

January 20, 1981

LB 3, 278, 468-489

CLERK: Mr. President, new bills. (Read LB 468-489 as found on pages 291-297 of the Legislative Journal.)

Mr. President, your committee on Urban Affairs gives notice of public hearing for February 4, 11 and 18, 1981.

Mr. President, the Business and Labor Committee would like to meet underneath the North balcony at 2:00 p.m.

Mr. President, Senator Chronister would like to have his name added to LB 3 as co-introducer.

SPEAKER MARVEL: No objection? So ordered.

CLERK: Mr. President, Senator Warner offers proposed rules change which will be submitted to the Rules Committee for their consideration. (See pages 298-300 of the Journal.)

Mr. President, Senator Wesely gives notice of Rules hearing scheduled for January 27.

Mr. President, Senator Hefner and Howard Peterson want to add their name to LB 278.

SPEAKER MARVEL: No objection? So ordered.

CLERK: Mr. President, I believe that is all that I have.

SPEAKER MARVEL: Senator Rumery, do you want to recess us until three-thirty?

SENATOR RUMERY: One-thirty?

SPEAKER MARVEL: Three-thirty. The motion is to recess until three-thirty. All those in favor say aye, opposed no. The motion carried. We are recessed until three-thirty.

Edited by:


Mary A. Turner

February 24, 1982

LB 335, 378, 395, 399, 461,
464, 480, 586, 621, 759, 793, 810,
907, 918

Mr. President, your Committee on Retirement Systems whose Chairman is Senator Fowler reports LB 395 indefinitely postponed, 399 indefinitely postponed, 461 indefinitely postponed, 464 indefinitely postponed, 810 indefinitely postponed.

Senator Vickers offers proposed rules change. That will be referred to the Rules Committee. Senator Clark would like to print amendment to LB 759. Your Committee on Revenue reports 480 advanced to General File with amendments, and 793 General File with amendments, both signed by Senator Carsten as Chair. Your Committee on Banking reports 621 advanced to General File, 586 indefinitely postponed, 907 indefinitely postponed, 918 indefinitely postponed. All signed by Senator DeCamp. Senator Wesely would like to print amendments to LB 378 in the Journal, Mr. President, and Senator Richard Peterson amendments to 378 in the Journal. (See pages 839 through 844 of the Journal.)

Mr. President, with respect to 335, we have pending an amendment offered by Senator Landis. I understand he has an amendment to that amendment.

SENATOR CLARK: Read the amendment.

CLERK: (Read the Landis amendment as found on page 844 of the Legislative Journal.)

SENATOR CLARK: Senator Landis.

SENATOR LANDIS: Thank you. This amendment to my amendment does what it was I told you I wanted to accomplish. I appreciate the assistance of those in the lobby and those on the floor who helped to redraft it to capture this idea. It is exactly the idea I told you before, but I had unfortunately not caught the one section of the language that I was offering and its implications. That was brought to my attention, after having had my head stoved in by a two by four to get my attention, I was a little recalcitrant and voices got a little high and tempers ran a little hot. But this amendment puts the 335 language in this form. The child abuse, the law stays the way it was prior to 335. Obligations to report remain the same, and that means everybody reports. This amendment then goes back to the principle that I enunciated before, for adult abuse the privileges that we previously passed would apply to the adult abuse sections. Those privileges are the attorney, client, the clergy, the physician patient,

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LB 678, 522, 480, 845

the amendment is inserted, "except sales of motor vehicle fuel of less than one hundred dollars shall be accompanied by a delivery ticket containing the following information:", so you would have if fuel oil or heating fuel is delivered in the bulk in excess of \$20, you would still have to issue a delivery ticket. Am I clear?

SENATOR HOAGLAND: I think. In other words, it wouldn't change the law with respect to bulk deliveries of heating fuel by taking that language out?

SENATOR HEFNER: I don't believe so according to the information that I have.

SENATOR HOAGLAND: Thank you, Senator Hefner.

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

CLERK: 34 ayes, 0 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: Motion is carried. The bill is advanced. Senator Duda, would you like to recess us? Go ahead. The Clerk has an item and then we will.

CLERK: Mr. President, Senators Cullan would like to add his name to 522 as co-introducer; Senator Sieck to 480; and Senator Hoagland to 845.

