or those who may develop or those who are being developed around them. I just have a question of Senator Warner. I would be less than candid if I said I totally understood this but, Senator Warner, in respect to the taxpayers of the county, and if I happen to own land in Lancaster County that is not near the edge of Lincoln where a greenbelt may not apply, why would it be advantageous to me to grant relief to those people from paying their taxes where this development is occurring? Why would I want to pay that extra burden? Why would it be to the social benefit to the other taxpayers in the county to say that those taxes in and around a development, in and around that apply to the greenbelt laws, why should I give them a preferred delinquent interest rate for not paying their taxes, and we are only talking about land where taxes are not being paid as opposed to me living out near Valparaiso where it doesn't apply and I have to pay fourteen percent but in and around these developments they have to only pay six percent delinquent interest if taxes aren't being paid?

SENATOR WARNER: The benefit, Senator Dworak, is to the county as a whole. You have to take the whole issue into mind, but if you are taxing property at a level substantially higher than what the agricultural production will justify, then you will encourage development, and I can tell you a number of examples when I served on the Planning Commission of Lancaster County where we had requests to change zoning for that very reason because it had been assessed higher. The adverse effect that everybody received in the county was, one, that it changed the need for the roads in an area. It had an impact on schools. I can point the places where development, if it was to continue, where it is not appropriate, where it was not adjacent to the city limits created problems for schools that increased the costs to the rest of the taxpayers. You can find problems of development coming up where it was all agricultural land, where problems came about because of odor, something else in which

April 6, 1981

LB 412

farmland was in the vicinity. There has been a number of examples for adverse effect to the entire county, even those a long ways away from an area where potential development was occurring. Well, it had an adverse effect if there was not some method to encourage orderly development of the city.

SENATOR DWORAK: Senator Warner, if this development is going to have adverse effect indirectly on other taxpayers within the county, then why would we reward these specific areas, whoever owns that land at this specific time with the lesser penalty for not paying their taxes than me, who is paying my taxes, but being adversely affected, that is what I don't understand, number one? Number two, Senator Warner, and I want to finish this, one of your arguments or rationalization for your position is that agricultural land is being taxed higher than it is actually worth for agricultural land because of the potential development. Then why would you not have accepted Senator Newell's other amendment that had this split valuation method which would have allowed agricultural land to be taxed as agricultural land but another tax level in case that farmer should, in fact, in the future develop that land. That seems to be a more direct solution than this, Senator Warner.

SENATOR WARNER: Senator Dworak, that is the law right now. There are two values run. 412 can be killed. There are two values run now, the agricultural value and the development value. This is also going to be true in Lancaster County. Senator Newell's problem is that Douglas County has chosen to implement the greenbelt law in an, as far as I am concerned, totally inconsistent, and that is a mild word, totally inconsistent with what the law requires as it now exists. Two values is what is required now. Senator Newell, the only difference between Senator Newell and myself on this issue has been whether the deferred tax is a delinquent tax or if it was a tax not yet due so it is not delinquent. That is all we were arguing. Those two words alone, nothing else changes.

SENATOR DWORAK: Okay, who defers the tax, the county board of supervisors? Who defers the tax?

SENATOR WARNER: The landowner makes application. Then it has to be approved if it meets the conditions of the law. It is made to the assessor and it would be automatic unless....if it was turned down because the assessor said it did not meet the law, then you could appeal, rather, to the county commissioners (interruption).

April 6, 1981

LB 412

SENATOR DWORAK: Is the development level the only tax deferred?

SPEAKER MARVEL: You have one minute.

SENATOR DWORAK: Is that the only possible tax deferred, that which is assessed at the development level, rather...?

SENATOR WARNER: The difference between the two values is all that is deferred.

SENATOR DWORAK: So they still pay tax on the agricultural value?

SENATOR WARNER: Full value.

SENATOR DWORAK: Thank you, Senator Warner, that clarifies it.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker, I move the previous question.

SPEAKER MARVEL: Do I see five hands? Okay, shall debate cease? All those in favor vote aye, opposed vote no. This is to cease debate. Record the vote.

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

SPEAKER MARVEL: Debate is ceased.

SENATOR WARNER: Mr. President, members of the Legislature, there are two factors that are involved on what the level of the deferred tax should be. One is the rate of interest, the other is the period of time that you defer it back. When the original legislation was enacted in 19 what, 74, normally the average around the country ranged from three to seven years. Usually the shorter the period the higher rate of interest, the longer the period the lower the rate of interest. What was chosen at that time was five year and the six percent interest. If the body wants to have a higher rate of interest, I really don't have too big of an argument but then I would offer a motion to reduce the time down to three years because the bottom line difference is that at some point all you are doing is adding to the value of that land for the eventual purchaser, and most of it you are talking about residential development and I see no reasonable basis to make that so high that you add unnecessarily to the value of the land for the individual buying the eventual lot and it all, obviously, is going to be

added at some point. But to give you an idea of the way it works without this because most assessors will place a value on property for development in considerable excess in any terms of acres to what will be reasonably developed. In 1974 when this bill was proposed, Lancaster County at that time, for example, had nearly thirty years of normal development at the rate of three hundred acres a year valued...all of it valued the same on the basis it was going to be developed the following year. That land that was developed the following year was vastly underassessed. The land that would not be developed for thirty years was terribly overassessed. What the greenbelt does is it allows a much higher value to be carried on the property, and if it is developed properly within the zoning approval of the city, then the deferred tax is collected at a much higher level than what has occurred without the greenbelt law as a matter of fact. I think the six percent with the five year rollback is adequate and I would hope the body would accept it.

SPEAKER MARVEL: The motion is the adoption of the Warner amendment. All those in favor vote aye, opposed vote no. This is the Warner amendment to the bill. Have you all voted? No, this is the adoption of the Warner amendment. Have you all voted? We are voting on the Warner amendment to LB 412. Have you all voted? Senator Warner.

SENATOR WARNER: Mr. President, I assume there are not very many absent so I guess I will have to ask for a Call of the House and perhaps someone could call in a vote then.

SPEAKER MARVEL: Have you all voted? Okay, the first item is a Call of the House. Shall the House go under Call? All those in favor vote aye, opposed vote no. Record.

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

SPEAKER MARVEL: The House is under Call. All legislators please take your seats, unauthorized personnel leave the floor. The Clerk is authorized to take call in votes. Will all legislators please take your seats? The Clerk is authorized to take call in votes.

CLERK: Senator Labeledz voting aye.

SPEAKER MARVEL: Record.

CLERK: 25 ayes, 11 nays, Mr. President, on adoption of Senator Warner's amendment.

April 6, 1981

LB 412

SPEAKER MARVEL: Motion is carried. The amendment is adopted. Do you have another amendment?

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

SPEAKER MARVEL: Senator Newell, do you wish to advance the bill?

SENATOR NEWELL: No. I would just as soon just leave it set here. I don't want to kill it right yet but I don't want to advance it either.

SPEAKER MARVEL: Senator Newell, do you want to lay the bill over?

SENATOR NEWELL: I have another amendment I will try.

CLERK: Mr. President, Senator Newell moves to amend the bill: (Read Newell amendment found on page 1307, Legislative Journal.) That is offered by Senator Newell.

SENATOR NEWELL: Mr. President, members of the body, I am offering this amendment, it is basically an amendment that I offered Senator Warner earlier in trying to compromise the bill. It allows for a different tax rate than the uniform rate which would be fourteen percent with 167. Basically it was an attempt to draw the line down the middle. The difference between fourteen and six would be ten, up four, down four, that is the compromise that I offered Senator Warner. He did not like the idea and so he wanted to try the amendment to leave it at six percent. Now basically this amendment gets adopted I will advance the bill. If it doesn't, then I can't do that. So I offer this amendment. For those people that were paying attention, basically, it is an honest attempt to compromise. It brings the interest rate up a little closer to where it ought to be, and at the same time, it is not quite as far as where it should be but I offer the amendment as a compromise.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator Warner.

SENATOR WARNER: Mr. President, since the amendment still contains the language of considering it as the unpaid tax which goes back to the argument we discussed earlier as opposed to the existing wording of the law, I would have to oppose the amendment and, of course, I also think that the rate of ten percent is unnecessarily high as well when you judge it against the five year period. On that basis,

April 6, 1981

LB 412

I would have to oppose the amendment.

SENATOR CLARK: Is there any more discussion? The question before the House is the adoption of the Newell amendment. Senator Newell, do you wish to close?

SENATOR NEWELL: Mr. President, members of the body, to clarify this, the unnecessarily high thing, I think that we have to recognize we are talking about a delinquent tax, a tax that has been unpaid. Basically the individual involved asked for the exemption and agreed to pay the tax back and should have to pay the interest rate. Everybody on this floor would like to borrow money at six percent. In fact I would like to have a show of hands of the people that think they wouldn't like to borrow money at ten percent. I think that most of us would be more than happy to borrow money at ten percent. The ten percent rate I think is a reasonable compromise. It really is not a reasonable compromise. It seems like a necessary compromise so with that I urge the adoption of the amendment.

SENATOR CLARK: The question is the adoption of the Newell amendment to 412. All those in favor vote aye, opposed vote nay. Have you all voted? Once more, have you all voted? Senator Newell.

SENATOR NEWELL: Mr. President, I think we can wait a minute or two or three. Why don't we just go under Call and ask people to come in and vote on it, get a record vote and stuff.

SENATOR CLARK: Did he ever raise the Call the last time? The question is, shall the House go under Call? All those in favor vote aye, all those opposed vote nay. Record.

CLERK: 11 ayes, 0 nays to go under Call, Mr. President.

SENATOR CLARK: The House is under Call. All unauthorized personnel will leave the floor. All Senators will take their seats and check in please. We have two excused so we should have 47 here. Senator Burrows, Senator Warner, Senator Goodrich, Senator Fitzgerald, DeCamp, Sieck, Beutler, Senator Fowler, Senator Higgins, Senator Haberman. Senator Goodrich and Senator Fowler and Senator Landis. All Senators will stay in their seats please. Senator Landis, will you record your presence please? We are looking for Senator Goodrich. Senator Newell. Senator Newell, did you want a roll call vote? Everyone is here except Senator Goodrich.

April 6, 1981

LB 412

SENATOR NEWELL: Go ahead and call the roll. I would like to have a roll call vote.

SENATOR CLARK: The Clerk will call the roll.

CLERK: (Roll call vote taken. See pages 1307 and 1308, Legislative Journal.) 16 ayes, 22 nays, Mr. President.

SENATOR CLARK: Motion failed. We are back on the bill.

CLERK: No, Mr. President.

SENATOR CLARK: We have got another motion, all right.

CLERK: Senators Koch and DeCamp move to amend: (Read Koch and DeCamp amendment found on page 1308, Legislative Journal.)

SENATOR CLARK: Senator Koch.

SENATOR KOCH: Mr. Chairman, members of the body, I think in fairness this is a reasonable approach. We have gone through auctions many times and I think Senator Newell played as far as he could go and I think Senator Warner would be receptive of this amendment. I ask for the adoption of eight in lieu of six.

SENATOR CLARK: Senator DeCamp.

SENATOR DeCAMP: I just go along with Senator Koch. I really question whether there should even be an interest rate. You know, we were talking about recapture and all that, Senator Lamb did something kind of foolish here. He looked up what the real law on it was and he discovered the feds don't have interest on basically identical situations, so if we are going to have interest, let's not have an exorbitant. You say six is unreasonable so a thirty-three and a third percent increase to eight is more than adequate and maybe get this issue settled and go on.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: I guess that is very gracious but I can't accept it so I oppose the amendment.

SENATOR CLARK: Senator Dworak.

SENATOR DWORAK: The more I hear of this argument and think through this thing, the more I agree with Senator DeCamp. I

April 6, 1981

LB 412, 36, 213, 483, 486

have real problems with any kind of delinquent interest on this category whatsoever. Six is a heck of a lot closer to zero than eight. I am not so sure six isn't the compromise. I am going to reject the eight percent.

SENATOR CLARK: The question before the House is the adoption of the Koch-DeCamp amendment. Senator Koch, did you want to close? All those in favor vote aye, all those opposed vote nay. Have you all voted? Once more, have you all voted? Record the vote.

CLERK: 13 ayes, 17 nays, Mr. President, on the motion.

SENATOR CLARK: Motion failed. Now we are on the bill. Do you have another motion on the desk?

CLERK: Yes, sir, I do. Senator Newell moves to lay the bill over.

SENATOR CLARK: Unanimous consent to lay the bill over, is there any objection? If not, so ordered. We go to LB 486. It was already ordered to be laid over, Senator Schmit.

CLERK: Mr. President, if I may, Senator Labeledz would like to print amendments to LB 483.

Committee on Ag reports LB 36 to General File with amendments.

Explanation of vote from Senator Nichol.

Miscellaneous Subjects offers confirmation of gubernatorial appointments report.

Committee on Judiciary reports 213 to General File with amendments.

Mr. President, LB 486 (Read title). The bill was first read on January 20, referred to Revenue. The bill was advanced to General File. There are committee amendments pending by the Revenue Committee, Mr. President.

SENATOR CLARK: Who is going to take the bill? Senator Carsten, committee amendments.

SENATOR CARSTEN: Mr. President, members of the Legislature, I move for the adoption of the committee amendments. The committee amendments really basically become the bill, Mr. President. Much of the original bill was deleted. The original bill called for a seventy percent based on traffic density. The real substance of the committee

May 13, 1981

LR 181
LB 376, 252, 499, 529,
529A, 412, 451

CLERK: Yes, sir, I do. Mr. President, I have an explanation of vote from Senator Warner.

Mr. President, you committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 252 and recommend the same be....and find the same correctly engrossed. LB 451 correctly engrossed, 499, 529 and 529A all correctly engrossed. Those are signed by Senator Kilgarrin as Chair.

Mr. President, new resolution LR 181 offered by Senators Clark and Beutler. Read LR 181. That, Mr. President, will be laid over pursuant to our rules.

SENATOR CLARK PRESIDING

SENATOR CLARK: LB 412.

