

January 20, 1981

LR 6, 7
LB 490 - 529, 144, 182

SENATOR BURROWS: I move the adoption of the resolution as amended.

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

CLERK: 42 ayes, 1 nay on adoption of the resolution, Mr. President.

SPEAKER MARVEL: The motion is carried and the amendment is adopted. Members of the Legislature, it is my privilege to introduce to you a young lady who with her staff has put out at least 869 separate bills and I would like to have her stand, and if it is your will to acknowledge the work that is done. The Clerk will read.

CLERK: Mr. President, new bills: (Read title to LB 490 through LB 517, pages 305 - 311, Legislative, Journal.)

Mr. President, while we are waiting, new resolution, LR 7: (Read. See pages 212 and 213, Legislative Journal.) That will be laid over.

Mr. President, hearing notice is provided by the Business and Labor Committee for February 4.

Mr. President, Senator Labedz offers explanation of vote.

Mr. President, new bills: (Read title to LB 518 through LB 526, pages 314 - 316, Legislative Journal.)

Mr. President, Senator Burrows would like unanimous consent to have his name added to LB 144 as coinroducer.

SPEAKER MARVEL: Hearing no objection, so ordered. One last call, does anybody have any legislation that is buried someplace that you would like to dig up? Now is your chance. Last call for any legislation.

CLERK: Mr. President. (Read title to LB 527 and 528, pages 316 and 317, Legislative Journal.)

Mr. President, Senator Kremer would like to ask unanimous consent to have his name added to LB 182 as coinroducer.

SPEAKER MARVEL: Hearing no objection, so ordered.

CLERK: Mr. President: (Read title to LB 529, page 317, Legislative Journal.)

January 26, 1981

LB 1, 2, 60, 529

Mr. President, your Committee on Enrollment and Review respectfully reports we have carefully examined and reviewed LB 1 and recommend that same be placed on Select File; and LB 2 placed on Select File.

Mr. President, I have a series of reports. First there is a resolution offered by the International Association of Chiefs of Police. That will be on file in my office. I have a report from the Administrative Advisory Committee for Older Nebraskans pursuant to the requirements of legislative intent. Mr. President, Nebraska Coordinating Commission for Postsecondary Education offers a general current fund financial statistics for Nebraska. I have a report from the Department of Administrative Services regarding the State Social Security Act, and finally I have a report from the Nebraska Coordinating Commission for Postsecondary Education pursuant to LB 1004. Mr. President, I have a report from the Department of Insurance regarding the individuals, state employees, bonded by the Nebraska Department of Insurance.

Mr. President, Senator Maresh would like to have his name added to LB 529 as coinstructor.

PRESIDENT: Are there any objections? Hearing none, so ordered.

CLERK: Mr. President, your committee on Government, Military and Veterans Affairs gives notice of public hearing in Room 1113 for February 5 and 6. (Signed) Senator Kahle, Chairman.

PRESIDENT: We are ready then, Mr. Clerk, for General File. Proceed then to General File. The first bill on General File is LB 60. The Clerk may read the bill.

CLERK: Mr. President, LB 60. (Read title) The bill was first read on January 9 of this year. It was referred to the Banking, Commerce and Insurance Committee for public hearing. The bill was advanced to General File. I have no amendments pending, Mr. President.

PRESIDENT: Before we call upon Senator Johnson for presenting LB 60, the Chair takes this privilege to introduce some guests of Senator Landis from Senator Landis' District, some 90 students from Belmont School here in Lincoln, Nebraska, Jeanne Ludtke, teacher. They are up here in the North balcony. Would they kind of look down and wave to the Legislature and the Legislature welcome the students from Belmont School. Now the Chair recognizes Senator Lowell Johnson.

April 2, 1981

LB 72, 181, 205, 284,
284A, 512, 529, 556

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The morning prayer will be given by
Pastor Jack Glass, of the First Assembly of God.

PASTOR GLASS: Prayer.

SPEAKER MARVEL: Will you please record your presence.

CLERK: Mr. President, Senator Burrows would like to be
excused until he arrives. Mr. President, Senators Clark
and Nichol would like to be excused for the day. Senators
Cullan, Pirsch and Sieck until they arrive.

SPEAKER MARVEL: Record.

CLERK: Quorum present, Mr. President.

SPEAKER MARVEL: Do you have any items under number three?

CLERK: Mr. President, Senator Warner gives notice of
hearing scheduled on LB 556 by the Appropriations Committee.

Your Committee on Enrollment and Review respectfully
reports they have carefully examined and reviewed LB 284
and recommends the same be placed on Select File. LB 284A
Select File. (Signed) Senator Kilgarin, Chair.

Your Committee on Enrollment and Review respectively reports
they have carefully examined and engrossed LB 72 and find
the same correctly engrossed and 205 correctly re-engrossed.
(signed) Senator Kilgarin.

Mr. President, I have a report of registered lobbyists for
the week of March 27th through April 1st.

Mr. President, Senator Schmit would like to print amendments
to LB 11. Senator Howard Peterson to LB 512. Senator
Vickers to 181.

Mr. President, Senator Sieck and Kahle ask unanimous consent
to add their names to LB 529 as co-introducers.

SPEAKER MARVEL: Hearing no objection so ordered.

CLERK: I believe Mr. President that is all that I have at
this time.

April 10, 1981

LB 243, 296, 298, 529

SENATOR CHAMBERS: To ask a question, Mr. Chairman. Now that it is fresh in everybody's mind, what becomes of this bill since it failed to advance? Does it go to the bottom?

SPEAKER MARVEL: It goes to the bottom of General File.

SENATOR CHAMBERS: Thank you.

SPEAKER MARVEL: Yes, sir.

SENATOR SCHMIT: Does it go to the bottom of the priority bills or the bottom of General File? I think we have had this happen before.

SPEAKER MARVEL: General File priority bills, the bottom.

SENATOR SCHMIT: Thank you, Mr. President.

CLERK: Mr. President, Senator Koch would like to print amendments to LB 298; Senator Cullan to LB 296.

Your committee on Ag and Environment reports LB 529 to General File with amendments. Signed Senator Schmit as Chairman.

have been made on the floor and first of all, in response to the defective roof situation. If the prime contractor does a job for you and you say as a homeowner that the roof is defective and you get into a dispute about that, under LB 512 you can still file a lien against the homeowner. What 512 addresses itself to is not to parties who have dealt directly with one another, but with parties who have not dealt directly with one another. Homeowners and people in the second and third and fourth tier in the construction industry, the subcontractors and the suppliers of the subcontractors, so this has nothing to do with defective roofs and even if the lien law didn't apply, the contractor has the right to go to court and sue the homeowner. That is the traditional way we settle things in this society and they can do it in that situation too. Senator Higgins, if you really want to do dirt to the attorneys, I suggest you vote to advance the bill because the attorneys are getting more out of this law the way it is right now than anybody, believe me. The law is unclear. They are suing people right and left, liens being filed all over the place. It is a heyday for attorneys. If you want to do damage to the attorneys, make the law clear. Make it concise and there will be a lot less litigation and a lot less attorneys fees. Again, Mr. Speaker, I would just close by asking the body to advance the bill and I reiterate once more that for those of you who are concerned about additional protection for the subcontractors and material men but who are not satisfied with anything we have presently, our minds are open. We will sit down and have a couple of conferences and see if some additional protections for subcontractors can be worked out but I am firm that if both groups cannot be protected, it really in all fairness should be the homeowner who is protected. Thank you.