SPEAKER MARVEL: Hearing no objections, so ordered.

CLERK: That is all that I have, Mr. President.

SENATOR DUDA: Mr. President, I move that we recess until one-thirty.

SPEAKER MARVEL: Okay, and then we will come back and do some more work from one-thirty to three-thirty. So the motion is to recess. All those in favor of that motion say aye, opposed no. We are recessed to one-thirty.

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

March 16, 1982

LB 909, 480

SENATOR CLARK: Senator Dworak.

SENATOR DWORAK: Well, Mr. Speaker, I think it takes a lot of audacity for a Senator to bring a bill on the floor of the Legislature that doesn't cost any money and it is non-controversial and I am immediately suspect.

SENATOR CLARK: Is there any further debate? If not, the question before the House is the advancement of 909. All those in favor vote aye, opposed vote nay.

ASSISTANT CLERK: Senator Clark voting yes.

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

ASSISTANT CLERK: 25 ayes, 0 nays on the motion to advance the bill.

SENATOR CLARK: The bill is advanced. We go to LB 480.

CLERK: Mr. President, LB 480 is a bill introduced by Senators Hoagland, Beyer and Sieck. (Read title.) The bill was first read on January 20th of last year. At that time, Mr. President, it was referred to the Revenue Committee for hearing. The bill was advanced to General File. There are Revenue Committee amendments pending.

SENATOR CLARK: Senator Carsten on the committee amendments.

SENATOR CARSTEN: Mr. President, I would move for the adoption of the committee amendments. LB 480 was introduced as the Clerk has said last year, and because of the contents of the bill, the committee felt that it should be studied through the interim and was, and as a result, you have before you the committee amendments as was dictated by the interim study. The committee amendment does basically three things. First it transfers to the surviving spouse...transfers to the surviving spouses are exempted from the inheritance tax and this is the same as the federal estate tax law. Second, the provision regarding inclusion of gifts made within three years prior to the death is modified to conform to the federal estate tax law. That is transfers requiring filing of a federal gift tax return only would be included in the estate for tax purposes. And, thirdly, various obsolete language relating to county's use of inheritance tax receipts and other miscellaneous items in the inheritance and estate taxes is repealed. This basically brings this bill into compliance and in accordance with the federal level and I again would move for the adoption of these amendments.

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LB 480

SENATOR CLARK: Senator Hoagland, did you want to talk on the committee amendments?

SENATOR HOAGLAND: No, I would like to talk on the bill, Senator.

SENATOR CLARK: All right. Senator Vickers, do you want to talk on the committee amendments? Senator Beyer, the committee amendments. All right, the question before the House ten is the adoption of the committee amendments. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

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

CLERK: 28 ayes, 0 nays, Mr. President, on adoption of the committee amendments.

SENATOR CLARK: The committee amendments are adopted. Senator Hoagland on the bill.

SENATOR HOAGLAND: Mr. President, colleagues, I appreciate greatly the time the Revenue Committee has spent on this issue, last session, over the interim, and this session. I think it is an excellent bill. As Senator Carsten indicated, what the bill does principally in its current form now with the committee amendments is to conform the Nebraska inheritance tax statutes to the federal inheritance tax statutes, in particular by exempting interspouse transfers from the county inheritance tax, and what that means in short is if you have two living spouses and one of them passes away, there will be no inheritance tax on the portion that goes to the surviving spouse. The current version of the bill does not change the inheritance taxes that are payable when the final surviving spouse passes away and that property is then passed on down to various family members. Now on Select File, we are going to have two categories of amendments. First we are going to have some technical amendments that we are working out with the Nebraska Bar Association and others which will have the effect of making technical changes that may be necessary, and also presenting a substitute provision so that there will not be a lien on the property that will have to be removed by hiring an attorney and paying him three to seven hundred dollars in attorney fees in situations where there is no taxes due between spouses. On Select File we will present a mechanism for doing away with a lien in that particular limited circumstance. Also on Select File, we may consider some substantive amendments, and if we do that, why we will consult with a number of people

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LB 480

in advance and publish them in the Journal. Mr. President, I would like to yield the rest of my time to Senator Beyer, if I might, the cosponsor of this measure.