CLERK: Mr. President, LB 412 introduced by Senator Newell. Read title of LB 412. The bill was first read on January 20th it was referred to the Revenue Committee for public hearing. The bill was advanced to General File. There are committee amendments attached, Mr. President. The membership considered the bill April 6th of this year. At that time the committee amendments were adopted. There was a motion by Senator Warner that was adopted at that time. I now have, Mr. President, an amendment by Senator DeCamp to the bill.

SENATOR CLARK: Senator DeCamp. Senator Newell, would you like to briefly explain the bill again. A short explanation and then we will let Senator DeCamp take over.

SENATOR NEWELL: Yes. Mr. President, members of the body this is the green belt law, basically there has been agreement on the language of the bill in terms of clarifying just when and how it is to be used. The only issue outstanding at this time is what the interest rate should be in terms of those taxes not paid. Basically the present law says the interest rates will be 6%. The original proposal was to raise that to 14% to be in line with what we have done on all other interest rates, delinquent interest rates. The amendment that I have, I know that Senator DeCamp has an amendment, the amendment that I will be offering I will explain later.

SENATOR CLARK: Senator DeCamp. Oh, are you going to withdraw them?

CLERK: I believe that he is, yes, sir.

SENATOR CLARK: Do you have any other amendments on the bill?

CLERK: Mr. President, Senator Newell has an amendment that is on page 1927 of the Journal.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President, members of the body, this amendment basically tries to strike a compromise between the 14% that delinquent interest rates are paid in every other section and the 6% which is woefully inadequate, basically makes it a 10% interest rate and I urge the body's adoption.

SENATOR CLARK: Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, the old argument on this is whether or not this is a delinquent tax. My position is that a tax is not delinquent till due. There is some precedent that in those cases the interest rate ought to be commensurate with what that money would earn under long term or short term or an unknown term investment and even with today's high interest rates most of those kinds of rates run from 5½ to 6½%. On that basis I think that 10 is excessive. The practical effect on a piece of ground over a five year period is to add the...in the form of interest an amount not quite but nearly equal to what the tax would have been, the approved tax and obviously that is only added to the price of the...in most cases at least will be added to the value of the land. The bulk of that land is going to be residential area, with some exceptions, which adds to the price of the homeowner and I really see no justification in having that rate so high that it makes the price of ground even higher for those people who are acquiring lots to build homes. On that basis I would oppose the amendment at 10%.

SENATOR CLARK: Senator Newell to close.

SENATOR NEWELL: Mr. President, members of the body, the issue, I think, is very clear. What we have in Douglas and not so much in Lancaster County is the fact that some people hold this ground for a long, long time since there basically is no interest rate to speak of. 6% is woefully inadequate in terms of an interest rate. Consequently what the effect is that we have pockets that is not developed and we go out and push out beyond

May 13, 1981

LB 412

the normal growth range to find land that someone will sell cheap enough. Unless you raise the interest rate to some reasonable amount, and 10% may not be reasonable but it is, I think, an attempt to compromise in this regard, then there is no incentive. Basically if you wait long enough the city will grow up around you and you can take and sell that land for substantially more than what presently you could get for it. There is no disincentive to wait that long because frankly you pay a negligible amount and you only go back five years. So, this proposal is in fact an attempt to encourage or take away some of the incentive for speculation. The purpose of this bill as I understand it, and was that we not encourage speculation but instead what we would do is try to allow individuals who wanted to remain in agricultural activities the opportunity to do that. That is exactly what is being proposed here. 10% is not excessive. I would encourage this body to accept that figure as a compromise. It doesn't do everything it is intended to do, but it does go a long ways towards that. Lancaster County has a different set of circumstances and it really is no great imposition since Lancaster County really regulates what land is going to be opened up for development much more closely than does Douglas County which is the only other county that this is significantly used in. I would urge the body to adopt this amendment.

SENATOR CLARK: The question before the House is the adoption of the Newell amendment. All those in favor vote aye, opposed vote nay.

ASSISTANT CLERK: Senator Clark voting no.

SENATOR CLARK: Have you all voted? Once more have you all voted? Senator Newell, I can't hold the board opened all the time. What do you want to do?

SENATOR NEWELL: Mr. President.....

SENATOR CLARK: Tell me what you want to do.

SENATOR NEWELL: I would like to have a Call of the House. I'll accept call in votes.

SENATOR CLARK: All right, a Call of the House has been requested. All those in favor of a Call of the House vote aye, opposed vote no. Record the vote.

CLERK: 11 ayes, 0 nays to go under Call, Mr. President.

May 13, 1981

LB 412

SENATOR CLARK: The House is under Call. All Legislators will return to their seats. All unauthorized people will leave the floor. Everyone will check in please. I'll tell you what you do, if you all check in as long as you are sitting in your seats, I'll give you all a balloon. Senator Peterson is waiting for his balloon. Senator Newell, do you want to take call ins? The question before the House is the adoption of the Newell amendment. We will take call ins.

CLERK: Senator Maresh voting yes. Senator Sieck voting yes.

SENATOR CLARK: Senator DeCamp, Senator Beutler, Senator Koch is now on, Senator Goll, will you check in please. Senator Schmit, Senator Lamb, Senator Vickers, Senator Marvel, you are checked in. Senator Fitzgerald. Is there anyone else wishes to vote? It is on the Newell amendment. Once more, is there anyone else wishing to vote, we are taking call in votes.

CLERK: Senator Schmit voting no.

SENATOR CLARK: Record the vote.

CLERK: Twenty. . . .

SENATOR CLARK: Do you want a roll call?

SENATOR NEWELL: I would like to have a roll call vote in this case.

SENATOR CLARK: All right, do you want to call the roll now? Senator Newell, do you want to call the roll or do you want to wait for the other two or three?

SENATOR NEWELL: I would like to wait for the other two or three.

SENATOR CLARK: Only one excused. We are looking for three. Senator Lamb, Senator Fitzgerald, Senator DeCamp, someone can run him down, tie him down. Senator Fitzgerald and Senator Lamb are the only ones we are short now. We are under Call. All legislators will take their seats please. We are short Senator Lamb. Call the roll.

CLERK: Roll call vote. 26 ayes, 11 nays, 10 present and not voting, 1 absent and not voting, 1 excused and not voting. (Pages 2004-2005 of the Legislative Journal, see for vote.)

May 13, 1981

LB 412

SENATOR CLARK: The motion carries, the amendment is adopted. Is there anything further on the bill?

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

SENATOR CLARK: What do you want to do with the bill Senator Warner? Kill it? I mean...pardon me.

SENATOR WARNER:Mr. President, I move that LB 412 be indefinitely postponed.

SENATOR CLARK: Move to indefinitely postpone. Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, I appreciate Senator Newell has a problem, that I'm not unsympathetic to. What I am unsympathetic to is the fact that Douglas County is illegally, improperly, incorrectly and with deliberate intent implementing the green belt law in a fashion that is not permitted under the wording of the law in any sense of a fashion. But, the way they are doing it presents a problem that Senator Newell is trying to address. Unfortunately the way to correct ~~that~~ problem is not to mess up the green belt law but to straighten out the Douglas County Commissioners. Now what they are doing, the law very specifically states that land that qualifies for greenbelt definition should be zoned exclusively for agriculture. An attorney general's opinion going back about four or five years that defines the word exclusively in a very narrow sense, indicating that that means absolutely no other use of any kind and they even suggested a farmer's house within the area might not be.... might be an exception to the word exclusive. I don't agree with that because there are numerous tax cases, they have gone to the Supreme Court with the word exclusive have been defined else with not that narrow of a restriction. As a matter of fact the current attorney general's office, when the current attorney general was a county attorney had people on his staff that concurred with what I am now saying that the interpretation of exclusively was ~~too~~ narrowly interpreted by the then attorney general's opinion. So we got a new attorney general, I thought sure the new attorney general will concur in the same opinion that the staff of that same person had when he was the county attorney. Well sure enough, it didn't work out that way. They sustained the original opinion. My position is that if it is a problem it ought to have a court test to find out what that definition is. There are numerous cases

where other property which is by Constitution exclusively used for non-profit purposes or other purposes in which there are exceptions acknowledged. I want the green belt bill to be exceedingly tight. I do not want to see the green belt to be used as a developers' paradise to escape taxation. It is meant to retain agricultural land as agricultural land until such time the city, through its zoning authority, determines that it is time for its proper development. There is not way for an assessor to determine ahead of time when that is going to occur. I can cite you a number of examples where people were forced to dispose of land because the valuation was made excessive and it was impossible because of zoning for development and someone came along and acquired the land, who had the cash to hold it, to pay the higher taxes, didn't need to own the land to make a living. The intent of this whole concept which I first introduced in 1963, in the form of a constitutional amendment, is being destroyed by the way Douglas County is implementing the law. Because, they are using it as a tax dodge that they allow development to occur anywhere in the county in the way of acreages and the potential for an increased value is everywhere. If they would straighten out their land planning and zoning regulation Senator Newell would not have the problem he is faced with, that he is trying to solve. I can not support and I would have to oppose, at every stage, legislation that in my opinion will mess up an excellent concept merely because of what Douglas County is doing in its implementation. I have been told by those who have attended hearings that Douglas County Commissioner's, that a Douglas County Attorney, county attorney or deputy attorney had stated, yes, the law says exclusively but we will just ignore it. We don't have to pay any attention to it. I believe that they should pay attention to it and Senator Newell would have no problem if they did pay attention to it, or someone took them to court. I oppose the higher interest rates and I do it for the sole reason that it can have no other effect but to drive up the price of the land when it does become a time for its properly and orderly development in line with the wishes of the governing board of a municipality. They make that decision by changing the zoning or the individual land owner makes that decision by requesting a zoning change. But it can not block orderly growth. It does not discourage orderly growth and there is absolutely nothing, if properly used, that the green belt law creates misuse. While I have some.... perhaps not be terribly opposed to the bill as it is proposed, other than the interest rates, I think

the excessive interest rate is so significant that we are better off with no legislation at all than enact 412 as it now stands. Then Senator Newell or others who are having problems with Douglas County Commissioners can take their case to court and I think that they would probably find that what Senator Newell is objecting to is not the law but its implementation by the Douglas County Commissioners and there rests his solution for the problem. The solution is not the passage of this act.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President, members of the body, I can appreciate Senator Warner's unique interest in this legislation. I have in a better than good faith effort tried in every way to accommodate Senator Warner in this regard. I checked all the language with him and he was in agreement. We worked it out till we got it to where it would do what it needs to do. Basically we had no problem except the interest rate. Senator Warner has indicated that he could accept 8% but not 10% because that is an excessive interest rate. It is not excessive when we talk about other taxes and it is not excessive when we talk about borrowing money from a bank and it is not excessive in any other way except on this unique, very unique situation. I think that two things are highly probable in this regard. One of them I'm not going to mention but the other one is that Senator Warner is an extremely stubborn man, which I don't think he would disagree with. Would you, Jerry? The difference between eight and ten percent is a matter of great principle here and the difference between 14 and 8% and my willingness to go half way which I think is more than really what is right and just in this regard is also a very key sticking point. So we are really talking about 2% interest at a time, the difference between eight and ten percent, at a time when we are talking about a prime rate of 16-17-17½%. I think that that ought to speak for itself, that the issue is very clear. I think that this body has to recognize that we are not only dealing with the problems, clarifying the law, dealing with the attorney general's opinion, there's been a lot of time and effort to make this a workable piece of legislation, that it is a good bill. It is a necessary bill and it will resolve the problems but we have a point here where Senator Warner says where the 2% will kill the bill even though he needs, and it is appropriate for the language of the bill to be adopted. I urge this body not to kill this bill, to accept 10% as inadequate, not high enough but considering the personalities and the intensities

May 13, 1981

LB 412

of the argument, as a reasonable compromise. I urge this body not to kill the bill. It should be passed and it is not an excessive interest rate.

SENATOR CLARK: Senator Warner, did you wish to close?

SENATOR WARNER: Mr. President, I would only say this additional amount that I do object to the interest rate and that is the reason for the indefinitely postponement at this time. I did not object to the other provisions in the bill although it does have the effect, in my opinion to loosening up the green belt law permitting more property to come under it, some of which I am not sure that that is desirable, but in the interest of trying to work something out that would accommodate Omaha or Douglas County's problem, I was willing to consider those changes. But I return to my position that I do not believe that raising the interest rate is going to have any impact that is going to be beneficial to correct the problem that Douglas County has. Because of the way they have chosen to implement it I think they are going to have to. . . they ought to live with it the way the law is now and have somebody take it to court and have their process thrown out so that they can shape up their own court...shape up their own area rather than attempting to change what I think is a tight but a good policy in the form of what LB 412 does. I ask the body to indefinitely postpone the bill.

SENATOR CLARK: Question before the House is the indefinite postponement of LB 412. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: It takes a simple majority. Senator Warner. We are technically still under Call. The Call has never been raised. All senators will return to their seats please and vote one way or the other. We are voting on the indefinite postponement of LB 412. It takes a simple majority of those voting. Have you all voted? All senators are to be in their seats we are under Call. (GAVEL) The rules say that you will be in your seats. We are under Call. Please abide by your own rules. Senator Warner, there are five excused.

SENATOR WARNER: Five excused?

SENATOR CLERK: Yes, that is what he says.

SENATOR WARNER: Okay, on that basis I will ask for a roll call vote.

SENATOR CLARK: A roll call vote has been asked for. Will everyone check in please. Senator Newell, for what purpose do you rise?

SENATOR NEWELL: Could we have a roll call vote? I mean could we have a Call of the House also?

SENATOR CLARK: We already have a Call of the House, it has never been lifted. I'm asking them all to check in. Will everyone check in please. We are under Call. We are all here. Call the roll.

CLERK: Roll call vote begins.

SENATOR CLARK: One moment Mr. Clerk, lets tell them what we are voting on. We are voting on the indefinite postponement of LB 412. Call the roll.

CLERK: Roll call continues. 21 ayes, 24 nays, 4 excused and not voting. Vote appears on page 2005 of the Legislative Journal.

SENATOR CLARK: Motion lost. What do you want, Senator Vickers? I'll raise the Call. Senator Newell.