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

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

SPEAKER MARVEL: The motion is carried. The bill is advanced. Do you have some items you want to read in first?

CLERK: Yes, sir, if I may. Mr. President, Senator Schmit would like to print amendments to LB 529. Senator Kahle would like to print amendments to LB 529, Senator Goodrich to LB 512, Senator Koch to LB 560. (See pages 1594-1596 of the Legislative Journal.)

April 27, 1981

LB 499, 529

you will do because of the press of the time in the session today is come to me off the floor and we can discuss those, as I indicate to you again, the bill is still in the malleable form, if there are sufficient objections that you want to examine and specific language in the bill. What we are voting on right now is the philosophy of replacing an unconstitutional statute designed to involuntarily commit the mentally retarded with one that will meet constitutional standards that is based off the Georgia statute which did meet constitutional standards and appeal from Georgia to the Supreme Court of the United States.

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

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

SPEAKER MARVEL: The motion is carried and the bill is advanced. Do you have anything else you want to read in?

CLERK: Mr. President, Senator Schmit would like to print amendments to LB 529.

SPEAKER MARVEL: You have all received this notice but I will read it once again. To all Senators from Bill Burrows in regard to slide presentation and discussion on the Beatrice State Developmental Center. Immediately following adjournment today the members of the staff for the Beatrice State Developmental Center will present a slide review of the facilities at the Center and will be available to answer any questions you may have regarding the operation and training programs they are using. The presentation will be held in Room 1517. I urge you to attend, says Senator Burrows. Senator Rumery, would you like to adjourn us until nine o'clock on Tuesday, April 28th.

SENATOR RUMERY: Mr. President, members of the Legislature, I move that we adjourn until nine o'clock tomorrow morning, April 28th.

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

Edited by:

Marlyn Zank
Marlyn Zank

3946

May 5, 1981

LB 400, 529

don't come out until you resolve your problems", and they did on that bill and they can on this and they have pretty much assured Senator Lamb and I that they would do that. Consequently, I support Senator Lamb's motion. I think it is a motion that we pass over the bill at the present time, not kill the bill but pass over it, and let them have a chance or an opportunity to get their marbles together and then we will play the game. Thank you.

SENATOR CLARK: Senator Wesely, did you want to talk on this?

SENATOR WESELY: Mr. President, members of the Legislature, I think probably that Senator Lamb and Senator Kremer have done the best thing possible under the circumstances in deciding to hold the bill over. However, I think the problems with this bill are terminal. I think it is one of the worst pieces of legislation this Legislature has seen this session. It runs so against the philosophy of our power industry and the power decisions we have made in the past, that it probably could not be in worst shape than it is. What we do is we take a problem and we identify the problem with ratchet charges which is caused by summer peak and then we make the problem worse with this bill which is supposed to correct that problem. There is nothing...I have talked to a number of Senators here and, quite frankly, there are a lot of problems with this piece of legislation. It would be best probably just to kill this bill, but considering the decision by the reintroducers to hold the bill over, I think it is only right that we do that. Nevertheless, I think that each and every one of us have to keep this bill in mind over the period of time between now and next session and keep in mind that what we are trying to address here, the problem we are trying to address actually makes that problem worse, I think leads to greater problems in the future, and quite frankly this is a very bad bill, and to hold it over will only I think have a stay of sentence of execution for this legislation because I think quite frankly the problems that it has are too severe to be worked out but to give the time that they need to try and work out the problems, well, that is fine, but we will have to consider next session whether or not it is salvageable and I doubt it will be.

SENATOR CLARK: The motion is unanimous consent to hold the bill over until next year. Is there any objection? If not, so ordered. We will take up LB 529.

CLERK: Mr. President, LB 529 (read title). The bill was read on January 20, referred to the Ag and Environment Committee for hearing. The bill was advanced to General File.

May 5, 1981

LB 529

There are committee amendments pending by the Agriculture and Environment Committee, Mr. President.

SENATOR CLARK: Senator Schmit, the committee amendments on 529.

SENATOR SCHMIT: Mr. President, members of the Legislature, there are some amendments that are being offered to the committee amendments. I would like to go through the committee amendments just briefly and explain them because they do constitute the major portion of the bill and I have a couple of minor amendments to the committee amendments and Senator Kahle also has some amendments to those as does Senator Sieck I believe who cooperates with Senator Kahle on those amendments. Section 1 reiterates that scale tickets are evidence of title. In the past there has been some question about that. The Uniform Commercial Code refers to that and this reaffirms that. Section 2 clarifies that the general warehouseman's bond is to be a corporate surety bond or legal liability insurance. Section 3 allows the Public Service Commission to charge for inspections requested by the warehousemen. Section 4 eliminates the personal surety bond for warehousemen. Section 5 requires the bond to be conspicuously posted on the premises of the business along with the storage and handling charges and allows for payment for grain upon demand of the seller. Section 6 allows a personal surety bond for a lost warehouse receipt.

SENATOR CLARK: Senator Schmit, are you on the committee amendments?

SENATOR SCHMIT: Yes, I am, Mr. President.

SENATOR CLARK: All right, go ahead.

SENATOR SCHMIT: Section 7 allows the Commission where there is a shortage of grain in storage of a licensed warehouse to take title in trust and distribute the grain or the proceeds pro rata. Section 8 requires federal licensees to notify the commission annually of their status or of any change in their status. Section 9 requires licensing of all grain buyers and sellers who transport grain in or out of the state. It requires also commercial license plates for truckers with a sticker posted on the door of the truck. It raises the licensing fees. It also increases the trucker's bond and there is going to be an amendment on that. Also it adds livestock feeding operations and commercial feeding to the bonding protection and increases the penalty. Section 10 requires the state approved scale. Section 11 restricts the use of

May 5, 1981

LB 529

vacuum grain samplers. Section 12 requires warehouses to annually notify storers of the status of grain in storage and the storage charges. Section 13 is the severability clause. Section 14 is the repealer. Mr. President, those are the committee amendments and they do constitute the bill. At the present time there are some additional amendments which I think we will take at this time to the committee amendments.

SENATOR CLARK: Will the Clerk read the first amendment to the committee amendments? Mr. Clerk.