SENATOR CLARK: Senator Vickers. Senator Beyer.

SENATOR BEYER: Mr. Speaker and colleagues, this bill through a lot of effort of a lady in my district, Mrs. Doris Royal, who worked real hard on the federal income tax and has put quite a bit of time into this is to help clarify some of the aspects of the federal and the state inheritance tax. It is an improvement to the inheritance tax for something that people have worked real hard for and have paid income tax all the way through and then end up having to give most of their estate away in the inheritance tax angle. So I am in support of this and we will have amendments on Select File. Thank you.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President, members of the Legislature, I need to ask Senator Hoagland a question and I also need to then not only in the process of asking Senator Hoagland a question, I need to explain a little bit about how this bill came out of committee and I think that that is important. I think it is fair to say, Senator Hoagland, that this bill was near death in the committee. Senator Peterson, Senator Kahle, and myself, Senator Burrows were not anxious to deal with this complex issue this year nor were we anxious to make some of the changes that your bill originally proposed, but because you created, you made it a priority bill, because it was important to you, and because we did agree with some of the provisions, basically the committee said that they would put the bill out with an understanding that they would not want to see it drastically amended. Now your comments about amending it on Select File have greatly perked my interest because in fact it was me, it was I, who begged the committee not to try to deal with it, to allow you to have your bill, and if you come in with substantial changes in the bill, that the committee itself, and I think the committee is the criteria here because there is a question of faith, at least on my part. I represented you in the committee, maybe not with your understanding or your agreement but at the time you would have been darned please to have that representation to get the bill out, and I guess that I would worry more about what kind of amendments you are proposing. The bill came out, we were in agreement with the bill the way it is now. If you could elaborate a little more on what you want to do and assure us more, assure me personally that you are not

planning to make tremendous changes and that you are only making those changes with the committee's concurrence, then I won't talk this bill to death. Otherwise, I might be encouraged to do that.

SENATOR HOAGLAND: Senator Newell, I know your concerns are the fact that the inheritance tax provides considerable revenue to the counties around the state, and Senator Peterson and Senator Kahle having had the experience they have had in local government, I know are concerned about preventing the counties from having that revenue source. My concerns are twofold, first we have talked before about the lien problem. Whenever one spouse of a marriage dies, when the two spouses own real estate, the lien has to be removed. Even though in nine cases out of ten there is no inheritance tax due, an attorney still has the opportunity to charge them three to five hundred dollars to have the lien removed and that is one of the reasons I brought the bill in initially. What I am going to try to do on Select File, number one, is to see if we can't resolve that problem because the administrative costs considerably exceed revenues to the counties and, secondly, we also, Senator Beyer and Sieck and I intend to take a look at the exemptions, but let me assure you that any amendments that we present on Select File will not have a significant effect on the amount of revenue the counties are getting. We are looking at other problems and it is not our interest to deprive counties of much needed revenue in these years of fiscal shortage.

SENATOR NEWELL: Well, I wish we would have talked and I guess that is a mistake that you always make when you are busy and you have got other things to do. We could have talked and tried to get some sort of an understanding of what this is going to be. Senator Hoagland, I would encourage you just to take the bill as it is because that is the conditions in which we let this bill out of committee, and I can assure you, I would urge you to go back and negotiate it with committee members because, again, that is the criteria. I will let it go to Select File but, boy, I will tell you, I feel uneasy about this. This is the place if you are not willing to negotiate now and if you are not willing to compromise now, after it moves off of here, I am sure that you are not going to be as willing, and if you can't give me those assurances...

SENATOR CLARK: You have thirty seconds.

SENATOR HOAGLAND: Well, Senator Newell, let me say this, frankly, Senator Sieck, Beyer, and I have not had an

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LB 480, 202

opportunity to meet to decide what shape we would like to see the bill take on Select File. We would be happy to include you and any member of the Revenue Committee in any meetings that we have to determine what further we should do with this bill if anything.

SENATOR NEWELL: I would hope you wouldn't do much further with the bill. We like the bill the way it is and that is the condition or was the condition of whether you could get it or not. I will stop talking now and let you move the bill and I probably will regret it.

SENATOR CLARK: Your time is up. You can judge yourself accordingly. We have about five and a half minutes on the bill. Senator Vickers.