SENATOR NEWELL: Mr. President, I move the advancement of the bill.

SENATOR CLARK: Motion before the House is the advancement of the bill. Senator Warner, do you want to talk on the advancement?

SENATOR WARNER: Yes. Mr. President, I move that the time period in which the interest rate will be assessed will be ~~stricken~~ from five to three. I'm in the process of writing it out.

SENATOR CLARK: Page, will you get the amendments from Senator Warner.

SENATOR WARNER: The reason, Mr. President, I'm sorry for the delay, the reason I offer again, the accumulative dollars that is going to raise the price on the eventual homeowner, is going to increase the price of the land, if the body is more comfortable with ten and that is what you have indicated, then I would suggest the time period in which the deferred tax is paid back is three years

instead of five. Then the accumulated dollars that would be assessed for the privilege of the deferred tax would remain about the same, the price of the property would remain about the same to the eventual homeowner purchaser. It is not particularly significant what happens on commercial property because whatever it is that is what is going to be paid. I do have concern that residential property is not artificially raised where it is unnecessary, particularly the benefit of the greenbelt law is usually spoken of in terms of the individual selling or holding a property prior to development, but it is also of a significant importance to the municipality to control their own growth. It is significantly important for an assessor to be able to determine what level of valuation ought to be because they have not way to really anticipate where development is going to occur. But should it and when it does occur through the use of the greenbelt concept there is greater equity in the taxing itself. Again, if the rate is to be higher the only way you can compensate for it then is shorten the period of time. On that basis I would move the amendment of making it three years instead of five. I should point out that I have written the amendment quickly, Mr. President, and it may require another amendment when it hits E & R to make the bill properly coordinated with existing law in all respects.

SENATOR CLARK: An amendment to the amendment.

CLERK: Mr. President, Senator Newell would move to amend the Warner amendment, (Read Newell amendment).

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President, members of the body, I offer this amendment to the Warner amendment because in fact in many discussions with Senator Warner as I was trying to find some sort of agreement on this issue, Senator Warner indicated that the range in various states of the union that offered the greenbelt exemption was from three to seven years. In fact some states have... go beyond that. Senator Warner is very upset that we are going up the extra two percent above what he thought was the reasonable. So we now have these amendments, these amendments that will basically, in other ways, reduce that. I have tried very hard to reach a compromise in this regard. I've tried very hard to be compromising in this regard. I've tried very hard to try to deal with the unique problems that Senator Warner has and at the same time try to deal

in an effective way with the multiple problems that Douglas County has. I would like to explain for just a brief moment some of the differences and some of the problems between the way this bill will be applied in Douglas County and Lancaster County for the edification of this body. Because I know that there is a grave interest in this bill, actually wish there was a grave interest in this bill. But, I think I need to explain, for those few that are listening, what is the intention, what is the purpose and what is right in this regard because there are some of you that will disregard personalities. There are some of you that will disregard the intensity of feeling that obviously is displayed over this and try to look at the issue. If you do that, I'll win. So I'm going to appeal to your better instincts and try to argue this issue on its merits. The proposal is simply this: Douglas County has traditionally had the kind of growth plan that says if you can buy land anywhere in the county you can build on it with a few, a very few exceptions. So what basically happens is that someone holds...decides that they are going to wait for growth to come around them to raise the price of their land. In so doing, they have this tremendous incentive of a low interest rate and the fact as Senator Warner indicated Douglas County Commissioners have not been the most stringent in their interpretation of the law, which is something we are trying to deal with in this regard. Basically they hold that land for as long as they can since there is no real incentive and no real penalty if they sell it. Now Lancaster county, and that basically is speculation which encourages more sprawl, more outward development etc., and creates tremendous cost to the people of the City of Omaha who eventually have to annex, provide services, streets and sewers, roads, etc., etc., to this area. Now Lancaster County has a totally different sort of program. Lancaster County says we are only going to allow growth that is contiguous to the City of Lincoln and they basically say you can build anywhere on periphery but not outside of that. So therefore they make the property dear, they make the land dear, the additional cost are there automatically. So the additional two percent that we are talking about in terms of back taxes going back for a full five years, which is not a long period of time, is really something that can easily be made up in the purchase price, where in Douglas County it is in fact not quite the same because Douglas County does not say that the land is dear, they say you can go anywhere in the county and with very few exceptions allow you to build on it. So we are really not penalizing Lancaster County and

and we really are not saying that this additional cost is going to go to the homeowner because the additional cost and the land is more expensive in Lancaster County is not a product of the interest rate, it is a product of limiting the amount of land. Now frankly it is a better policy than Douglas County's is because you don't pay the additional cost and costs of government. One of the reasons Omaha is down here asking for additional revenues and a half cent city sales tax and this, that, and the other is because we have this additional land mass with very few people sparsely settled areas which we annex and therefore have to provide services. The seven year proposal which is what I am offering to Senator Warner's amendment really is the preferable situation for both Douglas and Lancaster County. Lancaster County will not pay, there will not be that much greater deterrent, there will in fact be a positive step because they limit the amount of land. In Douglas County it will be preferable because it takes away those incentives to hop, skip and jump around the county to promote or find land for development. So with that I would urge this body to adopt the seven year proposal that I have offered. It is in fact a serious and a workable and a meritorious way in which we can encourage the kind of development that is necessary in our urban areas.

SENATOR CLARK: Senator Marsh.

SENATOR MARSH: I call the question.

SENATOR CLARK: The question has been asked for. Do I see five hands? I do see five hands. All those in favor of ceasing debate vote aye, all those opposed vote nay. This is the last bill we are going to take and we still have to read in the Governor's veto message after we get done with this. Record the vote.

CLERK: 9 ayes, 9 nays to cease debate, Mr. President.

SENATOR CLARK: Senator Warner.

SENATOR WARNER: I want to point this out that that is correct that the range of the deferred tax runs from three to seven years in a variety of states. The rate of interest usually is different, the lower the longer the period of time. It didn't take a lot of smarts to figure out ten percent interest compounded annually on for seven years and then the deferred tax amount is

significantly more than what the taxes would have been if they had been paid in the first place. I suspect that is the purpose of the Newell amendment is to in effect destroy the greenbelt law. I don't blame him for wanting to do that, the way Douglas County is implementing that. But I will resist destruction of the greenbelt law to compensate for what the Douglas County Commissioners are doing. I know this is somewhat of a complex issue and I suspect Senator Newell is correct that not a whole lot of people have interest and I quite agree that for heavensakes don't vote on this issue based on personality or how you voted on the bill before or how somebody else voted on the bill before or how somebody is going to vote tomorrow because that is unimportant and it ought to be unimportant on every bill that comes across here for that matter. But what seven years will do will effectively destroy the concept with a ten percent interest of a greenbelt law. I can't for the life of me understand why we would want to change what has been good state policy, it is tight, it is restrictive, it can't be abused except when the law is totally ignored as I was told one deputy county attorney as I stated before openly said that they were abusing the law, that they were not following the law. I can't for the life of me understand why we would want to ruin what has been reasonably good policy only because of the problems of one group of county commissioners. As far as Lancaster County the land is not dear because of the...to greenbelt, they do have a tight zoning policy that is true but it is also true that there is a great many more acres zoned for commercial, for residential development, for every class of development in excess of what is annually developed. That has been true for many years. The zoning is not the type that the zoning in itself drives up the price of land as contended by Senator Newell. I don't recall the acres now but I was on the Planning Commission for eighteen years in Lancaster County and I used to know the figures exactly, but I don't recall them now but I do know that general policy is still true. I would urge that Senator Newell's amendment be rejected.

SENATOR CLARK: Senator Newell, do you want to close or do you just want to vote on your. . . . I was told to close up at 4:00 though, we are running over.

SENATOR NEWELL: Mr. President, I would like to close just briefly because I would like to respond to a couple of things that Senator Warner said. Senator Warner is quite correct

that there is more land than is developed, but frankly the key there is that it is in fact strictly zoned as Senator Warner said. In fact, what we have in terms of cost in Lancaster County versus Douglas County, is really still a matter of supply. Lancaster County very wisely limits the supply. They say that you can not develop land that is not contiguous. I wish Douglas County would say that. They do not. That is a product of the City Council and the county's growth policy. Senator Warner indicates that this bill is only aimed at solving Douglas County's problems and that is not correct. This bill is aimed at solving the inability for us to use the greenbelt law. We have not used the greenbelt law in any other county in the state except for Douglas County. Lancaster County today does not use the greenbelt law. It intends to this coming year but it does not, it does not and has not up till this time used it because of the Attorney General's decision. Douglas County Commissioner's are abusing and are interpreting this incorrectly but that is another question again. The issue here is whether we are going to straighten up the law so we can use it and set a reasonable interest rate. There is no disagreement between Senator Warner and I on the merits of how we resolve the Attorney General's opinion and those kinds of arguments. The only argument heretofore before we started moving to seven or three years is the argument over the interest rate and it was only a 2% differentiation from what I was willing to compromise on and what Senator Warner was demanding. That is a very significant compromise from what the interest rates are on everything else, 14%. We are living in a different time now. With that I would withdraw my amendment and will discuss the Warner amendment.

SENATOR CLARK: Your amendment is withdrawn. Senator Warner, do you want to vote on your amendment?

SENATOR WARNER: Only to say this again for the body's information. It is true that Lancaster County is implementing it this year and the prime reason it was not implemented before, they did not have a zoning classification that was limited to qualify for the exclusive agricultural type zoning. It was implemented about two or three years ago and it is this year that they are finally implementing the law, and to my knowledge, with no problem. So I see no need for change but I do in terms of Lancaster County zoning it is not because they just didn't do it, they couldn't, but they do now comply and Douglas County can do the same thing, if they chose, but again I go back to the rate of interest and the period of time that it is to be assessed

May 13, 1981

LB 412, 160, 161, 163, 232,
557, 558, 559, 560, 562

are related and as the interest rate goes up, unless you are going to drive up the price of land even higher, the interest rate goes up then the period of time which is set necessarily must be reduced. For that reason I move the three year provision.

SENATOR CLARK: Being that I was told to close at four o'clock, it is now eight minutes after four, we still have to read the Governor's message, we are going to break off right here and read the Governor's message. Then we will adjourn for the day.

CLERK: Mr. President, I have a series of things. The first obviously is the Message from the Governor addressed to Dear Mr. President and Senators: (Read letter as it appears on pages 2006-2008 of the Legislative Journal).

Mr. President, in conjunction with that I have a letter addressed to the Clerk, from the Governor, Engrossed Legislative Bills 160, 161, 163, 232, 557, 558, 559, 560 and 562 were received in my office on May 7th. These bills were signed by me on May 13th and delivered to the Secretary of State. Sincerely, (signed) Charles Thone, Governor.

Mr. President, Senator Wagner would like to print amendments to LB 302 in the Legislative Journal.

Your Enrolling Clerk has presented for the Governor his approval of bills that were read on Final Reading today, Mr. President.

SENATOR CLARK: Senator Remmers, would you like to adjourn us until 9:00 a.m., tomorrow morning.

SENATOR REMMERS: Mr. Speaker, I move we adjourn until 9:00 a.m. Thursday morning.

SENATOR CLARK: You heard the motion. All in favor say aye, opposed, we are adjourned until 9:00 a.m., tomorrow morning.

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

May 18, 1981

LB 412

SPEAKER MARVEL: Okay, we go to item #6, General File priorities, LB 412.

CLERK: Mr. President, LB 412 (read title). The bill was first read on January 20 of this year. It was referred to the Revenue Committee for hearing. The bill was advanced to General File, Mr. President. On April 6th of this year the committee amendments were adopted. There was an amendment by Senator Warner that was adopted to the bill and there was an amendment by Senator Newell that was adopted on May 13. I now have pending a motion by Senator Warner.

SPEAKER MARVEL: Senator Newell, do you wish to explain your bill?

SENATOR NEWELL: Mr. President, it is the greenbelt law, basically. It has been discussed by this body a couple of times before. It presently stands as the major point of contention the interest rate. The bill stands at ten percent now. Senator Warner thinks it ought to be six and that is basically it. I will do more in opposition to the Warner amendment when my opportunity comes.

CLERK: Mr. President, I now have pending an amendment from Senator Warner. Senator Warner, do you want to take up your amendment? Okay.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Mr. President, I would like to temporarily withdraw that amendment and take up a motion to bracket the bill until next session. If that fails, I will pick up the amendment.

CLERK: Mr. President, Senator Warner would move to bracket LB 412 until the 1982 session.

SENATOR WARNER: My reasons for suggesting it are two, first, that under the bill as proposed and under existing law the date has already passed when these are to be applied for. The bill as it stands requires application to be made by May 1st and, obviously, May 1st has come and went, and on that basis since there is no, really no need to consider the legislation this session in view of the calendar, I would suggest we pass over, to bracket the bill to be taken up when we come back in January, thus allocating what time this bill might take to other legislation that perhaps has a greater need to be considered this session. So I move the bill be bracketed.

SPEAKER MARVEL: Any further discussion? Senator Newell, do you wish to be recognized?

SENATOR NEWELL: Mr. President, members of the body, I oppose the bracketing motion. We have not done much bracketing this year and I don't think we ought to start now. Senator Warner's opposition will not cool this year or next year. The same debate will be incurred next year as it was this year. The difference is that all the other foregoing debate will be forgotten and I think that that will just add more time to be taken up by this body. So for that reason and for the fact that this bill is an important bill, it does a number of things besides from the interest rate, clarifies the law, it makes it a little bit more workable, I rise to oppose the Warner amendment to bracket. We have had a number of amendments on here. Senator Warner has not been successful with a kill motion, he has not been successful with a number of other attempts to amend this bill. Hopefully he won't be successful in terms of bracketing it. I hope that soon Senator Warner will allow this bill to move ahead with what I consider a reasonable compromise and that is the ten percent interest rate which is well below the fourteen we have authorized for other similar kinds of delinquent situations. Thank you.

SPEAKER MARVEL: Before we continue, in the North balcony from Senator Goll's District, we welcome ten eighth grade students, thirteen adults from St. Paul's Lutheran School, Arlington, Nebraska, Mr. George Bluma, the teacher, in the North balcony. Will you raise your hand so we can see where you are? Senator Warner, do you wish to close on your motion?