CLERK: Mr. President, the first amendment I have is from Senator Schmit and that is an amendment to the committee amendments and it is found on page 1594.

SENATOR SCHMIT: Members of the Legislature, this changes the penalty for the violation for truckers from a Class IV felony to a Class II misdemeanor. We felt that was sufficient. I ask for the adoption of that amendment.

SENATOR CLARK: Senator Rumery.

SENATOR RUMERY: Mr. President, members of the Legislature, I would like to ask Senator Schmit a question.

SENATOR CLARK: Senator Schmit, will you yield?

SENATOR RUMERY: As I understand the amendments now become the bill.

SENATOR SCHMIT: Yes, sir, that is correct. Yes.

SENATOR RUMERY: What is the rationale for establishing another commission in this state government?

SENATOR SCHMIT: Mr. President, Senator Rumery, we don't do that anymore now under the bill. We have taken that out of the bill.

SENATOR RUMERY: With the amendments, that is removed?

SENATOR SCHMIT: That is right.

SENATOR RUMERY: Thank you.

SENATOR CLARK: The question before the House is the Schmit amendment to the committee amendments. All those in favor vote aye, all those opposed vote nay.

May 5, 1981

LB 529

CLERK: Senator Clark voting aye.

SENATOR CLARK: Have you all voted? The Schmit amendment to the committee amendments. Record the vote.

CLERK: 14 ayes, 0 nays, Mr. President, on the adoption of the Schmit amendment.

SENATOR CLARK: The amendment is adopted. Next amendment.

CLERK: Mr. President, Senators Kahle, Maresh and Sieck move to amend the committee amendments and that is found on page 1595 of the Journal.

SENATOR CLARK: Senator Kahle, are you going to handle this?

SENATOR KAHLE: Mr. President, I will attempt to. The amendments that we have are actually numbered as you are looking at I believe it is 1595 in the Journal and it may possibly be that you will want to divide these questions as we discuss them but I would like to present them and then perhaps we can see how things go. The first one deals with the financial statement that elevators would be required to provide and we have had some discussion on this, and some of the private elevators I am sure have contacted many of you and I think as most of you know the coop elevators, for instance, have to have an internal audit by the very nature of their business and some of the private elevators were concerned that the cost to them would be considerable if they had to have an internal audit. So we in this amendment have tried to water that down somewhat and still make it palatable and still have some meaning to it. But in the first part of the amendment "compiled" is the key word. In accounting term this means that the CPA will make the financial statement from the books supplied to him. He would not make an audit. We had CPAs come in and visit with us and most of the elevators now that have a...also as Senator Schmit had mentioned in his part of the bill that it would have to be a corporate bonding rather than an individual bonding which now is permissible. What would happen if you had a corporate bond you would have to have some sort of a financial statement anyhow. So we do not think that this is a great drawback and would be that expensive. We found out there could be a cost of say \$500 or maybe as much as \$1,000 for this type of a financial statement, but if a warehouse is required by private enterprise to conduct an unqualified audit before the bond is issued, the inclusion of this financial statement would be necessary anyhow. It should be noted that what is required now is that the warehouse must submit a certified

May 5, 1981

LB 529

financial statement. That is what we have in the new language. All this means is that the owner of the warehouse could submit a financial statement that he certifies to be correct. This amendment will not afford him much more protection, at least raises the minimum standard for what is supplied to the Commission. Now that is the first part of the amendment and perhaps it would be wise to just take that part right now and maybe we could lump the rest of them together because I know there is some discussion on this and my own feeling is that we need to tighten up the financial statements and the financial ability, the known financial ability of elevators, and while we didn't want to put a hardship on them, we thought that this was something that should be done in order to at least halfway certify to the Public Service Commission that the elevator was in a financial condition that they could meet their obligations. So, Mr. Chairman, I move the first amendment and I think Senator Sieck...

SENATOR CLARK: Are you asking for a division of the question?

SENATOR KAHLE: I am asking for division of the question.

SENATOR CLARK: You want to separate #1 from #2, 3, 4, 5, 6 and 7?

SENATOR KAHLE: Yes.

SENATOR CLARK: All right. I will rule that it is divisible, and we will go on #1.

SENATOR KAHLE: Okay, thank you.

SENATOR CLARK: Senator Hefner, do you want to talk on the first portion of it?

SENATOR HEFNER: Yes, Mr. President, I would like to talk to the first one. I am a little concerned about when it says "a financial statement compiled by a person or a firm holding a permit granted by the Nebraska State Board of Public Accountancy and an application". I was wondering if we shouldn't change that wording just a little bit. I know some of the grain dealers that I have talked to said that sometimes these CPAs really hold them up. Sometimes a financial statement can run as high as three or four or five thousand dollars. So I pose a question to Senator Kahle, if he would yield. Have you checked into this any more and find out what is the charge to some of these grain dealers?

May 5, 1981

LB 529

SENATOR KAHLE: Senator Hefner, if you would like, I will yield to Senator Sieck who has those figures.

SENATOR HAFNER: Okay.

SENATOR CLARK: Senator Sieck.

SENATOR SIECK: Yes, Mr. President, members of the body, I did check with the public accountant this noon and he feels that the way we have got it written that the cost could vary from \$250 to \$1,000. It depends on the size and the amounts of exchanges that takes place. So I personally don't feel that this will be burdensome and there are three different stages as far as accountants. The first is the corporate surety bond audit and, of course, that is a complete audit and that could be quite expensive but once this is acquired then you have that as a basis and the CPA then will come in and look at the audit and then look at your financial statement and is able to certify without a great deal of cost. So as I see it at the present time and with the corporate surety bond as a part of the requirement, I don't think we are going to have the difficulty we would have if we would just ask a compilation of a financial statement if we would of not had an audit. But by requiring an audit, I feel this will correct it.

SENATOR HEFNER: Okay, thank you, Senator Sieck. I think I can support the amendment because of the explanation. One more question, how often would they have to be audited? Would that be once a year?

SENATOR SIECK: As I understand to get a corporate bond, it is required to have an audit every three years.

SENATOR HEFNER: Every three years instead of every one year?

SENATOR SIECK: That is correct.

SENATOR HEFNER: So then this cost could be prorated over three years instead of one year?

SENATOR SIECK: In the corporate audit, yes. The bond, of course, will be every year...I mean the cost of the bond, that will be every year but the audit requirement will be based over a three year period.

SENATOR HEFNER: Okay, thank you, Senator Sieck.

May 5, 1981

LB 529

SENATOR CLARK: Senator Sieck, do you want to talk on the bill?