SENATOR VICKERS: The question.

SENATOR CLARK: You want to call the question. The question before the House is shall debate now cease? All those in favor vote aye, opposed vote nay after I see five hands.

CLERK: Senator Clark voting yes.

SENATOR CLARK: We are voting on ceasing debate. Have you all voted on ceasing debate? Record the vote.

CLERK: 25 ayes, 4 nays to cease debate, Mr. President.

SENATOR CLARK: Debate has ceased. Senator Hoagland, do you wish to close?

SENATOR HOAGLAND: We will waive closing, Mr. President.

SENATOR CLARK: All right, the question before the House is the advancement of the bill. All those in favor will vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: 29 ayes, 0 nays, Mr. President, on the motion to advance the bill.

SENATOR CLARK: The bill is advanced. Take up LB 835.

CLERK: Mr. President, a couple of items before that if I may. Senator DeCamp would like to print amendments to LB 202.

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LR 249, 250, 256
LB 480, 571, 602, 609A, 688,
787, 799, 835, 854, 854A, 868, 909

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by the Reverend John Ross, Pastor of Faith Lutheran Church in Seward, Nebraska.

REVEREND JOHN ROSS: Prayer offered.

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

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

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

CLERK: I have no corrections, Mr. President.

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

CLERK: Mr. President, LR 249 and 250 are ready for your signature.

PRESIDENT: While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LR 249 and LR 250.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 854 and recommend that same be placed on Select File with E & R amendments; 854A Select File with E & R amendments; 909; 480; 835; 688; 799; 868; 602 and 787, all placed on Select File, Mr. President. (Pages 1227-1280.)

Mr. President, I have a new resolution, LR 256 offered by Senator Nichol and many of the members. (Read LR 256 as found on pages 1280 through 1283 of the Journal.) That will be laid over, Mr. President.

Mr. President, new A bill, LB 609A offered by Senator Marsh. (Read title for the first time.)

Mr. President, I have a report from the Buildings and Grounds Commission on proposed lease renewal for the Department of Correctional Services, and the Nebraska State Highway Commission files their quarterly report.

PRESIDENT: We are ready then to immediately go to Final Reading, agenda item #4 commencing with LB 571. Would the Sergeant at Arms secure the Chamber and make sure that all members are at their desks, and all other unauthorized

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LB 522, 568, 688, 652, 480,
428, 626, 571, 573,

CLERK: (Roll call vote.) 27 ayes, 18 nays, and 4 excused and not voting. (Vote appears on pages 1311-12 of the Legislative Journal.)

PRESIDENT: Motion carries and LB 522 is advanced to E & R for Engrossment. Next bill is LB 568. Senator Nichol, are you ready? Not ready, so there are some amendments being worked on, as I understand. Do you want it just passed over until you get those amendments?

CLERK: Mr. President, Senator Beutler would like to print amendments to LB 688 in the Journal. Senator Fowler amendments to LB 652. Senator's Hoagland, Beyer and Sieck to LB 480. Senator Hoagland to 687.

Mr. President, your committee on Enrollment and Review respectfully reports that they have carefully examined and engrossed LB 428 and find the same correctly engrossed. 571, 626 all correctly engrossed.

PRESIDENT: Before we get started on the next bill, one announcement from Senator Lamb that we will work up till 4:00 p.m., just so you know about what time we are planning on adjourning. Secondly, Senator Wiitala would like us to greet some friends of his from Senator Dworak's district, Darrel and Judy Nelson and their son's John and Darren. They are located under the north balcony. Would the Nelson's stand up and be recognized. Welcome to your Legislature. Welcome, Nelson's. We are ready now, Mr. Clerk, for the next bill on Select File. Are there any E & R amendments?

CLERK: There are E & R amendments to LB 573, Mr. President.

PRESIDENT: Chair recognizes Senator Kilgarin.

SENATOR KILGARIN: I move we adopt the E & R amendments to LB 573.

PRESIDENT: Motion to adopt the E & R amendments to 573. Any discussion? All those in favor of adopting the E & R amendments on LB 573 signify by saying aye, opposed nay. The E & R amendments are adopted. Are there other amendments, Mr. Clerk?