SENATOR WARNER: Again, Mr. President, members of the Legislature, the only reason for it is the pure factual matter that May 1st has come and went. There is ample time to consider legislation next time. I see no point in spending more time arguing over the issue now. Had I thought so I would have proceeded with the other amendment but I think it is a more logical thing to do under the circumstances. I am not all that comfortable with the other provisions of the bill, in any event, although I haven't objected to them but I think the issue...there is no impact, no improvement made if the bill is enacted this session. So I think the time ought to be reserved for those things where it is important.

SPEAKER MARVEL: The motion is the Warner motion to bracket the bill. All those in favor of that motion vote aye, opposed vote no. The motion is to bracket LB 412. Have you all voted? Have you all voted? Senator Warner.

May 18, 1981

LB 412

SENATOR WARNER: I guess, Mr. President, I would move for a Call of the House and a roll call vote. I guess everybody is kind of dispersed.

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

CLERK: 14 ayes, 0 nays to go under Call, Mr. President.

SPEAKER MARVEL: The House is under Call. All legislators please take your seats, record your presence. Be sure that all unauthorized personnel is gone. Have you all voted? Senator Cullan, Senator Goll, Senator Burrows, Senator Koch, Senator Cope, Senator Maresh, Senator Beutler, Senator Vard Johnson, Senator Howard Peterson, Senator Wagner, Senator Landis, Senator Haberman, Senator Labeledz, Senator Chambers, Senator Hoagland. Mr. Sergeant at Arms, no one is excused so there are eight that you need to find. Have you all recorded your presence? Senator Beutler, do you want to record your presence please? Senator Hoagland, Senator Haberman, and Senator Labeledz. Senator Warner, we are down to one. Okay, go ahead, call the roll.

CLERK: (Roll call vote taken. See pages 2078 and 2079, Legislative Journal.) 20 ayes, 23 nays, Mr. President, on the motion to bracket.

SPEAKER MARVEL: Motion lost.

CLERK: Mr. President, I would then have an amendment from Senator Warner: "On page 4, line 5, strike 'five' and insert 'three'."

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Mr. President, I request unanimous consent to withdraw it and try it at a later date. Apparently it is too cloudy today.

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

SPEAKER MARVEL: Okay, Senator Newell.

SENATOR NEWELL: Thank you, Jerry, I appreciate the opportunity to advance the bill and I would like to do that without a lot of debate. Hopefully the votes are there but I would like the opportunity.

SPEAKER MARVEL: The motion is to advance the bill, is that right, Senator Newell? All those in favor of that motion

May 18, 1981

LB 412, 523

vote aye, opposed vote no. Record.

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

SPEAKER MARVEL: Motion is carried. The bill is advanced.
The next bill is 523.

May 18, 1981

LB 523, 376, 412

the tradition of retaining county lines for Congressional Districts, this amendment is as reasonable as moving any counties around that you might have and it does, I think, provide a legal basis on which you could justify the disparity to the extent it does exist on the basis of social, economic and traditional boundaries that Nebraska has had for a hundred and plus years in protecting boundaries of counties to the maximum extent that they can and I would hope the body would support the amendment.

SPEAKER MARVEL: All those in favor of the Warner amendment to the committee amendment vote aye, opposed vote no. Have you all voted? Have you all voted? Senator Warner, what is your pleasure?

SENATOR WARNER: I would like the Board closed, I think.

SPEAKER MARVEL: The doors closed?

SENATOR WARNER: No, the Board. This is an amendment to the committee amendment, right? Senator Hefner may have a motion but I am certainly willing to close the Board.

SENATOR HEFNER: Mr. Chairman, how many are excused today.

SPEAKER MARVEL: Everybody is here someplace.

SENATOR HEFNER: I believe I am going to have to have a Call of the House and a roll call vote.

SPEAKER MARVEL: Okay, shall the House go under Call. All those in favor vote aye, opposed vote no. Record.

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

SPEAKER MARVEL: The House is under Call. All legislators please return to your seats. Record your presence.

CLERK: Mr. President, while we are waiting, I have a letter from the Governor regarding a gubernatorial appointment.

Your Enrolling Clerk has presented to the Governor the bills that were read on Final Reading this morning.

Senator Dworak would like to print amendments to 376; Senator Warner to 412.

SPEAKER MARVEL: Senator Cullan, Senator Warner, Senator Schmit, Senator Howard Peterson, Vard Johnson, Senator Beutler, Senator Fowler, Senator Landis, Senator Vickers, Pirsch, Nichol. Senator Beutler, will you record your

May 19, 1981

LB 243, 165A, 181, 316, 485
322, 336, 336A, 352, 303
412, 459, 459A, 523

they would prefer that it were more restrictive. All I am asking is that we give some kind of a guideline, some kind of direction and that we do it in a manner which is not going to be, I'm sure, restrictive to the operations of the Natural Resource Districts. I would hope that you would advance the bill. Mr. President, again I ask for a Call of the House and a roll call vote.

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

CLERK: 15 ayes, 0 nays to go under Call, Mr. President.

SPEAKER MARVEL: The House is under Call. All legislators return to your seats, record your presence. Unauthorized personnel please leave the floor. Sergeant at Arms, we are looking for Senator Newell, Senator Lamb, Senator Haberman, Senator Marsh. We have one excused. Senator Newell and Senator Marsh. Senator Schmit, okay, call the roll.

CLERK: Roll call vote. 27 ayes, 13 nays, 6 present and not voting, 1 excused and not voting, 2 absent and not voting. Vote appears on page 2111 of the Legislative Journal.

SPEAKER MARVEL: The motion is carried and the bill is advanced.

CLERK: Mr. President, some items to read in. Senator Hefner wants a meeting of the Miscellaneous Subjects Committee in Room 2102 at noon.

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 412 and recommend the same be placed on Select File, 352 Select File, 523 Select File with amendments all signed by Senator Kilgarin.

Your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed 316 and find the same correct engrossed and 322 correctly engrossed, (Signed) Senator Kilgarin.

Mr. President, the bills that were read on Final Reading this morning are ready for your signature.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business I am about to sign and do sign Engrossed LB 181, 165A, 303, re-engrossed LB 336, Engrossed 336A, 459, re-engrossed legislative bill 459A, Engrossed Legislative Bill 485.

May 20, 1981

LB 412

adjourned. We will now take up LB 423. Senator Vickers, for what purpose do you arise?

SENATOR VICKERS: Mr. Chairman, a point of personal privilege, since you were granting it to everybody else, I just want to make one statement.

SENATOR CLARK: Well, if you want to continue, go ahead.

SENATOR VICKERS: I would venture to say that George Norris who is the founder of the nonpartisan Unicameral is probably turning over in his grave right now.

SENATOR CLARK: We will now take up 412.

CLERK: Mr. President, there are E & R amendments to LB 412.

SENATOR CLARK: Senator Kilgarin, the E & R amendments to 412.

SENATOR KILGARIN: Yes, sir. I move the E & R amendments to LB 412.

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

CLERK: Mr. President, Senator Warner has an amendment in the Journal on page 2086.

SENATOR CLARK: Senator Warner.

SENATOR WARNER: Briefly, Mr. President, the amendment deals again with the interest rates on the green belt. As you know, the body adopted the 10 percent rate the other day for five years, which is in my opinion excessive, and the amendment will allow the 10 percent stand if that is the rate you want, but it would be for three years of deferred taxes and it is for the sole reason that that interest rate of total collection does not become so high that it adds further burden to the purchase of property when that time comes for development. I move the amendment's adoption.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I strongly oppose this amendment. You know, I think that what we are trying to do here, what Senator Warner is trying to do here is absolutely incorrect, and this bill with 10 percent interest rate is not excessive, but the three year provision, if it goes back three years, will make this bill

May 20, 1981

LB 412

this whole thing a speculator's dream. Now that is the lowest that any state that has a green belt law has ever used, three years, that is the minimum, and 10 percent I think is very low in terms of what other states do and I haven't checked that out to know that, but I would imagine that most states in the Union have recognized the interest rates are a little higher than that. I strongly oppose this motion. I think it is wrong and I believe that this motion would create a great stir down the road that we would have cities like Omaha and Lincoln, counties, coming in here asking for a real live honest to goodness revision in this whole process because it, in fact, would be a speculator's dream. If this bill was intended as it originally was supposed to be to allow a farmer to continue to be a farmer, if, in fact, he wants to do that, without paying the higher taxes. Even though he is in the path of development, then he should at least be five years in which he would make the difference up if he sold his property. To make it three years, I think, would very seriously significantly change that. We are basically ruining the whole act and I am wondering, A, whether it is good public policy, B, if it isn't designed to kill the bill. I would urge and implore this body to reject the Warner amendment.

SENATOR CLARK: Senator Kremer.

SENATOR KREMER: Mr. Chairman, members, like all the rest of you I am aware that our time is getting late and I am not going to take a lot of time, but I am going to support the Warner amendment. What we did the other day was unfair, it was not right. It is excessive. So we have to take this route. We are going to take it. I support the amendment.

SENATOR CLARK: Senator Schmit.

SENATOR SCHMIT: I join Senator Warner and Senator Kremer in support of that amendment that he has offered. I think it is totally incorrect for Senator Newell to assume that any farmer who owns land in the so-called green belt would not have to calculate the cost of the Newell amendment and add it to the price of the real estate if and when it should be sold, and when that happens, all you do is force up the price of the real estate, increase the cost the property to the individual who purchases it. It is going to mean more problems for the cities, more problems for those persons who would develop very possibly less industry, and I think that it would be absolutely contrary to what Senator Newell is trying to do. I urge you to consider very strongly the Warner amendment. If you adopt it, you proceed in the headlong

May 20, 1981

LB 412

path you are going, you are going to find yourself eventually at a time when probably some of us are no longer here being called upon to try to rectify a very serious error. I support the Warner amendment.

SENATOR CLARK: Senator Hefner.

SENATOR HEFNER: I call the question.

SENATOR CLARK: You don't have to do that. Senator Warner, do you want to close? Senator Warner, do you want to close?

SENATOR WARNER: I will just say this, Mr. President, the total interest that is to be paid is the issue here and it seems to me that 10 percent on taxes undue is unrealistic, but a for a three year period as opposed to a five, it comes out about the same, and I have a number of other reservations about the bill as a whole because it is the other provisions, not the interest rate, that loosens up the act. But I think this is a more equitable basis and I move its adoption.

SENATOR CLARK: The question before the House is the adoption of the Warner amendment. All those in favor vote aye. All those opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: We are voting on the Warner amendment to 412. The House is already under Call. Voting on the Warner amendment. Have you all voted on the Warner amendment to 412? I am going to call the vote. Senator Warner, we are under Call.

SENATOR WARNER: We are? Is everybody....I would request a roll call vote, Mr. President, then and...

SENATOR CLARK: All right.

SENATOR WARNER: But I guess I need to have people indicate their presence.

SENATOR CLARK: If everyone will check in, please. Senator Schmit, Senator Kremer, Senator Cullan, Senator Burrows, Senator Hefner, Senator Vard Johnson. Can we check in, please? Senator Kahle, Senator Newell, Senator Barrett, Senator Wesely, Senator Hoagland. We only have one excused. We have to have three more. Senator Hoagland, Senator Kahle. We are looking for Kahle. Do you want to call the roll,

May 20, 1981

LB 412, 320, 523

Senator Warner? All right, call the roll.

CLERK: (Read the roll call vote as found on page 2159 of the Legislative Journal.) 25 ayes, 21 nays, Mr. President.

SENATOR CLARK: The amendment is adopted. Any further amendments on the bill?

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

SENATOR CLARK: The question before the House is the advancement of 412. There is a motion.

CLERK: Mr. President, Senator Fowler would move to indefinitely postpone the bill. Under our rules that would lay it over.

SENATOR CLARK: All right, the bill is laid over. Senator Warner.

SENATOR WARNER: I just wanted to indicate I had the same motion up but I thought I didn't need it any more. It is perfectly okay.

SENATOR CLARK: We will now take up 523, the provisions establishing congressional districts, not legislative.

CLERK: Mr. President, if I may right before that, Senator Lamb would like to print amendments to LB 320 in the Legislative Journal. (See page 2159 of the Journal.)

Mr. President, with respect to LB 523, I do have E & R amendments pending, Mr. President.

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: I move the E & R amendments to LB 523.

SENATOR CLARK: You have heard the motion. All those in favor say aye. Opposed nay. The E & R amendments are adopted.

CLERK: Mr. President, the next amendment I have is from Senator Newell. That is on page 2118 of the Journal.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I have a motion to amend the bill, that motion would basically split Burt County and reinstate Cass County. It would split

May 22, 1981

LB 554, 531, 412

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

SPEAKER MARVEL: The motion is carried. The amendments are adopted. Senator Hefner.

SENATOR HEFNER: Mr. President, I move for the advancement of 554 to E & R Initial.

SPEAKER MARVEL: All in favor of that motion vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 30 ayes, 0 nays, Mr. President, on the adoption of the committee amendments.

SPEAKER MARVEL: Motion is carried. We now move to Select File priority LB 412.

CLERK: Mr. President, if I may, right before that, Senator DeCamp would like to print amendments to LB 531 in the Legislative Journal.

Mr. President, with respect to LB 412, the bill has been considered by the membership on a couple of occasions. The last time, Mr. President, on May 20th the E & R amendments were adopted. There was an amendment from Senator Warner that was adopted on that day. There was a motion offered to indefinitely postpone, it was offered by Senator Fowler. That laid the bill over, Mr. President. That is now before us, the motion to indefinitely postpone.

SPEAKER MARVEL: The Chair recognizes Senator Fowler.

SENATOR FOWLER: I ask unanimous consent to withdraw that.

SPEAKER MARVEL: No objection, so ordered.

CLERK: Mr. President, the next amendment I do have an amendment then from Senator Newell. Senator Newell would move to amend LB 412 (Read Newell amendment).

SPEAKER MARVEL: Senator Newell.