SENATOR SIECK: I was going to talk what I told Senator Hefner, yes. To assure our people that we do need some protection and who are we protecting? We are protecting that farmer that has the grain in that warehouse and we want to have a double check and that is the purpose of having a financial statement given to the Public Service Commission so they will have a tool to check with their record to see what that particular grain elevator or warehouseman is doing with his elevator and it is just another checking. That is about all it amounts to but it does give us another tool. I feel that we need this. We need to stop our grain elevators from going under and to me this is a very important amendment, and I heartily endorse that we advance this amendment and vote for it.

SENATOR CLARK: Senator Vickers.

SENATOR VICKERS: Mr. President, members, I rise to support the Kahle-Sieck amendment. I would like to point out to the body that I don't think it is too much to ask for an individual or a company that is dealing with the large amounts of dollars that grain buyers deal with and the affect that it has on the farmers that might have warehoused grain in those facilities to ask for a third party to oversee the financial statement when it is sent in for the license requirement required by the Public Service Commission. I would, however, like to ask one question of Senator Sieck, if he would yield, Mr. President.

SENATOR CLARK: Senator Sieck.

SENATOR SIECK: Yes, Senator Vickers.

SENATOR VICKERS: Senator Sieck, did I understand you correctly to indicate when you were answering Senator Hefner that this audit would only be required every three years or is that going to be required each year when they apply for their license?

SENATOR SIECK: The corporate bond as I understand is required to have an audit every three years because that is their time limit. The bond runs this long. But you are going to have to pay their fee for the corporate bond every year. But the actual audit will run for a three year period. This was the information I received from a CPA.

SENATOR VICKERS: As I read the amendment where it is inserted in

May 5, 1981

LB 529

the committee amendments is that it seemed to me that it would indicate that it needs to be supplied each year when they apply for the license and that is the reason I asked the question.

SENATOR SIECK: Yes, this is correct. The committee amendment says that this information will be given to the Public Service Commission every year but it isn't an audit. It is a compilation of a financial statement and this is a lot less expensive than an audit.

SENATOR VICKERS: Yes, I understand that so what we are talking about is this third party financial statement, if you will, that is about what it amounts to.

SENATOR SIECK: Okay, that that will be required every year, right.

SENATOR VICKERS: Okay, thank you very much. I wanted that point to be made because I think it is important that these individuals or these companies have their financial statements filed each year because many things can happen in the course of a three year period of time and I think it is very important for the legislative record and for the matter of the bill itself that these financial statements are here or are available to the Public Service Commission every year and, again, I support the Kahle-Sieck amendment and urge the body's adoption of it.

SENATOR CLARK: Senator Chronister, do you want to talk on the first part.

SENATOR CHRONISTER: Yes, Mr. Speaker, members, I oppose this amendment because I take exception to Senator Sieck's figures. I think that a certified audit could be much higher than the figures he quoted. They could run from \$500 to \$1,000 and exceeding \$2,500. With a corporate bond in effect I don't think it is necessary to have a certified audit. A certified audit...a certified compiled financial statement will not protect the farmer any more than he is now protected and I would say that we don't need a certified audit but just have an audit and then let the corporate...the elevator man will have a corporate bond and this should take care of him and give plenty of protection to the farmer.

SENATOR CLARK: Senator Vickers, do you want to talk again?

SENATOR VICKERS: Mr. President, members, I want to point out to the body that I don't think we are requiring a certified audit with this amendment so I think that would necessarily make the cost of the audit cheaper but I do raise issue

May 5, 1981

LB 529

with the fact that so what if it does cost \$1,000 to the grain dealer. Think of the thousands upon thousands of dollars it is going to cost the farmer if some grain dealer goes bankrupt and cannot pay for the grain. I would like to point out also that if we have got grain dealers out there that cannot afford, even if it does cost \$1,000, which I don't think it will, to simply make a financial statement of this nature, even if it does cost \$1,000, if they can't afford that, then it seems to me they are in a little shaky position to be buying all of that thousands of dollars worth of grain from the farmers anyhow and I think that is part of what our responsibility is to protect those individuals that would be selling grain to these types of operations. So I certainly urge the body's adoption of this amendment.

SENATOR CLARK: Senator Cope.

SENATOR COPE: Mr. President, members, a question of Senator Sieck. What I am wondering, Senator Sieck, since I understand that all elevators must be bonded, the bonding company is certainly going to require an audit to get a bond, aren't they?

SENATOR SIECK: That is correct.

SENATOR COPE: Then why are we so worked up about this audit at the present time if we require all elevators to be bonded?

SENATOR SIECK: It could vary. It could be one year, it could be five years. It is arbitrary according to the bonding company and on the average it is about three years that they will require another audit and the reason for that time period, now at the time they took that audit, that elevator can use that audit and send it to the Public Service Commission. That is all that is required. But in the years that the elevator will not have an audit, then we are asking for a financial statement that is certified by a public accountant to be able to send to the Public Service Commission to check their records. That is all we are doing. At the time that the audit is not being made.

SENATOR COPE: But to save expenses, why couldn't the audit that the bonding company will demand I am sure be used to be sent to the Public Service Commission?

SENATOR SIECK: It can. It can at the time that the year that the audit is made. Now if I have got this correctly, all coop elevators require an audit every year. So they automatically are going to do this and then they will have

May 5, 1981

LB 529

the audit so they will not have to get the financial statement. They will have the audit and they will send that to the Public Service Commission. So it is just automatic. Of course, the audit is considerably more expensive than a financial statement will be, and to save some of the elevators some money, that is all it is about, we felt that it would be protection enough if we would have a certified, the third party, so to speak, come in and take a look at the old audit and look at their books and then send a financial statement into the Public Service Commission. It would give us kind of a double check. That is the purpose of it.

SENATOR COPE: Thank you.

SENATOR CLARK: Senator Kahle, did you have any closing remarks on your first part of your amendment?

SENATOR KAHLE: Mr. President, members, as Senator Cope and others have said, I am not sure how important this is but I think it is important. I think we have made it about as easy as we can on the private elevators and I do believe that the Public Service Commission needs this information and we also know, of course, that there have been problems in the grain industry and what we are trying to do with this bill, and especially with this part of the amendment is to keep that confidence between the grain dealer and the farmer. I like to use this illustration. If I as a farmer mistrust my grain buyer to the point where I take in a load of corn, let's say, to the elevator, weigh it, go and unload it, come back and get my scale ticket, I demand my payment, usually by check it would be, it wouldn't always be by check, take it over to the bank and see if it is any good before I bring him another load of corn. Now I think we want to avoid this. This has not happened. We haven't had a great loss by elevators, by farmers from elevators going closed but we have had some and I have a fear that this may escalate. Those of you that live in town, in the city, probably don't realize the amount of money that is involved in a crop that a farmer raises. Corn at \$3 to \$3.25 a bushel, and Senator Schmit and I are hoping for \$4, if you sell 50,000 bushel of corn, it doesn't take you long to figure out what kind of a check you are involved with and some of you will say, my goodness, look at all that profit but the problem is, of course, that most of that is expense. But if you lose that check, you are in real trouble and that has happened in a few cases. So I would urge you to go ahead with this. I think it is a compromise. I know that the private elevators are not just exactly thrilled with it. I think that Senator Cope was right, that they are going to have to have an audit to get a bond, and perhaps not every year, and I

May 5, 1981

LB 529

think that is the reason we need this part of the bill. So I urge the adoption of this amendment.