CLERK: Senator's Wesely and Kremer would move to amend the bill, Mr. President. The amendment is on page 1099 of the Journal.

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LB 89A, 480, 799A, 903,
903A, 928

All those in favor signify by voting aye. Opposed nay.
The bill is advanced. Would you like to read in something,
Mr. Clerk?

CLERK: Yes, sir, I would. Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 799A and recommend that same be placed on Select File; 903 and 903A, all placed on Select File, Mr. President. (See page 1776 of the Legislative Journal.)

Mr. President, Senator Marsh would like to print amendments to LB 89A in the Legislative Journal. (See pages 1775 and 1776 of the Journal.)

SENATOR NICHOL: We will move on to LB 480. Senator Hoagland, are you going to take this?

CLERK: Mr. President, we have E & R amendments to the bill.

SENATOR NICHOL: Senator Kilgarin.

SENATOR KILGARIN: I move we adopt the E & R amendment to LB 480.

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

CLERK: Mr. President, Senators Hoagland, Beyer and Sieck would move to amend the bill and that amendment is on page 1314 of the Journal.

SENATOR NICHOL: Senator Hoagland.

SENATOR HOAGLAND: Mr. President and colleagues, Senators Beyer, Sieck and myself are moving to make a couple of final changes in LB 480 before we advance it, before we hope the body advances it to Final Reading. Let me say at the outset that these amendments have been agreed upon substantively by the County Attorneys' Association and we have also had some representatives of the Bar Association that have given these amendments technical approval. What the amendments do basically is rewrite the current provision of the law which provides that interspousal transfers shall not be subject to the inheritance tax in Nebraska. That is Section 1 of the amendments. The other two sections of the amendments take out the lien on real property for situations where two spouses are living and jointly own a home and one spouse dies and all of the interest in property goes to the surviving spouse. In circumstances of that sort, there is no lien either under the county inheritance tax or the

state estate tax under these amendments. So basically what these amendments do is refine the bill that was adopted on General File which simply abolishes the county inheritance tax in interspousal transfers. When Senator Beyer and I introduced this bill, we were concerned not only about the inheritance tax which was originally enacted in 1901 which is basically an antiquated tax with an antiquated collection system, and which has been superseded in many respects by all the subsequent forms of taxation that has since been developed at the state and federal level. In 1901 when the county inheritance tax was adopted, there was no state sales or income tax, there was no federal income tax. There really in the last 80 years, needless to say, have been enormous changes in the taxation system. Senator Beyer and I thought it was a time to take a hard look at whether we should continue with the county inheritance tax particularly in view of the fact that every time a person dies who has an interest in real estate a lien is placed on that real estate which lasts for 10 years, and an attorney has to be hired if that lien is to be removed within 10 years to prepare what is called inheritance tax determination. In approximately nine out of ten cases there are no taxes due but nonetheless an inheritance tax determination has to be prepared and given to the county judge who then signs an order indicating no inheritance taxes are due. The fees for such an inheritance tax determination can range anywhere from \$80 to \$100 to up to \$500 or \$1000 depending on the complexity of the estate. This bill was heard by the Revenue Committee and it was a subject of an interim hearing over the summer and the fall, and I think everyone has pretty much agreed that rather than abolish the entire inheritance tax because the revenue loss to the counties would be \$7.5 million approximately, we would do better to abolish it in approximately one-half of the circumstances, that is the interspousal transfers and at the same time abolish the liens that encourage these unnecessary attorney fees in so many instances. So let me just say in closing that never let it be said that all the lawyers do is bring bills into this body that increase legal fees. This is a significant bill which will significantly decrease legal fees, the cost of administering the county inheritance tax which far exceeds the revenue gained by the counties on an annual basis. Any of the three of us, Senator Sieck, Beyer and I would be pleased to attempt to answer any questions anyone might have. We would ask for the adoption of these amendments.

SENATOR NICHOL: Senator Sieck.