SENATOR NEWELL: Mr. President, this would be. . . this motion is to reinstate five and to from three which is a change that Senator Warner offered and was successful at establishing. The five year provision has always been in the bill, it was in the bill from day one and put there by Senator Warner and I would encourage this body to accept that motion. Three years would

make it far more attractive to speculators to hold this land and not provide any penalty of any significance, and for that reason I think it is contrary to the good intentions of this Legislature to try to make the Greenbelt Law one that applies to those people who are sincerely interested in agriculture. So with that in mind, I would urge this Legislature to adopt this amendment.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Well, Mr. President, I am tempted to use the argument of late date and some of the other arguments that have been successful on motions I have offered but what I would like to do is say two things only. Number one, the interest rate is not what affects the speculator. What affects the speculator is what land will qualify and I will tell you without any doubt in my mind that it is the other provisions of the bill that would attract the speculator, the fact that you can use land that has zoning potential or in fact a zoning classification, rather, that permits a different use. That is what attracts the speculator. That is the part that I have some reluctance with in LB 412 but I haven't fought that all that hard because I know Douglas County, as I said before, in my opinion is implementing the law incorrectly and I can appreciate because on some respects I am on Senator Newell's side in trying to prevent the misuse of the statute but the interest rate is not the one. That is not the thing that affects the speculator whatsoever. What I would suggest, and I did the other day, I would oppose bringing the bill back to take the interest rate off or change the provision, rather, because all that does is add to the cost of the eventual purchaser any way you cut it but I am perfectly willing to have the bill set until next session. As I mentioned the other day, the applications for these are May 1. That date is past. Perhaps there is some other route that can be found. The law is working satisfactory in Lancaster County. It is not a haven for speculators the way they are doing it here because the only land that qualifies is land that can only be used for agriculture. You cannot use it as they do in Douglas County on land that is zoned for some other purpose and that is how the law is intended to be used is only on land exclusively agriculture with no development possibility and a speculator isn't going to buy land that has no development speculative possibilities. So on that basis, I oppose the Newell amendment and I have no objection of the bill just being held over until next year and we can get on with some of the other legislation that is perhaps more urgent than this bill is.

May 22, 1981

LB 412

SPEAKER MARVEL: Senator Kremer.

SENATOR KREMER: Mr. President and members of the Legislature, I join Senator Warner in opposing Senator Newell's motion that is before us at the present time. I know that we are dealing with real estate as it may apply in some of our rural areas and that which we may be addressing in a somewhat urban area and representing the interest in the rural area I think the action we took the other day was proper and we ought to go ahead and move the bill as it is presently amended and give us some time to look at the situation as all of us view it from our points of view. I would hate to stop the bill and go back again. I think what we done the other day was right and was fair and I will vote to oppose the motion.

SPEAKER MARVEL: Senator Newell, do you wish to close?

SENATOR NEWELL: Mr. President, I would like to, this has been a close vote throughout the time that we have done it, I would like to ask for a Call of the House before I close and hopefully if this amendment is adopted try to advance it right after that while people are still here. So if I could ask for a Call of the House before I close.

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

CLERK: 22 ayes, 0 nays to go under Call, Mr. President.

SPEAKER MARVEL: The House is under Call. All legislators please return to your seats and record your presence. Senator Fenger, will you record your presence please? Senator Burrows, record your presence. Senator Warner, Senator Hefner, Senator Vard Johnson, Senator Koch, Senator Haberman, Senator Barrett, Senator Richard Peterson. Everyone is accounted for except Senator Hefner. Senator Newell, do you want to go ahead and close? We have Senator Hefner left. There he is. All are accounted for.

SENATOR NEWELL: Mr. President, members of the body, I will try to have a very brief closing. The amendment that I offer is to bring the bill back to its original intent, and the intent that Senator Warner had from the very beginning of the whole greenbelt thing and that is to make it a five year penalty provision for those people that ask for and apply for the greenbelt provision. The purpose for the five years is very simply to discourage speculators. Frankly, I don't want to try to guess Senator Warner's motives when he offered this. I don't think he feels as secure with this amendment but it has created a great deal of difficulty for

May 22, 1981

LB 412

me and maybe that was his intention. The five year provision is a just one. The interest rate is not excessive as we talked about and, heretofore, there hasn't been a whole lot of opposition or difficulty with the other provisions of the amendment. Now I feel that this brings the bill back in some sort of an acceptable form and keeps the differences very simple and those differences will be the difference between six and ten percent interest on the penalty provisions so with that I would urge the body to adopt this motion and then we can debate the advancement of the bill.

SPEAKER MARVEL: The question is the Newell amendment. All those in favor of that amendment vote aye, opposed vote no. Have you all voted? Have you all voted? Senator Newell.

SENATOR NEWELL: Mr. President, I have reason to believe there is 25 votes there even though they don't show up.

SPEAKER MARVEL: There are two excused.

SENATOR NEWELL: Now there is not 25 votes there. Mr. President, I would...I do need another vote to avoid a roll call. Mr. President, I would ask for a roll call vote then.

SPEAKER MARVEL: Call the roll.

CLERK: (Roll call vote taken. See page 2220, Legislative Journal.) 24 ayes, 21 nays, Mr. President.

SPEAKER MARVEL: Motion lost.

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

SPEAKER MARVEL: Okay, Senator Newell, do you wish to make a motion?

SENATOR NEWELL: Mr. President, yes, I would like to move to advance the bill. I have a great affection for the number. I am not real happy with the bill but if that is what Senator Warner wants, if he likes the three years so well, we will just advance this bill and put it into law. I think it will be better to come back and change next year in this form and so I would urge advancement of LB 412.

SPEAKER MARVEL: The motion is to advance LB 412. All those in favor vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 31 ayes, 3 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: Motion is carried. The bill is advanced. Go to the next one.

May 27, 1981

LB 396, 412

SENATOR CLARK: You heard the motion. All those in favor vote aye. All those opposed vote nay. Record the vote.

CLERK: 32 ayes, 0 nays, Mr. President, on the adoption of the amendment.

SENATOR CLARK: The amendment is adopted. Senator Carsten.

SENATOR CARSTEN: I move for the advancement of LB 396 to E & R for engrossment.

SENATOR CLARK: You heard the motion. All those in favor say aye, opposed no. The bill is readvanced. Mr. Speaker.

SPEAKER MARVEL: Mr. Clerk, do you want to report first of all on E & R?

CLERK: Mr. President, my best information is at this point that all bills that the Legislature has considered this day will be reported back to the body approximately at 7:00 p.m. Yes, sir.

SPEAKER MARVEL: Seven o'clock, okay. Is that your report? Okay, now we will proceed, since we have to wait until they come up with E & R amendments, so it will take, what, an hour and a half roughly?

CLERK: Approximately, yes, sir. It might be sooner.

SPEAKER MARVEL: Then I would move in item #7, that we pass over LB 376 and LB 466E and LB 512 which is on the agenda for tomorrow.

SENATOR CLARK: How about 234? We amended the A bill I think this morning. We can't read 234. There is a motion on the desk.

CLERK: Mr. President, Senator Warner would move to amend the rule suspension motion to read, "All bills on Final Reading under item #7 of the agenda to exclude LB 412E.

SENATOR CLARK: We don't have the motion yet. Or do you have it up there? All right, go ahead. Senator Warner.

SENATOR WARNER: I had not indicated to the Speaker but I had...was waiting for an Attorney General's opinion on some provisions of LB 412 other than the interest rate and I would like, if no one objects, that we pass over that pending a letter from the Attorney General. So I would move that the motion be amended to exclude 412 from the suspension.

May 27, 1981

LB 412

SENATOR CLARK: Senator Newell, did you want to talk on that?

SENATOR NEWELL: Well I would like to ask Senator Warner a question if I could.

SENATOR CLARK: Senator Warner, will you respond?

SENATOR WARNER: Yes.

SENATOR NEWELL: Senator Warner, this bill has been laying around for a long time, it's been kicking around for a long time.

SENATOR WARNER: It is true.

SENATOR NEWELL: It has been kicked around for a long time, Senator Warner, and I was wondering, we used to have only a problem on the interest rate. Now we have a problem on the rest of the bill. Could you explain to me (a) why we have a problem so late on the rest of the bill, and, I would just like to be convinced that this is a real good faith, honest sort of request of the Attorney General for an opinion.

SENATOR WARNER: The letter is in good faith. My concern is in good faith. I am acting in my normal fashion. No, the question that I have asked of the Attorney General, Senator Newell, is that as you know the bill states that to qualify for the Greenbelt the area must be predominantly agriculture in the agriculture use zone which would tend to appear that the assessor would have to go out and determine of all that land, of whether it was predominantly ag for that zoning or if it was something else and I assume if fifty-one acres is ag it qualifies within that zoning classification and if forty-nine is industrial it still...the whole area would qualify. As I mentioned to you earlier, which I don't have an amendment, but I think a more appropriate way which I should have thought of before now would be to prohibit the use of the bill where the zoning is such that it permits industrial or commercial use of the property or even concentrated in residential and that I think probably would have met your problem in Douglas County with no sweat but I did not think to do all this until the first of the week.

SENATOR NEWELL: Well, Senator Warner, as you know, I am not terribly in love with the bill the way it stands right now, the way you have amended it, and because I want to get along and show my great cooperative spirit, even though I wish you would have been a little earlier in your whole process, I will not object to laying this over. I am

May 27, 1981

LB 213, 318, 322,
LB 412, 389, 389A

afraid of what might happen if it was passed anyway, so, I will go along.

SENATOR WARNER: Thank you, Senator Newell.

SENATOR CLARK: All right, that bill will be laid over. The motion is now to suspend the rules. The motion is right now, to suspend the rules to read the following bills: 213, 318, 822, 389 and 389A. That is the only bills we can read. The motion before the House is suspension of the rules. Is there anyone who wants to talk on that? Senator DeCamp, did you want to talk on the suspension of the rules? All right. All those in favor of suspending the rules vote aye. All those opposed vote nay. Senator Goodrich, did you want to talk on it?

SENATOR GOODRICH: Mr. President, you had said when you were quoting those numbers, 822. I think you mean 322. Would you have the Clerk read ...

SENATOR CLARK: No, I said 322, I thought, pardon me. 213, 318, 322, 389 and 389A.

SENATOR GOODRICH: Okay, no problem.

SENATOR CLARK: All those in favor of suspending the rules vote aye, opposed vote nay. It takes 30 votes. Voting aye.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Have you all voted on suspending the rules to read those five bills? Record the vote.

CLERK: 34 ayes, 2 nays, Mr. President, on the motion to suspend the rules and read those five bills.

SENATOR CLARK: The rules are suspended. The Clerk will now read LB 213 with the emergency clause attached.

ASSISTANT CLERK: (Read LB 213 on Final Reading.)

SENATOR CLARK: All provisions of law having been complied with, the question is, shall 213 pass with the emergency clause attached. All those in favor vote aye. All opposed vote nay.

ASSISTANT CLERK: Senator Clark voting no.

SENATOR CLARK: Have you all voted? Record the vote.

May 28, 1981

LB 322, 412, 512, 548

CLERK: 10 ayes, 25 nays on the motion to return the bill, Mr. President.

PRESIDENT: The motion fails. Any further motions?

CLERK: Nothing further, Mr. President.

PRESIDENT: Everybody be at his or her desk, we are ready to read on Final Reading LB 512. Mr. Clerk, you may proceed.

CLERK: (Read LB 512 on Final Reading.)

PRESIDENT: All provisions of law relative to law having been complied with, the question is, shall LB 512 pass? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read the record vote as found on pages 2364 and 2365 of the Legislative Journal.) 41 ayes, 7 nays, 1 present and not voting, Mr. President.

PRESIDENT: LB 512 passes. Before we take up the next bill, there are some guests of Senator Nichol in the north balcony, Clint Morrison, Joe Huckfelt, Fred Masek and Bill Cannon, all from Gering and Scottsbluff. Would you welcome these gentlemen to the Nebraska Unicameral Legislature. Welcome, gentlemen. The next bill on Final Reading, Mr. Clerk, is LB 412.

CLERK: Mr. President, if I may read a couple of items.

PRESIDENT: Yes, you may.

CLERK: Your enrolling clerk has presented to the Governor for his approval, Mr. President, LB 322 and 548. I have a report from the Rules Committee regarding the proposed rule changed offered earlier. (See page 2365 of the Legislative Journal.) Mr. President, Senator Newell, offers a proposed rule change. That will be referred to the Rules Committee. (See page 2366 of the Legislative Journal.)

Mr. President, explanation of vote offered from Senators Kilgarin and Koch. (See page 2366 of the Journal.)

PRESIDENT: The Chair recognizes Senator Warner.

SENATOR WARNER: Mr. President, I have a motion to return 412 pending but I would ask unanimous consent to pass over

May 28, 1981

LB 412, 466

the bill today because I do have an Attorney General's Opinion that I understand will be received late this afternoon, and maybe I don't need the amendment and then it could be acted upon tomorrow afternoon.

PRESIDENT: So you want the bill passed over at this time?

SENATOR WARNER: I would ask unanimous consent.

PRESIDENT: Speaker Marvel, there is no objection is there to passing over 412 today?

SENATOR WARNER: Senator Newell's bill.

PRESIDENT: All right. No objection. The Speaker's order will put it over until tomorrow. We will then proceed, Mr. Clerk, with the Final Reading of LB 466.

CLERK: (Read LB 466 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 466 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read the record vote as found on pages 2366 and 2367 of the Legislative Journal.) 37 ayes, 9 nays, 4 present and not voting, Mr. President.

April 13, 1982

LB 404A, 412

SENATOR CLARK: The House is under Call. All senators will check in, please. We will have call in votes.

CLERK: Senator Hoagland voting yes, Senator Beutler voting yes, Senator Duda voting no, Senator Sieck, you did vote yes, Senator. Senator Wiitala voting yes.

SENATOR CLARK: Record the vote.

CLERK: 25 ayes, 11 nays, Mr. President.

SENATOR CLARK: The bill is returned. Senator Warner.