SENATOR CLARK: Senator Kahle was closing. The motion before the House is the adoption of the first part of the amendment to the committee amendments. Senator Chronister, for what reason do you arise?

SENATOR CHRONISTER: I had my light on before Senator Kahle was closing.

SENATOR CLARK: Well, your light was on all the time.

SENATOR CHRONISTER: No, I put it out and then I put it on before he closed, Senator Clark.

SENATOR CLARK: I can't allow it now. The question before the House is the adoption of the first half of the first part of the amendment to the committee amendments. A roll call vote has been asked for. Do you want a Call of the House. He doesn't want a Call of the House, just a roll call vote. Call the roll.

CLERK: (Roll call vote taken. See pages 1761 and 1762, Legislative Journal.) 17 ayes, 12 nays, Mr. President, on adoption of the amendment.

SENATOR CLARK: The amendment is adopted. Senator Kahle, the second half of your amendment.

SENATOR KAHLE: Mr. President, we will attempt to take 2, 3, 4, 5, 6, and 7 now and hope that they will go. On 2, it is probably not necessary language but it makes clear that if a farmer sells on a deferred sales contract, he cannot come back and demand to be paid before the agreed date. Now this is a protection really for the elevator operator and we had in the original bill that whenever the seller demanded payment the elevator had to pay him and this amendment just says that if he has a contract with the elevator for either storage or a later payment date why the elevator does not have to pay him and I think this is only fair and the way it is being done now. #3, this language changes the requirement that a trucker must have a sign on the door of his truck saying he is licensed and what his bond amount is. Instead, it will be left up to the Commission, that is the Public Service Commission, to decide what kind of an identification to issue. It might still be a door sticker but it could be a license plate that the independent truckers want. This amendment agreed to by the independent truckers and the coop council and we

May 5, 1981

LB 529

hope that this satisfies all of those involved. And #4, it lowers the bonding requirement for truckers from \$25,000 to \$12,000. It keeps the same bond of \$10,000 for each additional truck and the maximum is lowered from \$100,000 to \$52,000. Now previously that amount I believe was \$5,000 for truck and the limit of \$50,000 and so this makes it a little bit easier on the truckers. The original bill called for \$25,000 for the first truck and many thought that this was a little steep. Section 5 strikes Section 10 that would require all purchase of grain to be weighed on a state approved scale. Now the reason for this amendment was that if you decide as a farmer to sell your grain to a trucker that is your business and where he weighs it is also your business, and one of the objections to having it weighed on a certified scale was that the local grain dealer would then know exactly who you were selling your grain to and it may cause some problems in the small communities. So that is the reason that that was taken out. The other sections, page 18, line 13, insert "and" and strike...exactly what that is about...okay, that just changes the statute numbers and then on #7 is rennumbers the remaining sections. I think this clarifies...makes the bill acceptable in the form that it is now in and, unless there is some questions, I move for the adoption of the rest of these amendments as a unit.

SENATOR CLARK: Senator DeCamp, on the second half of the amendments.

SENATOR DeCAMP: Mr. President, members of the Legislature, I think Senator Kahle was extremely wise in having a division of the question because these amendmentshe is offering now, basically, eighty percent of what he offered total certainly should be adopted to make the bill more functional. They are necessary and because the other part has now been split out those of us who had some reservations on that first part can certainly support this and I would encourage anybody and everybody to support the balance of the amendments.

SENATOR CLARK: Senator Sieck.

SENATOR SIECK: Yes, Mr. President, members of the body, I, too, feel that we can support this and this took a great deal amount of work to get this done, this compromise thing. We had to work with the truckers organization. We had to work with the private grain elevators and the coop councils elevators, the coop elevators, but in the process we got this job done and I feel the time we spent in doing this is really worthwhile because I feel we have got something here that we can live with and the Public Service Commission can

May 5, 1981

LB 529

do a better job of protecting the farmer's grain. Thank you. I move that we support this amendment.

SENATOR CLARK: Senator Cope, your light is still on. Do you want to talk? The question before the House is the adoption of the second half of the Kahle amendment. All those in favor vote aye, all those opposed vote nay. Have you all voted? Voting aye, Mr. Clerk.

CLERK: Senator Clark voting aye.

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

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of the second half of the Kahle-Sieck-Maresh amendment to the committee amendments.

SENATOR CLARK: The second half is adopted. Now we are on the committee amendments. You have one more...go ahead.

CLERK: Mr. President, I have one more amendment to the committee amendments and that is offered by Senator Schmit. It is found on page 1597 of the Journal.

SENATOR CLARK: Senator Schmit.

SENATOR SCHMIT: This amendment strikes language which had in the committee amendments expanded the warehouseman's bond to cover bad checks. It is impossible to get that done. We couldn't get a bond to cover that so, therefore, we found after we had adopted the amendment that we had to strike it. The second amendment clarifies language requiring a bond for commercial livestock and poultry feeders. The third authorizes the Public Service Commission to promulgate rules and regulations for the approval of the grain probe. There was some question about the type of grain probe that had been in use and what it basically does is it will allow the Commission to not allow the use of the end vacuum probe. I move the adoption of the amendments.

SENATOR CLARK: Is there any discussion on the Schmit amendment to the committee amendments? If not, all those in favor vote aye, all those opposed vote nay. Have you all voted? Record the vote.

CLERK: 19 ayes, 0 nays, Mr. President, on the adoption of the Schmit amendment to the committee amendments.

SENATOR CLARK: The amendment to the committee amendments is

May 5, 1981

LB 529

adopted. Do you have any more amendments? Now we are back to the committee amendments as amended.

SENATOR SCHMIT: Members of the Legislature, I have tried to explain the committee amendments prior to the time that we went to the Sieck-Kahle-Maresh amendments and the additional amendments to my bill. The amendments are the bill. As I explained at the outset, the bill was drafted because of some of the concern that had been expressed relative to the safety of farmers' grain being stored in a public warehouse. I believe the bill goes about as far as we can go at the present time. There was a certain amount of disagreement between the various elevators and the approach to take. We think the approach that we have here today is a somewhat middle of the road approach, something which we can all live with. Undoubtedly the committee will do some additional work on this during the interim period and I think that Senator Sieck and other members who are not members of the committee but have an interest in this will participate with us. I think the amendments as we have proposed here are reasonable and provide protection to both warehousemen and the farmer. I move they be adopted.