SENATOR SIECK: Mr. President and members of the body, I wish

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LB 480

to thank Senator Hoagland for bringing this bill forward. Two years ago I had a bill in Revenue Committee to start the process in this area. We floundered because it wasn't written well and it didn't really get out what we wanted to say, and so they had an interim study on it and this is what came from it. This is something that the Senior Citizens Unicameral has adopted and pushed forward. I do feel that it isn't necessary for collecting inheritance tax from one spouse and then collect it again from the next spouse. It should be transferred over to when it goes to the next generation. In other words, we are paying twice and I feel that this is wrong. So I am going to support this bill with the amendment because the amendment does take some cost out which is unnecessary for those who do not have an estate where there will be a lien put on the property. I don't feel that we should be doing this and as Senator Hoagland said, this is one time the attorneys are coming in here taking some costs out for the attorneys, which is good. So I am going to support the amendment.

SENATOR NICHOL: Senator Kahle.

SENATOR KAHLE: Senator Hoagland, would you perhaps answer a question for me? You mentioned the fees that would be saved. Is there any tax loss in this process to the counties?

SENATOR NICHOL: Senator Hoagland.

SENATOR HOAGLAND: Senator Kahle, there undoubtedly will be some loss of revenue. We have been unable to compute that and we do not believe it is going to be significant. Most of the seven plus million dollars collected on the average annually from this tax will continue to be collected.

SENATOR KAHLE: How are you going to determine when you have a small estate that would not require probate, or a large estate? Who is going to determine that? How do you go about knowing that?

SENATOR HOAGLAND: Well, in a situation where the property is jointly owned, Senator Kahle, by a husband and wife with right of survivorship, if either spouse dies, the home, that real estate automatically transfers to the surviving spouse, as you know.

SENATOR KAHLE: Yes.

SENATOR HOAGLAND: Now in that situation the provision of the amendment here, interests passing to the surviving spouse by will or in any other manner shall not be subject to tax, will take effect.

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SENATOR KAHLE: But I am talking about the small estates when the last spouse dies and you have no probate, or whatever the technical term is for that. How do you determine when it's that small when you don't need to probate it?

SENATOR HOAGLAND: Well, that would be the current situation, Senator Kahle, and in that situation which can happen today, of course, why a lien automatically attaches to the property and if the property is put on the market, why then for the purchasers to obtain clear title there has to be an inheritance tax determination completed and a judge signing an order indicating either no taxes are due or the taxes have been paid.

SENATOR KAHLE: That is when the transfer comes from whoever the heirs might be or whoever it has been willed to.

SENATOR HOAGLAND: Well, it is triggered by an attempt to sell the property.

SENATOR KAHLE: But not till then.

SENATOR HOAGLAND: Yes, not till then.

SENATOR KAHLE: If the family hangs onto the property and does not sell it, then there is no settlement.

SENATOR HOAGLAND: If the family hangs onto the property for over ten years, in no event does this lien last longer than ten years under current law.

SENATOR KAHLE: So are you telling me that if the children of the family did not settle the estate, just paid the taxes, didn't change the title, that after ten years there would be no.....

SENATOR HOAGLAND: No means of enforcing it, that's right.

SENATOR KAHLE: How would you get the title straightened up then if you wanted to sell it? It would be in the wrong name.

SENATOR HOAGLAND: Well, the estate would....the title, the property would have to be sold by the representative of the estate.

SENATOR KAHLE: What if you never established a representative of the estate? What would force the thing to be brought to some sort of an action is what I am trying to get at in case of the death of the owner if you don't have a probate system?

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SENATOR HOAGLAND: Well, if it is a small estate so it is not subject to federal or state estate taxes, perhaps nothing.

SENATOR KAHLE: Well, I guess my concern is I don't quite understand, you say there won't be an attorney involved and that sounds good to me. I guess I am wondering how you accomplish what has to be done without the process. Can you explain that to me?

SENATOR HOAGLAND: Yes. Let me clarify that, Senator Kahle.

SENATOR NICHOL: One minute.

SENATOR HOAGLAND: Currently if there is any interest in real estate by a person who passes away, a lien attaches and before that property can be sold you have to hire an attorney for purposes of preparing an inheritance tax determination to show the county judge there are no taxes due. Now if this bill passes, there will be no lien in situations where the surviving spouse gets all the real estate, so you won't have to hire an attorney for that specific purpose of preparing an inheritance tax determination to show the county judge there are not taxes due so the lien can be removed. But you will still have to hire an attorney for other purposes.