SENATOR WARNER: Mr. President, I would move that the motion be adopted. I am aware as all of you are that we are exceedingly tight on funds this year. I think the argument of course for the whole bill is long-term benefit to elderly, hopefully helping to keep them out of nursing homes, hopefully reducing some of those long-term costs and the motion is to reduce the, roughly, approximately about two and a half, \$2.3 million this year to \$500,000 with second year funding still being at \$2.6 million plus.

SENATOR CLARK: The time is up on the bill. We will take a vote on it up or down. All those in favor of the Warner amendment will vote aye, opposed vote nay.

CLERK: Senator Clark voting no.

SENATOR CLARK: Have you all voted? We are technically still under Call. Would all senators return to their desks, please. I know you're tired but we've still got an hour to go before we break for dinner. Record the vote.

CLERK: 25 ayes, 17 nays, Mr. President, on adoption of Senator Warner's amendment.

SENATOR CLARK: The motion is adopted. Now readvance the bill. This is the last motion on the bill. The question is the advancement of the bill. All those in favor say aye, opposed. All right, the bill is readvanced. On LB 412.

CLERK: Mr. President, on LB 412...Mr. President, the first motion I have on LB 412 is a motion from Senator Warner to return the bill for a specific amendment.

SENATOR CLARK: He wants to withdraw that.

SENATOR WARNER: That is from last year, right? Move to withdraw, unanimous consent to withdraw.

SENATOR CLARK: It is withdrawn.

CLERK: Mr. President, Senators Labeledz and Carsten would move to return LB 412 to Select File for a specific amendment.

SENATOR CLARK: Senator Labeledz.

SENATOR LABEDZ: Thank you, Mr. President, at the beginning of the session I introduced LB 743 which is a homestead exemption bill. At that....no, to LB 743 which is Senator Warner's bill. The amendment is similar to a bill that I introduced on the homestead exemption for the elderly. Right now the state is reimbursing the counties, especially Douglas County a lot more money than is necessary and I'd like to explain that as briefly as possible because I know Senator Carsten wants to talk a little bit on his amendment, but what is happening is when an elderly person sells their home to either go into a nursing home or sell their home outright, move in with their family, the state continues to reimburse the county for that homestead exemption and the new owner receives that homestead exemption and this amendment to LB 412 would make that homestead exemption transferable with the elderly if they should buy another home. Now 90% of the time they do not buy another home. They either go into a nursing home or move in with the family and the state has to continue reimbursing the county for that amount of money for that homestead exemption and in some cases it is 100% of the first \$35,000. I talked to Senator Warner and he agreed that this was a good amendment and he allowed me to put it on LB 743 but inasmuch as we won't be getting to that possibly, I thought it would be better to put it on LB 412 and then Senator Warner's bill, 743, will be down on Select File with no amendment. As I said, it is not going to cost the state anything. In fact, we are going to save revenue and I hope the senators are listening because this will definitely make a less amount that they will reimburse to the county, and this incidentally involves Douglas County because of the way we assess our taxes. If you apply for a homestead exemption by April 1st in 1982 you will receive that exemption approved sometimes within that year but the exemption is for the following year's taxes that are due or past due April 1st and September 1st. So I urge the adoption of that portion of the amendment and I'm sure Senator Carsten, because we only have fifteen minutes, would like to say something about his amendment. Thank you.

SENATOR CLARK: Senator Carsten.

SENATOR CARSTEN: Mr. President, I think this was a committee bill originally and I believe, as I understand this amendment,

April 13, 1982

LB 412

it is the one that Senator Newell had. What this does is insert another section which says that interest upon the amounts of unpaid tax from each year include a subsection and of this section at the rate of 10% from the date at which said unpaid taxes would have been payable if no special assessment as agricultural use land under subsection 1 had been in effect. Senator Newell.

SENATOR CLARK: Senator Newell, would you respond to a question.

SENATOR CARSTEN: Senator Newell, I think you are more familiar with that amendment than I am. If you would want to speak to it I would appreciate it because they caught me kind of cold.

SENATOR NEWELL: Okay, Cal. This strikes the original sections that you are reading, Senator Carsten, which dealt with the Greenbelt bill. It strikes those original sections and deals with some homestead amendments that the committee advanced...the committee bill that was on General File the committee advanced without any dissenting votes. It clarifies the whole issue of veterans benefits under the Homestead Exemption Act.

SENATOR CLARK: Senator Carsten.

SENATOR CARSTEN: Mr. President, now I am beginning to catch up with it. This was basically the committee bill originally and has now been added as an amendment and I think Senator Newell was correct in his explanation of this but it was a committee bill with the committee amendments and I would certainly move for the adoption thereof.

SENATOR CLARK: Senator Kahle, did you wish to speak on the bill?

SENATOR KAHLE: I know you are running out of time. I just want you again to realize that what we do for Omaha. Thank you.

SENATOR CLARK: Senator Vickers.

SENATOR VICKERS: Mr. President, I wonder if Senator Labedz would respond to a question, please.

SENATOR CLARK: Senator Labedz.

SENATOR LABEDZ: Yes.

SENATOR VICKERS: I went down...and by the way, is your

amendment printed anyplace in the Journal? Or have you sent copies around? If you have I've missed mine. I went down and looked at the desk.

SENATOR LABEDZ: It is LB 656. Look at the green copy. It is identical to that.

SENATOR VICKERS: Okay, the amendment that is up on the desk says to strike the original sections. So the original intent of LB 412 is not going to be part of this amendment. Is that correct?

SENATOR LABEDZ: No. That is right. It is all completely stricken.

SENATOR VICKERS: It is a completely new bill in other words.

SENATOR LABEDZ: Right.

SENATOR VICKERS: Okay, well thank you, Senator Labedz. I don't know anything about the other bill so...or the other bills that we are inserting here and maybe I just haven't studied it that much but you know...okay, Senator Newell, I guess you are on this amendment also. Would you respond to a question as to...now LB 412 is your bill.

SENATOR NEWELL: 412...yes.

SENATOR VICKERS: I assume that you are deciding now that the bill is over on Final Reading, that you don't want it anymore so, therefore, you are gutting it and putting in something else.

SENATOR NEWELL: It was on Final...okay, the bill was on Final Reading. It dealt with the Greenbelt. Okay, my amendments, Senator Warner and I had a large struggle towards the end of last year as you may recall. Senator Warner won. I concede. Senator Warner is correct. We are taking the Greenbelt provisions out of this bill and adding the provisions dealing with a unique situation in Douglas County which deals with how they sell land. Douglas County is the only county that, Douglas and Sarpy County is the only two counties that have a transferring one way. It is a complicated thing. It came out of committee with no controversy. These are not controversial amendments and that is exactly what Senator Labedz's amendment does at this point.

SENATOR VICKERS: What is the bill number that we are inserting in here again? Senator Labedz told me. Could you....? Is that bill on General File? Okay, thank you.

April 13, 1982

LB 412

SENATOR CLARK: Senator Schmit, did you want to talk on this bill? Senator Labedz.

SENATOR LABEDZ: Thank you. I would just like to remind Senator Kahle that this is not an Omaha bill. It is a State of Nebraska bill because what we are doing is saving the State of Nebraska some revenue that they would have to reimburse Douglas County. Douglas County will not lose money either way because if it is not reimbursed by the state it goes back on the tax rolls rather than giving the new owner of a home that purchased it from an elderly person that received a 100% exemption up to \$35,000, it would go back on the tax rolls for Douglas County. Douglas County would not gain or lose because they either get it from the new home owner or they get it from the State of Nebraska as a reimbursement on the homestead exemption. So it definitely is a revenue profit for the State of Nebraska because they will not have to reimburse Douglas County on a home that is sold by an elderly person that either goes into a nursing home or buys a smaller home. It would prevent the new owner from obtaining the homestead exemption. I urge the adoption of the amendment to LB 412.

SENATOR CLARK: The motion before the House is to return the bill, LB 412. All those in favor of that motion vote aye, opposed vote nay.

CLERK: Senator Clark voting no.

SENATOR CLARK: Have you all voted? Have you all voted? Record the vote.

SENATOR LABEDZ: Mr. President.

SENATOR CLARK: Senator Labedz.

SENATOR LABEDZ: I'd like to have a Call of the House and take call....

SENATOR CLARK: The House is under Call. It's has never been raised. Everyone will check in, please.

SENATOR LABEDZ: Take.....please.

SENATOR CLARK: There is two minutes left on the bill. Did you want to take call ins?

SENATOR LABEDZ: Have them all register in, please.

CLERK: Senator Vard Johnson voting yes, Senator Koch voting yes, Senator Nichol voting yes, Senator Apking voting yes,

April 13, 1982

LB 412

Senator Marsh voting yes, Senator Wesely voting yes,
Senator Sieck...

SENATOR CLARK: Record the vote.

CLERK: 26 ayes, 1 nay, Mr. President, on the motion to
return the bill.

SENATOR CLARK: The bill is returned. I'll raise the
Call but we've only got about a half a minute on this
bill. Senator Labedz, on the amendment.

SENATOR LABEDZ: I move for the advancement of the amend-
ment.

SENATOR CLARK: The question before the House...

SENATOR LABEDZ: Adoption of the amendment.

SENATOR CLARK: ...is the adoption of the amendment. All
those in favor vote aye, opposed vote nay. Record the vote.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of the
Labedz amendment.

SENATOR CLARK: The amendment is adopted. Now the advance-
ment of the bill.

SENATOR LABEDZ: I move for the advancement of LB 412 to
E & R engrossing.

SENATOR CLARK: You heard the motion. All those in favor
say aye, opposed. The bill is readvanced. Do you have
another motion on the bill?

CLERK: Yes, Mr. President, Senator DeCamp would move to
return LB 412 to Select File for a specific amendment.

SENATOR CLARK: Senator Lamb, the fifteen minutes is up
on that bill. Do you want to take more motions on the
bill now?

SENATOR LAMB: I think we had better go, Mr. President.
I think we had better go on to the other ones that you
have had previous motions filed. This motion was not
filed previously? Is that correct?

SENATOR CLARK: I don't know. Has it been filed previously?

SENATOR LAMB: Has it been filed, Mr. Clerk?

April 13, 1982

LB 255A, 412

SENATOR CLARK: Senator Warner.

SENATOR WARNER: Mr. President, this is the A bill, the same thing we did to the other, the April 1st date. I move the bill be returned to adopt the same date.

SENATOR CLARK: Is there any discussion? The question is the return of LB 255A. All those in favor vote aye, opposed vote nay. Record the vote.

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

SENATOR CLARK: The bill is returned. Now the amendment, Senator Warner.

SENATOR WARNER: Mr. President, I move that the amendment be adopted.

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

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: 29 ayes, 1 nay on the motion to adopt the amendment, Mr. President.

SENATOR CLARK: The amendment is adopted. Now on the readvancement of the bill. All those in favor of readvancing LB 255A say aye, opposed. The bill is readvanced. We will take up LB 242. I'm sorry, we will go to LB 412.

CLERK: Mr. President, Senator DeCamp would move to return LB 412 to Select File for a specific amendment.

SENATOR CLARK: Senator DeCamp.

SENATOR DeCAMP: Mr. President, members of the Legislature, this is eminently simple. It is simply setting up the court test to continue and you put \$10 thousand into it. I've gone over it with Senator Warner and some others and I think they agree how important it is to find out what the limitations on the Legislature are. Senator Newell explained to me that he isn't opposed to it, he said, he and his group, that the only thing they were opposed to was my putting it on LB 816. So I am putting it on LB 412. It is germane perfectly to that bill. Senator Warner was the one that brought that to my attention. I guess I simply urge you to adopt the amendment. I think it is a good amendment.

April 13, 1982

LB 412, 488

SENATOR CLARK: The question before the House is the return of LB 412. Senator Newell.

SENATOR NEWELL: Mr. President, I do support the DeCamp amendment. I would urge others to support it. I can't for the life of me understand why this is such a good idea but I am for it.

SENATOR CLARK: Any further debate? The question is the return of the bill for a specific amendment. All those in favor of returning LB 412 vote aye, opposed vote nay. Record the vote.

CLERK: 28 ayes, 7 nays, Mr. President.

SENATOR CLARK: The bill is returned. Senator DeCamp.

SENATOR DeCAMP: I'd just move adoption.

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

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: 28 ayes, 7 nays, Mr. President, on adoption of Senator DeCamp's amendment.

SENATOR CLARK: The amendment is adopted. Now the readvancement of the bill. All those in favor of readvancing the bill say aye, opposed. The bill is readvanced. We go to LB 488.

CLERK: Mr. President, Senator Goodrich would move to return LB 488 to Select File for a specific amendment.

SENATOR CLARK: Senator Goodrich.

SENATOR GOODRICH: Mr. President, if I could have just a couple of minutes of your time and if you will listen I can explain what the problem is. LB 488 as it stands right now on Final Reading has got the judge's pay bill in it, the five and five for judges but it's got the original full load increase on the constitutional officers. For example, the Governor goes from \$40,000 to \$50,000. The Lieutenant Governor goes from \$32,000 to \$40,000, et cetera, right on down the road and the Governor, and nobody really wants that bill in its present form. What we want to do is bring the bill back and get the constitutional officers' portion of the bill down so that they only get 5% the first year and 5% the second year and that is it. That is all they get is

April 13, 1982

LB 255, 255A, 412

SENATOR CLARK: We've got two bills on the way up here. If we can just hold off until we get the two bills on the way up. Senator Haberman.

SENATOR HABERMAN: I believe you ruled a few minutes ago at twelve o'clock we were through and the session....

SENATOR CLARK: Just a minute, we have two bills to read in here.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 255 and find the same correctly engrossed; LB 255A correctly engrossed and LB 412 correctly engrossed.

SENATOR LANDIS: Move to adjourn.

SENATOR CLARK: All right, that is not debatable. Yes, what is your point?

SENATOR CHAMBERS: I think the record should show that those bills were read at twelve o'clock, not before twelve midnight.

SENATOR CLARK: The motion is to adjourn. All those in favor of adjourning say aye, opposed. We are adjourned until tomorrow morning at nine o'clock.