SENATOR CLARK: Senator Kahle, did you want to talk on the committee amendments as amended?

SENATOR KAHLE: Are there any other lights on?

SENATOR CLARK: Just Senator Sieck.

SENATOR KAHLE: Only that I support the bill to the hilt now. I think we have a good bill. I think it is necessary. We have eliminated I think all of the objections generally from the truckers and the private elevators and hope have helped the Public Service Commission do their job better. So I certainly support and hope you will support LB 529. Thank you.

SENATOR CLARK: Senator Sieck.

SENATOR SIECK: Yes, Mr. President, members of the body, at this time, I would like to thank Senator Kahle for making this his priority bill. As you all know I had a bill in there and it floundered on the wayside and it is actually, a lot of these things that is in this bill is actually the bill that I presented but this wasn't an easy task. When the bill that I handled first was first written, I will tell you I ran into all kinds of flak and it takes a constantly working on, working on, and with the Agriculture Committee, with the Public Service Commission committee, with the different feed grain people, with the coop council, with the

May 5, 1981

LB 529

truckers, we did come up with a bill that would help farmers and that is the key issue, to help the farmers so that they are protected and I think one of the best things of this, it assures the farmer that that weight ticket is just as good as a warehouse receipt. And so we would admonish all the farmers that take grain for warehousing, hang onto that weight receipt. That is gold. That is just like dollars in your pocket. And I feel that this thing will give the Public Service Commission more strength to watch over the grain elevators and protect them. I don't feel that we have done a bad job even though we did have several elevators close and with difficulty but we was able to compensate the farmers that had the loss. So we can say that the Public Service Commission has been doing a fairly good job even though I know in a couple of instances that they could have been on top of it a little bit quicker and they should have and I think in the future they will because we really admonished them for what they did. I mean they didn't get there fast enough and they should have and I want to present this to the Public Service Commission to be sure that they know what is going on with the grain trade because we are in very precarious times at the present time with the grain fluctuating as it is, up and down, all over the place, people putting grain in the elevator, not say anything about it. They want to hold it. The elevator then starts using this grain and selling it on the futures or something and we can really get into a mess. So it does take a good watch. If in the future we see that we are having a little more difficulty, I would recommend that the Public Service Commission hire additional staff to be able to do this, and if it takes an appropriation to do this, we had better do it because I feel that we have to have this trust in the grain trade and we have to continue that trust. It is very important. With this I would sure encourage you to advance this bill.

SENATOR CLARK: The question before the House is the adoption of the committee amendments as amended to LB 529. All those in favor vote aye, opposed vote nay. It takes 25 votes.

CLERK: Senator Clark voting aye.

SENATOR CLARK: Record the vote.

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

SENATOR CLARK: The committee amendments are adopted. Senator Schmit, have you explained the bill? Senator Schmit, have you already explained the bill?

May 5, 1981

LB 529, 529A

SENATOR SCHMIT: Yes, I have, Mr. President.

SENATOR CLARK: Do you want to move its advancement?

SENATOR SCHMIT: I move the bill be advanced to E & R as amended.

SENATOR CLARK: The motion before the House is the advancement of 529 to E & R. Is there any discussion? If not, all those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting aye.

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

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

SENATOR CLARK: The bill is declared advanced. 529A.

CLERK: Mr. President, LB 529A (read title).

SENATOR CLARK: Senator Schmit.

SENATOR SCHMIT: Mr. President, I move the bill be advanced.

SENATOR CLARK: The question before the House is the advancement of 529A. Is there any discussion? If not, all those in favor vote aye, opposed vote nay. Have you all voted? Record the vote.

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

May 7, 1981

LR 116
LB 172, 216, 303, 322, 344,
411, 529, 529A, 559, 160, 161

of the Chamber. That's the big thing. All right, we will proceed then, Mr. Clerk, with the reading of LB 559.

CLERK: (Read LB 559 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 559 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 page 1813 of the Legislative Journal.) 42 ayes, 1 nay, 6 excused and not voting, Mr. President.

PRESIDENT: LB 559 passes with the emergency clause attached. You may read some things in, Mr. Clerk.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined LB 303 and recommend that same be placed on Select File; LB 216, Select File; LB 322, Select File with amendments; 411, Select File with amendments; 344, Select File with amendments; 172, Select File with amendments; LB 529, Select File, with amendments; LB 529A, Select File with amendments. (See pages 1815 through 1817 of the Legislative Journal.) Mr. President, new resolution, LR 116, offered by Senator Rumery. (Read LR 116 as found on page 1815 of the Legislative Journal.) Mr. President, that will be laid over pursuant to our rules. That's all that I have, Mr. President.

PRESIDENT: We will proceed then, Mr. Clerk, with LB 160.

CLERK: (Read LB 160 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 160 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 page 1814 of the Legislative Journal.) 43 ayes, 1 nay, 5 excused and not voting, Mr. President.

PRESIDENT: LB 160 passes with the emergency clause attached. The next bill on Final Reading is LB 161.

CLERK: (Read LB 161 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure

May 8, 1981

LB 303, 322, 411,
529, 529A

SENATOR KILGARIN: I move we advance LB 303 to E & R for engrossment.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. The motion is carried. The bill is advanced. LB 216? Okay, 322, Senator.

SENATOR KILGARIN: I move the E & R amendments to LB 322.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. Motion is carried. The E & R amendment is adopted.

SENATOR KILGARIN: I move we advance LB 322 to E & R for engrossment.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. Motion is carried. The bill is advanced. LB 411.

SENATOR KILGARIN: I move the E & R amendment to LB 411.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. The motion is carried. The E & R amendment is adopted.

SENATOR KILGARIN: I move we advance LB 411 to E & R for engrossment.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. Motion is carried. The bill is advanced. 529.

SENATOR KILGARIN: I move the E & R amendments to LB 529.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. The E & R amendments are adopted.

SENATOR KILGARIN: I move we advance LB 529 to E & R for engrossment.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. Motion is carried. The bill is advanced. LB 329A.

SENATOR KILGARIN: 529A, sir?

SPEAKER MARVEL: I am sorry, 529A, right.

SENATOR KILGARIN: I move we advance LB 529A to E & R for engrossment.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. Motion is carried. The bill is advanced. Thank you, Senator Kilgarin. Now the Clerk has some items to read

May 12, 1981

LB 22, 22A, 157, 157A, 158, 158A,
168, 168A, 197, 197A, 245, 245A,
253, 253A, 292, 292A, 317, 317A,
427, 427A, 529

RECESS

SPEAKER MARVEL PRESIDING

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

SPEAKER MARVEL: The Clerk has some items on the desk that need to be read in for the record.

CLERK: Mr. President, I have for your signature LBs 197, 197A, 245 and 245A, LBs 168, 168A, LB 157 and 157A, LB 427 and 427A, LB 292, 292A, LB 317 and 317A, LB 22 and 22A, and LB 158, 158A, and 253 and 253A, Mr. President.