SENATOR KAHLE: So it is just between the two spouses you are talking about.

SENATOR HOAGLAND: Yes. We are abolishing the inheritance tax only where one of two surviving spouses dies.

SENATOR KAHLE: But when the second spouse finally gives up the ghost, or whatever, then it does have to have a lien process?

SENATOR HOAGLAND: Then we are back right where we are now.

SENATOR KAHLE: Okay, I think I understand it.

SENATOR NICHOL: Senator Hoagland, are you going to close on the amendment?

SENATOR HOAGLAND: I will waive closing, Mr. President.

SENATOR NICHOL: The question is the adoption of the amendment by Senators Hoagland, Beyer and Sieck. All those in favor signify by voting aye, opposed nay.

CLERK: Senator Nichol voting yes.

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LB 480, 799

SENATOR NICHOL: It takes 25 votes. Please vote. Record, Mr. Clerk.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of Senator Hoagland's amendment.

SENATOR NICHOL: The amendment is adopted. We have nothing else on the bill, Senator Hoagland.

SENATOR HOAGLAND: I would move to advance the bill as amended.

SENATOR NICHOL: The question is the advancement of the bill as amended. All those in favor signify by saying aye. Those opposed say no. The bill is advanced. We will move on to LB 799. Senator DeCamp. Just a minute. Mr. Clerk, do you have anything?

CLERK: No, I don't have anything to read in, Senator. Mr. President, with respect to 799 there are E & R amendments, first of all.

SENATOR NICHOL: Senator Kilgarin, the E & R amendments to 799.

SENATOR KILGARIN: I move we adopt the E & R amendments to LB 799.

SENATOR NICHOL: All those in favor of adopting the E & R amendments please say aye. Opposed nay. They are adopted.

CLERK: Mr. President, the first amendment I have to the bill is by Senators Wesely, Haberman, DeCamp and Schmit. It is Request 2835. You will find it in your bill book, Mr. President.

SENATOR NICHOL: Senator DeCamp, are you going to carry that?

SENATOR DeCAMP: Yes. Mr. President, members of the Legislature, so you know in advance a couple things, one, there is no severance tax and no intended severance tax and no intended severance tax increases involved in any way in this amendment. What occurred in the Banking Committee which handled this bill, actually LB 738 which was the main energy bill, was that in return for putting it out, Senator Clark, Senator....well all the members of the Banking Committee made me pledge on Bibles and everything else that if it went out in this precise and exact form and no other amendments were attempted by me, they would put it out and try to do the main things on energy that we could find agreement on. Those main things are to try to provide some development to the

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LB 761, 754, 807, 970,
970A, 531, 480, 591,
629, 629A

CLERK: Mr. President, your Enrolling Clerk has presented to the Governor the bills that were read on Final Reading this morning (LBs 761, 754, 807, 970, 970A and 531).

Your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 480 and find the same correctly engrossed, 591 correctly engrossed, 629 and 629A all correctly engrossed.

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LB 568, 480, 591, 629, 629A

ASSISTANT CLERK: (Reading of LB 568 on Final Reading continued.)

SENATOR CLARK: Will you get back in your chair please? These are not my rules, they are the rules of the Legislature and we have to abide by them if we are to have any decorum at all. The Clerk will continue.

ASSISTANT CLERK: (Reading of LB 568 on Final Reading continued.)

SENATOR CLARK: All provisions of law according to procedure having been complied with, the question is, shall the bill pass? All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

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

CLERK: (Record vote read. See pages 1917 and 1918, Legislative Journal.) 44 ayes, 2 nays, 3 excused and not voting, Mr. President.

SENATOR CLARK: The bill is declared passed on Final Reading. We now have to have a motion to read the next four bills, to suspend the rules. Senator Lamb. The only bill we are not going to read is 591 I understand. Senator Landis.

SENATOR LANDIS: Mr. Speaker, I would just request consent to pass over 591 and not include it in the motion to suspend the rules.

SENATOR CLARK: Do you want to read it today?

SENATOR LANDIS: No, that is all right.

SENATOR LAMB: Mr. President and members, I move to suspend Rule 6, Section 7, to permit consideration on Final Reading of LB 480, 591, 629, and 629A.

SENATOR CLARK: We are not going to read 591. He wants to pass over that one.