Edited by Arleen McCrory.
Arleen McCrory

April 16, 1982

LB 404, 412

PRESIDENT: Motion fails. We will go ahead and....all right, we are now ready for the vote on the bill. It has been read. All provisions of law relative to procedure having been complied with, the question is, shall LB 404 pass? All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read the record vote as found on pages 1980 and 1981 of the Legislative Journal.) 38 ayes, 9 nays, 1 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 404 passes. The next bill, Mr. Clerk, on Final Reading is LB 404A.

CLERK: (Read LB 404A on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with the question is, shall LB 404A pass? All those in favor vote aye, opposed nay. Have you all voted? Record the vote. Record vote, on Final Reading there will be a record vote.

CLERK: (Read the record vote as found on page 1981 of the Legislative Journal.) 34 ayes, 14 nays, 1 excused and not voting, Mr. President.

PRESIDENT: LB 404A passes. The next bill on Final Reading is LB 412, Mr. Clerk.

CLERK: Mr. President, if I may right before that, I have an Attorney General's Opinion addressed to Senator Haberman.

PRESIDENT: Yes, you may read it in, go ahead.

CLERK: That will be inserted in the Journal. (See page 1982 of the Journal.) Mr. President, with respect to LB 412, I have a series of motions on the bill. Mr. President, Senators Labedz and Wagner had a motion pending. Senator Labedz and Wagner would move to return the bill for a specific amendment, Mr. President.

PRESIDENT: Senator Labedz.

SENATOR LABEDZ: Thank you, Mr. President. A few days ago late in the evening I came up with an amendment to LB 412 and Senator Newell was good enough to tell me that I could use that bill to gut or strike everything in it and put an amendment that I had put on 743 which was originally my bill, LB 656. Inasmuch as we only had 15 minutes time I was also requested to add another amendment of Senator Newell to my amendment and do it as a package in order to get it done in 15 minutes. If you will recall, I stood up and explained the bill, my portion of the amendment, which was the homestead exemption

transfer for the elderly when they sold their home and purchased another or when they went into a nursing home the new owner would go onto the tax rolls. And then Senator Carsten took the other half of the amendment and Senator Newell. Since then and after some research I found out that LB 740, the amendment that was included in mine was something that I would not approve of and that I would not support and I would like to read you just a small portion of the Legislative Update where it says LB 656 deals with the transfer of homestead exemption from one owner to another. That, according to my amendment that I put on LB 412, was the amendment that I had on LB 743 which by the way Senator Warner approved of which...and it was his bill. But then LB 740 which was the other half of the amendment allows renters to qualify for the homestead exemption. I did not realize that was in there. I don't know what it will do, what it will cost. It had no General File or Select File debate and it eliminates the eligibility of some nonservice connected disabled veterans and uses an income provision to determine the eligibility. The Nebraska Veterans Council during the meeting on March 10th, and I think this is very important, voted unanimously to oppose any further action on LB 740. Now I reluctantly hate to kill a bill that I want very much to pass but I assure you that I will come back in January and reintroduce LB 656 and in the meantime I am asking you to kill LB 412. What I am doing now is striking the enacting clause. I am sure that Senator Wagner will have something more to add to this. Thank you.

PRESIDENT: The Chair recognizes Senator Wagner. Since it is your bill you should first respond.

SENATOR WAGNER: Mr. Speaker and members, 740 was a bill that was before the Revenue Committee and it was reported out of the committee. I missed the vote on that when it came out on Executive Session and I have tried to keep track of it. I have opposed 740 from the beginning. I did not sign the bill as one of the committee members and the bill was eventually reported out to General File. Then later on Senator Newell amended Senator Warner's bill, 743, to include basically 740. Well, I was waiting for that bill to come up and it appeared then this time that 743 would not come up so Senator Newell looked at Senator... to the bill 412 which was gutted, and then in turn adopted this amendment and the amendment does deal as Senator Labedz had indicated it dealt with renters and so forth. I think this is really a major bill to me and the thing that I object to this is that I would like my shot at it.

It might not have passed but doggone it I would like to have seen some debate here upon the floor. I think it really raises to me an issue that we talk about doing away with Final Reading, had this bill, say like quietly, nobody had hollered about it or anything like this, essentially that bill could have been passed without any debate or anything like this from General File right on across to Final Reading and because of these conditions I very much oppose it and I would urge you to vote against the bill.

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, this is kind of important. I don't care about that particular issue as much as I do about something else that is in the bill, and what else is in the bill is the opportunity to complete the court test and maintain in existence the whole valuation personal property tax formula. So, Senator Wagner, I know you are very concerned about this issue and your district is probably as battered by this issue or 816 as anything. I would submit to you that it would be better by far to not so to speak kill the baby just because it got a sore thumb. Fortunately LB 412 with its sore thumb that you mentioned can be easily corrected before it does any damage if you view it as damage. That correction can be accomplished in January, reason being the part that they are concerned about does not become effective as I understand it from reading it until 1984. So you have the entire next legislative session to correct that. I don't want to make any comments one way or the other as to Senator Newell's particular proposal or the propriety or correctness of how it was inserted in that bill. That is between Senator Newell and Senator Labeledz and Senator Wagner. I do know Senator Labeledz and Senator Wagner are more than a trifle upset, more than a big trifle. However, I repeat, there is an incredibly important thing in that bill if you are going to pass 816. It is important for the Legislature as a whole. It is important particularly for everybody who is affected by 816 one way or the other, and only if you keep 412 alive and pass it do you get that chance. I repeat again, the problem and issue that Senator Newell, Senator Labeledz and Senator Wagner are in disagreement on does not go into effect, does not have an effect until 1984. You have the entire next session to make whatever corrections you want. I would beg and plead you that you not kill the bill, not because I have an overwhelming love for Senator Newell but because I do have an overwhelming concern that what is in that bill needs to be

passed to continue on the test. So, Senator Labedz and Senator Wagner, please look at the thing in perspective. The thing you are concerned about can and will be corrected, I am sure, and the thing you are going to kill is really kind of serious.

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President and members of the Legislature, I rise to oppose the motion to bring back LB 412 to strike the enacting clause. I have a motion up after this motion which would lay LB 412 over until after LB 816 is debated. But let me deal with first things first and I think the first thing we have to deal with is the propriety of the process. Now there has been some inferences even though there haven't been strong inferences that there was something wrongly done here. This bill had a public hearing on it. It came out of committee. It was on the consent file. It languished because we didn't get to it and, frankly, the opposition, the Veterans Council was in favor of the bill when they testified for it, etcetera, etcetera. They have since subsequently changed their position but they never notified anybody. So when I sent...when I went to Senator Labedz and this by the way was at Senator Warner's request, he didn't want his bill, the Greenbelt bill which I was supportive of, further weighted down or confused, I went to Senator Labedz and I said, Senator Labedz, let's draft this amendment, we will put both of these bills on, very quickly explained what the bill did although I can appreciate that in that point of time I did not give a very clear and comprehensive view of it. But let me say at that time I did not know that the Veterans Council had changed its position and were opposing of the provisions of LB 740 which is now in LB 412. I think that deserves a debate as every issue deserves a debate. Senator Labedz's proposal was not debated on General File either and that sometimes happens toward the end of the session when you see a vehicle and you try to use it to move the process along that has otherwise been slowed down. Now there are some very important related issues in LB 740 which is now in LB 412 along with Senator DeCamp's concerns about the \$10,000 and the court case. I would like to get and discuss those points because there are some more compelling reasons for the provisions of LB 740 than there are against it. But at this point in time I don't feel we have an adequate opportunity to do that. I would urge this body not to bring 412 back. I do hope we can bring 412 behind LB 816 because that is its proper place for a whole lot of reasons, and so I would urge the body to reject the Labedz-Wagner motion.

April 16, 1982

LB 412

PRESIDENT: The Chair recognizes Senator Dworak.

SENATOR DWORAK: I call the question. Call the question.

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

CLERK: 27 ayes, 1 nay to cease debate, Mr. President.

PRESIDENT: Motion carries, debate ceases. You may close, Senator Labedz.

SENATOR LABEDZ: Thank you, Mr. President. I think Senator Wagner and I both felt that an explanation was needed and that I wanted to be on record. I still will vote against LB 412. I know that each and every one of you will use your own judgment as to the portion that Senator DeCamp is interested in, but on behalf of myself and the veterans that have contacted me in the meantime, this portion or this portion of that amendment that was added to mine, and incidentally I thought I was being very fair when I in full explained the amendment...the portion of the amendment I had, but I am sorry to say that Senator Newell did not thoroughly explain the portion of the amendment that he added. There was no mention of rent, rental payments. There was no mention of changing some veterans will not be eligible to receive the homestead exemption and I think you are going to hear a cry across the state from the veterans organizations demanding an explanation of why we did what we did in such a very short time. As I said, it was in a 15 minute debate. I am sorry it happened and I definitely will vote against LB 412 as much as I would like to see my portion of the amendment adopted. I will come back next year and introduce my bill again if this should be successful. I think Senator Wagner has a few words to say and may possibly withdraw the motion to indefinitely postpone or strike the enacting clause, but I, for one, will vote against my own bill. Thank you.

PRESIDENT: Senator Wagner.

SENATOR WAGNER: I would really remind you that the Veterans Council is opposed to LB 740 or the amendment that is in here right now. I can appreciate where Senator DeCamp is and I have probably got mixed emotions on it, but if this bill does pass as I think it...the senators here very definitely need to take a look at this and then next year come back and correct this and kind of go

April 16, 1982

LB 412

from there. I would like to add too that we did, we had a motion up here Wednesday night to bring that back and you recessed just before the motion that would have taken that portion out if we could have at that time. So, I guess it is with mixed emotions as to what happens here, but I think again it is just an indication that the way body has been moving that we still need to read these bills on Final Reading because if we had this may not have popped up quite like it did. Thank you.

PRESIDENT: The motion is to return LB 412 for the specific amendment to strike the enacting clause. All those in favor vote aye, opposed nay. I remind you we are on Final Reading and all members are to be at your desks and should be voting on this. There sure...a number of you have not voted although I can't make you vote but at least you should be at your desks. Have you all voted? Two are absent. Senator Labedz, do you want to just let it go? Senator Wagner.

SENATOR WAGNER: I would like a record vote on that.

PRESIDENT: Well, all right, a record vote is requested. Go right ahead. Record.

CLERK: (Read the record vote as found on page 1983 of the Legislative Journal.) 22 ayes, 25 nays, Mr. President.

PRESIDENT: Motion fails. Anything further?

CLERK: Mr. President, I now have a motion from Senator Newell. Senator Newell would ask unanimous consent to lay over LB 412 until after 816 is read on Final Reading.

PRESIDENT: He has asked for unanimous consent. All you have to do is have one objection. All right, there is an objection. So now...two objections, all right. I think I hear a few more. Senator Newell, what do you wish to do?

SENATOR NEWELL: That motion was written, so that when I didn't get unanimous consent which I didn't expect to get, that we could scratch out one portion of it and leave the other portion which says, I move.

PRESIDENT: All right, do you want to read the motion, Mr. Clerk?

CLERK: Mr. President, Senator Newell would move to lay over LB 412 until after 816 is read on Final Reading.

April 16, 1982

LB 412

SENATOR NEWELL: Mr. President....

PRESIDENT: Senator Newell.

SENATOR NEWELL:on page 36 of our rule book on Rule 6, Section (e), at any stage of consideration of a bill in motion to bracket or to bracket to a day certain, I want to bracket it until after LB 816 has been read, if it is made by the primary introducer of the bill requires a majority of those voting. If it is made by others than the primary introducer, that shall then be required a majority of those elected in the membership. So I would move pursuant to that rule which should be.....

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President and members, incredible as it sounds I agree completely. There is no reason for 412 whatsoever unless 816 passes. If 816 passes, then this is the court test we all agreed on the maintenance of the formula. You see, if 816 passes, the formula is in effect anyway. That is existing law. LB 816 repeals that, therefore, therefore I am certainly willing to wait until after 816 is decided one way or the other. If 816 were to fail, there would be no need for 412. If 816 passes, however, I assume that Senator Newell and the other 816 supporters aren't going to play games with us and make 412 fail then, that would....kind of catch on. Well, we are working up to them. I think you ought to wait, but instead of trusting me it ends up I am having to trust him and them on this deal if 816 were to pass. Yes, advice, Bernice.

PRESIDENT: All right, is that it?

SENATOR DeCAMP: Bernice says, don't trust her. Let's pass the bill then.

PRESIDENT: Senator Beutler, you may.....

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, I would like to oppose the motion to pass over. In my opinion Senator DeCamp has Senator Newell and the rest of us who support 816 right in a box and let me tell you why. We have a rule that says and the Constitution says, no appropriation shall be made in excess of the recommendation contained in the Governor's budget, all right, including any amendment the Governor would make thereto unless by three-fifths vote of the Legislature. There are going to be two questions coming up on whether

25 or 30 votes are required. The first question is going to be whether the redistribution formula under 816 by virtue of the fact of shifting expenditures in different programs in the Governor's budget is going to require 30 votes. That is the first question and that will be argued later. But the second question I think is this, if under 816 as it is presently the total amount of funds is the same as in the Governor's budget, so it is only a question of whether shifting the funds causes a problem, causes the two-thirds vote. But if you add 412 and the \$10,000 in 412, that little \$10,000 that Senator DeCamp wanted so hard to get on 816, you may remember, if you add that \$10,000 to the amount appropriated in LB 816, then you have a total appropriation which exceeds the Governor's budget and I think may raise a court question on the validity of LB 816. I have a motion up there to indefinitely postpone LB 412, and for those of you who are interested in preserving 816 intact without a court case, you would be well advised to kill 412 because I think that that little \$10,000 is going to be a real big bugaboo if 412 passes. Thank you.

PRESIDENT: The Chair recognizes Senator Labedz.

SENATOR LABEDZ: I have a question, Mr. President, of Senator Newell.

PRESIDENT: Senator Newell, will you respond?

SENATOR NEWELL: Yes, Senator.

SENATOR LABEDZ: In reading Section (e) of the rule that you read just a few minutes ago, it states in here, if made by other than the primary....no, excuse me, if made by the primary introducer of the bill it would require a majority of those voting. If made by other than the primary introducer, there shall then be required a majority vote. Now who would you say is the introducer of this bill since I when I did what I did the other day I struck all sections and it now becomes my bill?