Mr. President, Senator Chronister would like to print amendments to LB 529 in the Journal. (See page 1963 of the Legislative Journal.)

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign engrossed LB 197, engrossed LB 197A, engrossed LB 245, engrossed LB 245A, engrossed LB 168, engrossed LB 168A, engrossed LB 157, engrossed LB 157A, engrossed LB 427, engrossed LB 427A, engrossed LB 292, engrossed LB 292A, engrossed LB 317, engrossed LB 317A, engrossed LB 22, engrossed LB 22A, engrossed LB 158, engrossed LB 158A, engrossed LB 253, engrossed LB 253A. Before we begin with some other bills, it is my privilege to introduce a number of visitors from Senator Cope and Kahle's Districts, ten students, 1st to 10th Grade, First Church of God Christian Academy, Kearney, Pastor Larry Lautaret, Jane Perry, teacher and Chester Trew, sponsor. In the north balcony. Will you hold up your hands so we can see where you are? Okay. From Senator Howard Peterson's District, eight students K through 12th Grade, Calvary Academy, Grand Island, Nebraska, Agnes Rich, Louise Bonne and Bonnie Skala, teachers. Where are you located? Okay. From Senator Chronister's District, eleven students from District 9, District 43, Wisner, Nebraska. Miss Koester and Miss Kansier, teachers. North balcony. Where are you located? Okay. From Senator Dworak's District five students, 3rd and 7th Grade from Christian Liberty Academy, Leigh, Nebraska, Susan Turvy, teacher, also Barbara Hall, in the south balcony. Are you in the south or north? From Senator Beutler's District sixteen 4th Graders, Hawthorne Elementary School, Lincoln, Nebraska, Mrs. Stephenson and Mrs. Anderson, teachers, in the north balcony. Where are you located? From Howard Peterson's District seven students K through 12th Grade, York Christian Academy, York, Nebraska, Edward Moray, Irene Moray, teachers. Where are you located? Okay. From

May 13, 1981

LB 113, 113A, 529

PRESIDENT LUEDTKE PRESIDING

FATHER MAURICE CURRENT: (Prayer offered.)

PRESIDENT: Roll call. Would everyone please register your presence, if you are here? If you are not, don't do it. Senator Beutler, would you give us your presence? Thank you. Record the presence, Mr. Clerk.

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

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

CLERK: I have no corrections to the Journal, Mr. President.

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

CLERK: Mr. President, one item, LB 113 and 113A are ready for your signature.

PRESIDENT: While the Legislature is in session and capable of doing business, I propose to sign and I do sign, LB 113 and LB 113A. Anything else, Mr. Clerk.

CLERK: I have nothing further.

PRESIDENT: We are ready then for agenda item #4, motions, to return to Select File, to bring back these bills, starting with LB 529. Since neither Senator Chronister or Senator Chambers are here and the Speaker is temporarily absent, I am going to go to the next...Senator Chronister is here. All right. Just in time, Senator Chronister, we were about to leave agenda item #4 standing so we will go to agenda item #4 and LB 529.

CLERK: Mr. President, Senator Chronister would move to return LB 529 to Select File for specific amendment. The amendment is on page 1962 of the Journal.

PRESIDENT: The Chair recognizes Senator Chronister.

SENATOR CHRONISTER: Thank you, Mr. Chairman. Mr. Chairman and colleagues, as soon as I catch my breath, this morning I am moving to return 529 in order to on page 3 of the committee amendments to strike beginning on line 24 the new language and reinstate the original language. Now our reason for doing this is to go back and check what is LB 529. The bill was the work of the Nebraska Grain and

Feed Dealers Association, the Nebraska Legislature's Agriculture Committee and Everett Green, as a special consultant hired by the Nebraska Public Service Commission. In November, 1980, the association worked with Everett in reviewing all grain warehousing laws and many fine things are in the bill to not only protect Nebraska's farmers but also to provide for additional tightening of the warehousing and trucking laws in Nebraska. Now we are offering this amendment to strike the compilation statement requirement. Now why is this so important? We have some sound facts from two certified public accounting firms and the State Board of Public Accountancy. I would like to read this information to you. In a letter from the Nebraska State Board of Public Accountancy, they said, "In answer to your question, the State Board of Public Accountancy does not suggest a rate schedule that its licensees shall use in the course of providing professional services nor has the Board surveyed its licensees to determine the fees typically charged for performing various types of audits. Any suggestion that the Board establishes such fees or that it has provided a survey of the fees charged for auditing services is completely incorrect." Now a grain elevator in Nebraska may either acquire a federal or a state license. Federal licenseholders do not have the requirement of a compilation statement prepared by a CPA. Now there are twenty percent of the grain elevators in Nebraska today hold a federal license and that is compared with twelve percent just five years ago. If we make the restrictions tighter, the trend will be for more elevators to go to a federal license. In comparison to Nebraska, they will not have to submit certified compilation statements. The state system will lose their elevators to those getting a federal license. Cost quoted on the floor of \$250 minimum for a certified compilation statement are incorrect and related to the attached letters from CPA firms. This cost now ranging from \$750, \$1,000 and \$1,500 would be born yearly not every three years as previously stated on the floor. Grain warehouses must submit their licenses every year with the Nebraska Public Service Commission. Secondly, since the bill, 529, deletes the ability for the grain warehousemen to personally indemnify himself, every elevator must obtain a corporate surety bond. The statement on the floor that corporate sureties require audits only once every three years is also correct. Corporate bonding companies vary in their needs but they will require anything they want or need at any time to prove the financial worth of the bonded elevator. No warehouseman is required by law now to have certified audits. Some elevators are required by their own internal needs, by lending institution requirements or corporate bonding companies and there is no need to saddle the industry with an added cost for the state to require a

repetition of this audit when it is already in the hands of the corporate surety companies. I strongly urge you to vote on the amendment of 529 which removes the compilation statement. In a letter from Touche Ross & Co., which is one of the big eight accounting firms in Nebraska, they write: "You have indicated that LB 529 amendments contain requirements that application to the Public Service Commission for licensing of a grain elevator be accompanied by financial statements which have been compiled by licensed CPA or PA public accountant. You have requested of us what such a compilation might cost. Cost of services provided by accountants are normally based on time required to perform the specified task. Different firms have different rate structures. In addition, the amount of time required to compile financial statements would depend greatly upon the size and complexity of operation of the respective elevator, and conditions of records maintained by that particular elevator. However, considering these factors, my estimate of fees from compiling financial statements annually for an elevator of average size would range from \$750 to \$1500. Touche, Ross & Co. would generally not issue a compilation report because we believe that the public would generally construe that an accountant issuing such a report has in some manner satisfied himself that the numbers are correct. This is not the case. I believe that the public would achieve little additional protection from having elevators requesting their license having their financial statements compiled by a CPA or a public accountant." Now we are interested in the protection of the Nebraska farmer. That is first and foremost in our minds but the compilation statements will provide no more protection. We will only saddle the state and the agricultural sector with unnecessary costs and for no more protection. It is good for the state to try to keep the rural communities alive. Many of these communities are reliant on grain warehouse and their farmers. The additional cost for statements will hurt more than help and I urge you to support this amendment. Thank you.