SENATOR LAMB: It takes 30 votes though to overrule the Speaker's order.

SENATOR CLARK: All right, you heard the motion. Senator Landis.

SENATOR LANDIS: I would like if I could...this is a motion to suspend, is that right?

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LB 480

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

SENATOR CLARK: Read the motion.

CLERK: Senator Vard Johnson would move to return LB 480 to Select File for a specific amendment.

SENATOR CLARK: Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, this amendment that I am offering is not being offered for the purpose of defeating this bill but rather for just clarifying a point that I quickly discussed with Senator Hoagland. On page 4, line 12 of the bill there is a reference to the Internal Revenue Code of 1954 as amended, and I assume Senators Hoagland, Beyer and Sieck, that language means the Internal Revenue Code as amended as of the effective date of that particular section of the act, the effective date of that particular section is December 31st, 1982. Would that be correct, Senator Hoagland?

SENATOR HOAGLAND: Yes....

SENATOR CLARK: Senator Hoagland.

SENATOR HOAGLAND:that is our intent, Senator Johnson, and I appreciate your having brought this to our attention.

SENATOR V. JOHNSON: Okay. So if the Internal Revenue Code of '54 is amended subsequent to December 31, 1982 those new changes do not affect our own inheritance tax law?

SENATOR HOAGLAND: That is correct.

SENATOR V. JOHNSON: Okay, thank you, Senator Hoagland, and with that I would ask unanimous consent to withdraw my motion.

SENATOR CLARK: It is withdrawn.

SENATOR V. JOHNSON: Thank you. The Clerk will read 480.

CLERK: (Read LB 480 on Final Reading).

SENATOR CLARK: (Gavel). Once again, we have got to get back in our seats, please. Everytime you get out of your seats I get five telephone calls up here to call you back. The Clerk will continue.

CLERK: (Continued reading LB 480).

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LB 480, 629, 629A

SENATOR CLARK: All provisions of law according to procedure having been complied with, the question is, shall the bill pass? All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

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

CLERK: (Read the record vote as found on page 1919 of the Legislative Journal.) 44 ayes, 1 nay, 3 excused and not voting and 1 present and not voting, Mr. President.

SENATOR CLARK: The bill is declared passed on Final Reading. The Clerk will now read 629.

CLERK: (Read LB 629 on Final Reading.)

SENATOR CLARK: 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 vote nay.

CLERK: Senator Clark voting yes.

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

CLERK: (Read record vote. See page 1920, Legislative Journal.) 40 ayes, 7 nays, 2 excused and not voting, Mr. President.

SENATOR CLARK: The bill is declared passed on Final Reading. The Clerk will now read 629A.

CLERK: (Commenced Final Reading of LB 629A.)

SENATOR CLARK: All unauthorized personnel will leave the floor please. The Clerk will continue.

CLERK: (Continued Final Reading of LB 629A.)

SENATOR CLARK: 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 vote nay. It takes 30 votes.

CLERK: Senator Clark voting yes.

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

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I mean a roll call vote.

SENATOR CLARK: (Interruption) a record vote and a roll call vote.

SENATOR NEWELL: You know, I have changed my mind. I would like to have people vote for this resolution. The more I think about it, Senator Chambers has a good point.

SENATOR CLARK: Well, we are talking about a roll call vote. The Clerk will call the roll if he don't want anyone else in here.

CLERK: (Roll call vote taken. See page 1937, Legislative Journal.)

SENATOR CLARK: We can't hear anything up here at all, gentlemen, please. I just say gentlemen because the ladies are not talking. When you quiet down, then we will go ahead and call the roll. (Gavel) That helped some. Go ahead and call the roll.

CLERK: (Roll call vote continued.) 16 ayes, 12 nays, Mr. President.

SENATOR CLARK: The motion lost.

CLERK: Mr. President, the bills read on Final Reading this morning are now ready for your signature.

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LB 89, 714, 714A, 669, 669A, 609, 609A, 604, 604A, 278, 629, 629A, 480, 568, 909, 854, 854A, 835, 757, 753, 708, 688, and 966.

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

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RECESS

PRESIDENT LUEDTKI PRESIDING

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

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

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

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

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

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

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

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

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