SENATOR NEWELL: Well, Senator Labedz, the name on the bill is Senator Dave Newell, 13th District, and for a lot of reasons this puppy, this crippled puppy has been for a long time considered mine. I still kind of think that because my name is on the bill that it is mine.

SENATOR LABEDZ: Then pray tell me when I introduced the amendment why did you refuse to sign the amendment?

SENATOR NEWELL: The amendment?

April 16, 1982

LB 412

SENATOR LABEDZ: The amendment that I introduced, I asked you if you were going to sign it at that time and you said, no, I will get Senator Carsten to sign it.

SENATOR NEWELL: Well, Senator Carsten was the Chairman of the committee that originally introduced the bill. But the bill, LB 740, the other amendment, Senator Labedz, but LB 412 is my bill. I introduced that personally. The books show that it is my bill. My name is on the bill. I don't care if you vote against the bill.

SENATOR LABEDZ: Thank you. Thank you.

SENATOR NEWELL: I just, you know, I want to put it off until after 816, that is what I am trying to do.

SENATOR LABEDZ: Thank you, Senator Newell.

PRESIDENT: The Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President, I have a question I guess of order or procedure to Senator Warner. Senator Beutler made the statement that there is \$10,000 appropriated in LB 412. I have been told that there is language that says, there shall be appropriated, or the language in 412 is intent that there be appropriation of \$10,000 but, in fact, nowhere is the money actually appropriated, that it would either have to have been in the budget bill or a separate A bill language to say that there shall be appropriated for this.

PRESIDENT: Are you asking Senator Warner?

SENATOR FOWLER: I am asking Senator Warner whether, in fact.....

PRESIDENT: Senator Warner, will you respond to that question?

SENATOR FOWLER:412 contains any appropriation.

PRESIDENT: The Chair recognizes Senator Warner for responding to that question.

SENATOR WARNER: Mr. President and members of the Legislature, Senator Fowler just called my attention and I would have to agree the words, "there hereby is appropriated" are not found in the bill, John. I don't know who drafted it for you but they messed it up.

April 16, 1982

LB 412

PRESIDENT: Senator Haberman and then I will come back to you, John. Senator Haberman, did you have anything at this point?

SENATOR HABERMAN: Mr. President and members of the Legislature, what I have to say I hadn't better say so I will wait till I cool off a little bit. Thank you.

PRESIDENT: Very wise. Senator DeCamp. Senator DeCamp, you may now...

SENATOR DeCAMP: Mr. President and members of the Legislature, the \$10,000 isn't any big concern in my opinion. It is an indication that there is a nominal sum. What I want to keep in existence is the formula, complete the court test on the formula itself, the concept. As long as there is a direction for the future I feel satisfied that the court is going to look at it. I can't think that they would use that as a pretext or basis for ducking something of this importance. Now as for Senator Beutler's point that that changes things somehow, I don't think he is right. I take the view that it requires 30 votes for the A bill no matter what. It isn't \$10,000 you have got to worry about, it is an additional \$45 million you put into a specific program, \$45 million above the Governor's budget and everything else into the foundation program on state aid. You have taken that money that was in personal property tax fund with 816, you specifically put it back into the general fund where it can be used by me or you or 25 members, 30 members for any project. We could build an alcohol plant. We could build a Vet School. We could do anything with it. It is back in the general fund. It is then appropriated out and put into a specific program, \$45 million in excess of the Governor's budget. So I contend it takes 30 votes anyway and I am not boxing you in. I think you have boxed yourselves in. I think an honest court would have to say that. I am hopeful that a fair Speaker will have to say 30 votes are required. Well, anyway.

PRESIDENT: Senator Dworak, did you wish to discuss the.... okay, I believe you are the only one, so we don't need to call the question, Senator. We are ready to close on Senator Newell's motion. Senator Newell, you may close.

SENATOR NEWELL: Mr. President and members of the Legislature, one thing Senator DeCamp and I have agreed on during this session and especially today is that LB 412 really ought to be put off, and that is what the motion is a request to bracket it behind LB 816. We will have an

April 16, 1982

LB 412, 488

opportunity to discuss all these other extraordinary aside issues at that time, but I think it would be in the best interests of this Legislature and the best interests of all if we put LB 412 off until after we know whether we need to deal with it.

PRESIDENT: Ready then for your motion. The motion then is the return of LB 412....yes, that's right the only motion is that you will take it up after 816. Is that right? It's just to defer it until after 816. All right, all those in favor vote aye, opposed nay. Record the vote.

CLERK: 26 ayes, 8 nays, Mr. President, on the motion to lay the bill over.

PRESIDENT: Motion carries, the bill is laid over. We will go on to the next bill and, Senator Lamb, would you preside, please, I do not preside on this next bill.

SENATOR LAMB PRESIDING

SENATOR LAMB: Is this bill too hot to handle? Senator Carsten, for what purpose do you arise?

SENATOR CARSTEN: Mr. President, point of clarification if I may. As I understand, the action that we just took changes the order that the Speaker has set for us. Does that only take 25 votes to change that order? That is my question.

SENATOR LAMB: Senator Carsten, I thought of that at the time but under the circumstances I did not object if the body wanted to do it with 25 votes and nobody else in the body objected to that procedure, I didn't feel strongly enough about it to object myself.

SENATOR CARSTEN: Mr. President and members, I guess if the body is comfortable with that decision, it is all right with me but I don't think that we really followed the rule as we have laid down for ourselves. That is all. Thank you.

SENATOR LAMB: The next bill is LB 488.

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

SENATOR LAMB: Read the motion, please.

CLERK: Senator VonMinden would move to return LB 488 to

April 16, 1982

LB 412

CLERK: Mr. President, Senator Beutler would....well...

PRESIDENT: I believe....oh, we are on 412, that's right, excuse me. 412.

CLERK: Mr. President, Senator....

PRESIDENT: 412 is next.

CLERK: Senator Beutler would move to return LB 412 to Select File for a specific amendment, that amendment being to strike the enacting clause. (Read LB 412 on Final Reading.)

PRESIDENT: All provisions of law having been complied with... okay, before we vote. Motion on the desk. Read the motion.

CLERK: Mr. President, Senator DeCamp would move to return LB 412.

PRESIDENT: He doesn't want it now, so, all provisions of law relative to procedure having been complied with, the question is, shall LB 412 pass? All those in favor vote aye, opposed nay. That is with the emergency clause attached at this point. This is with the emergency clause attached at this point requiring 33 votes. Record the vote.

CLERK: (Read the record vote as found on pages 2004 and 2005 of the Legislative Journal.) 19 ayes, 21 nays, 2 excused and not voting, 7 present and not voting, Mr. President.

PRESIDENT: LB 412 fails to receive the necessary votes to pass with the emergency clause attached. Now, Senator DeCamp, do you wish this motion before we take up the vote without the emergency clause attached?

CLERK: Mr. President, Senator DeCamp would move to return LB 412 to Select File for a specific amendment that amendment being to strike Section 5 of the bill.

PRESIDENT: Senator DeCamp.

SENATOR DeCAMP: Mr. President and members, obviously the motion is so I can talk on the bill. This is the bill, as you know, that contains just the continuation of that formula so that it can be tested. And it was my understanding that you were going to vote for this. Obviously, I am a little confused. Let me clear something up for Senator Warner that

April 16, 1982

LB 412, 868

he raised because he was the one that made it clear to me that they did want this test. Number one, even though the ten thousand is not appropriated, the case with the exact formula...these provisions, is already before the Supreme Court and it was accepted before the Supreme Court with no appropriations because it is for '82-'83. There have been no appropriations for that when they accepted it already. So that is covered. Additionally...additionally, and Charles Thone...or J. Lindstrom versus Charles Thone, 209 Nebraska 783, 1981, the scholarship award program was established in 1978 and money was appropriated that year. The next two years no money was appropriated but the court still went ahead and decided the issue. 77-3612 as amended by 412 says for fiscal year 1982-'83 the Legislature shall appropriate \$10,000. That can be done in January. It can be done at a special session. It could be done by a deficit appropriation if necessary. The whole point is this does cause the continuation of that case to finish up in the Supreme Court and I would think that you would want to do that if you really wanted to know what the limitations on the Legislature were. So, I would urge you to pass the bill and complete the test. That is what I thought you wanted and promised. I withdraw the motion.

PRESIDENT: All right, motion is withdrawn. Is there anything further on the bill? All right, the question now is shall LB 412 pass without the emergency clause attached? All those in favor vote aye, opposed nay. I remind everybody we are on Final Reading. This has been a long day, I realize, and will get longer. Record the vote.

CLERK: (Read the record vote as found on page 2005 of the Legislative Journal.) 27 ayes, 20 nays, 1 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 412 passes without the emergency clause attached. The next bill on Final Reading is LB 868.

ASSISTANT CLERK: (Read LB 868 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? All those in favor vote aye, opposed nay. It is with the emergency clause attached. All those vote aye, opposed nay. Record the vote.

CLERK: (Read the record vote as found on page 2006 of the Legislative Journal.) 45 ayes, 0 nays, 1 excused and not voting, 3 present and not voting, Mr. President.

11001

April 16, 1982

LB 412, 761, 799A, 816,
816A, 868, 933

they are vital, and we believe they should be maintained. I ask for the override and replacement of \$40,000 in Program 292.

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Call the question.

SENATOR CLARK: The question has been called for. Do I see five hands? I do. Shall debate now cease? All those in favor vote aye, opposed vote nay. Voting on ceasing debate. Record the vote.

CLERK: 29 ayes, 0 nays, Mr. President.

SENATOR CLARK: All right. Senator Koch, you don't have any closing? There is no opposition there. All those in favor of the override on Senator Koch will vote aye, opposed vote nay.

CLERK: Senator Clark voting no.

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

CLERK: (Read the record vote as found on page 2015 of the Legislative Journal.) 22 ayes, 22 nays, Mr. President, on the motion to override.

SENATOR CLARK: The motion lost. The next motion.

CLERK: Mr. President, if I may right before that, most of the bills that were read on Final Reading are now ready for the President's signature.

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: While the Legislature is in session and capable of transacting business I propose to sign and I do sign enrolled LBs 816, 816A, 799A, 412, 933 and 868. We have one other bill which I think there is a motion on, Mr. Clerk, that I cannot....there is a motion on it I believe. I proposed to sign but I believe you told me there is a motion.

CLERK: There is a motion filed, Mr. President, yes.

PRESIDENT: Would you read the motion on that bill before I sign it?

April 16, 1982

404, 404A, 488, 547, 602,
602A, 868, 761, 787, 799,
816, 816A, 799A, 412, 933

PRESIDENT: Go ahead Mr. Clerk.

CLERK: Mr. President, I would like to read a couple of items in if I may.

PRESIDENT: All right, go ahead and read some matters in.

CLERK: Senator Hefner offers explanation of vote.
(Regarding LB 868, see page 2017 of the Legislative Journal).

I have two notices of bills having been presented to the Governor. (Regarding LB 761 and 787. See page 2017 of the Legislative Journal).

Mr. President, Senator Fowler would move that the Legislature would override the line-item reduction that reduces the appropriation from the Highway Cash Fund to the Department of Roads Operation Cash Fund.

PRESIDENT: Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President, if I could have some attention I'll briefly explain with the issue is in the veto here.

PRESIDENT: (GAVEL)...either they are all out or they are all paying attention so go ahead.

SENATOR FOWLER: Among the vetoes was three and a half million dollars in highway funds. Now, if there is anything I think that has been a priority in the Legislature, it has been and something that many people from outstate Nebraska said is a growing need is money for roads. Now the level of appropriation that we established is based on the Department of Roads request for what they felt was necessary and I think they cut that back from what they really feel is needed to build a good highway system in Nebraska. Now the Governor for reasons that I can not quite understand vetoed three and a half million dollars in highway funds. The only rationale that I can determine is that it is to maintain the gas tax at the current level. Now three and a half million dollars is a 3.2% cut in the state funds for the road construction program. The reason it was does is that revenues in the highway fund as revenues in all other funds in the state are low. What I do not understand is when we have raised every other conceivable tax and fee to make up for a lack of revenue suddenly when we get to the roads program and the gas tax and the variable gas tax that

October 30, 1981

LB 7, 8, 204, 412

the interim period. I have appointment letters from the Governor....a series of appointment letters from the Governor appointing certain officials to certain state agencies. Those, of course, will be referred to the Reference Committee. (See pages 21 through 30 of the Legislative Journal.)

Mr. President, in addition to that I have several Attorney General's Opinions. One addressed to Senator Beutler, one to Senator Wagner regarding 204, one to Senator Warner regarding LB 412, one to Senator Beyer and one to Senator Wagner, and another to Senator Hefner. (See pages 30 through 39 of the Legislative Journal.)

Mr. President, I have a Reference Report referring certain gubernatorial appointments to the appropriate standing committees. I have a Reference Report referring LBs 7 and 8. (See page 41 of the Legislative Journal.)

Mr. President, I have a statement from the Appropriations Committee regarding their scheduling of public hearings for Monday and Tuesday of next week in Room 1517 of the State Capitol Building. (See pages 40 and 41 of the Legislative Journal.)

Mr. President, I have a notice of hearing from Public Health and Welfare Committee on a gubernatorial appointment. (See page 42 of the Legislative Journal.)

PRESIDENT: All right, there is a motion on the desk.

CLERK: Mr. President, Senator Wesely has moved to rerefer LB 7 from the Judiciary Committee to the Public Health and Welfare Committee.

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Thank you. Mr. President and members of the Legislature, LB 7, although none of us have had a chance to look at it, deals with the question of the expansion on the call for a special session dealing with ADC and with the other welfare changes that we have to make to comply with federal statutes. Now we have been dealing in the Public Health and Welfare Committee with this issue now for as long as that committee has been in existence and we have been working closely on the block grants question and we have been involved in this area, yet the Reference Committee has taken it upon themselves to refer this bill to the Judiciary Committee which makes no sense at all in my mind. I don't understand why there was any reason to do that. I don't