PRESIDENT: The Chair recognizes Senator Sieck.

SENATOR SIECK: Mr. President, members of the body, I stand opposed to this amendment. There has been some misstatements made on the floor and by news articles that have been sent out. On your desk I put some information, the definitions of an audit, definition of a compilation, review and so on. Now if you look at the amendment that is included in the bill, it is a compilation statement, not an audit. Now I said on the floor a week ago that an audit would be required if you are going to have a corporate bond. A corporate bond is required by the bill. So you are going to have an audit when you get a corporate bond. I also said that they could

vary from one to three years depending upon the bonding company and it could be any time within that period. Now if you are going to have an audit, and there is an audit, that is all that is required to send to the Public Service Commission. The only time that you need a compilation statement is the time, the year there is no audit performed. That is when you need a compilation statement and the reason for a compilation statement is so that you get an outside CPA to look at it so it isn't an individual elevator's or warehouseman's statement. I feel that we need to do this. We definitely need to do this to protect that farmer's grain. Now an issue also was brought out that there isn't enough CPAs in the State of Nebraska. We must remember that these audits or these compilation figures or statements need not be at a certain time in the year. They just must be presented in a year. So it can vary. Now you also must remember that there are a lot of grain elevators out in the country with hardly a town around. I mean it is just an elevator. I took a count of the elevators within my district or within my county, Seward County, and there are ten of them. We have one CPA firm which is in Seward. I am sure that they could take care of the ten and the distance to travel would be very, very little. Now I am sure that you will find this throughout the State of Nebraska so the idea that it is going to cost a lot more because the CPAs have great distance to travel, I think that is untrue, because the CPAs would be in every large community. I have no doubt about this. As far as cost, I think I made the statement that the cost would be \$250 to \$1500 to make this compilation statement. I have heard some rumors tell me and I noticed in the paper that that would cost from \$1,000 to \$20,000. Well that is untrue for a compilation statement. For a corporate bond, and get a corporate bond audit, yes, it will maybe cost that much but for a compilation statement it will not. Now the feed grain people may have contacted some CPAs. I have also contacted some CPAs and I got a figure of \$250 to \$1500 that this would cost. Now to me this is not a great cost to protect that farmer's grain and how can we protect it with this? The Public Service Commission will have the audit records. The compilation statement will come in and they can compare it with the audit, and if it is something way off balance, they will know that there is something wrong and they can go and check that elevator's warehouses.

PRESIDENT: One minute, Senator.

SENATOR SIECK. So I heartily support this amendment and I hope that you read what a compilation statement is and I handed a handout to you saying what Senator Kahle and I feel that the amendment says and how we feel it will protect

the farmer. In closing I will read the last statment, "In conclusion, it must be remembered the intent of 529 is not to cut down on a grain elevator's cost or requirements. The intent is to protect the state's grain producing industry and in particular the individual farmer." Another statement that I would like to make is that they say they are going to federal warehousing because we are making it more difficult for the state to operate in this Public Service Commission and license fees. I want you to know that the federal license are going to be a lot different in the next few years. Senator Dole at the present time is driving to protect the federal licenseholder. I urge you to vote against this amendment.

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, I guess reluctantly I am going to support the amendment and I say reluctantly because sometimes we have to do things we think are more workable or better or wiser even though an apparent solution seems to solve all the problems. And this would seem to solve all the problems that we have got here with respect to the various elevators having problems but I have had repeated numbers of calls from individual state elevators, state certified or chartered elevators, whatever they are called, and some of them have for one reason or another over the last year or five years had to go through certified audits so they could obtain a certified financial statement and they talk about firms like Peat, Marwick, Mitchell and so on and so forth but eight, ten, fifteen, twenty thousand dollars for one of these things and I think the net effect is going to be counterproductive rather than productive and you are going to find the profits of the elevator all being absorbed in one place, an accounting thing. I am not sure that we have a complete solution to the problem. Maybe it is a problem like so many other things, the whole economy, whether it be car dealers or lumber dealers or whoever, but simply coming up with a very extensive and expensive additional burden in cost is probably going to result in these various institutions going with federal charters and simply losing state control and supervision over them and our state system. And so as I say, reluctantly I support the amendment believing it is probably the better solution at this time and knowing that Senator Chronister and others probably are doing this with some knowledge in the industry and I am respecting their knowledge in this industry just as I would hope they would some of the other members in other areas.

PRESIDENT: The Chair recognizes Senator Marsh.

May 13, 1981

LB 529

SENATOR MARSH: Mr. President and members of the Legislature, I rise to oppose the amendment. A financial statement is considered a normal business expense. It should be considered part of the cost of doing business. Why is it requested? It is requested so that the business entity knows where they are financially and the person doing business with that business entity has some protection. We certainly would want a certified or licensed third party to verify a financial statement. If an entity is writing their own with no outside verification, we can continue to have things happen which have happened this past year. When an entity is in the process of doing business, there are normal expenses which should be considered part of their ongoing costs. When that is a reasonable cost producing desirable effects, then we should require that as a minimum. It is my understanding that some of the elevators are already doing what we are asking. It is a protection for the farmer. It is a necessary protection for the business entity although that business entity may not want it and it may be that that business entity has not kept as good records as conducting a business requires. This will simply make the business do what it should have been doing in the beginning. I urge your rejection of the amendment.

PRESIDENT: The Chair recognizes Senator Vickers.

SENATOR VICKERS: Mr. President and members, I, too, rise in opposition to the Chronister motion. I would like to point out one thing that I think maybe some people are overlooking. The grain elevator business as it operates in the State of Nebraska is not like a lot of businesses where it is cash on the barrelhead everytime a transaction is made. Actually what a good analogy would be you have deposits of grain in these elevators much like deposits of money in a bank. Many people haul grain in and do not get any money out for a long period of time, perhaps a year or more, if it is in under a warehouse receipt. Under those conditions, then it doesn't seem to me that it is any more than right that the entity that is responsible for that farmer's grain have a third party looking over their shoulder, if you will, when they fill out their financial statements that are required for licensing by the Public Service Commission each year. Now it has been stated that it might cost up to \$1500 for each financial statement. It would seem to me that a \$1500 cost should not be prohibitive when you consider the many thousands of dollars of protection that the farmers need with the grain that might be in that elevator. I would also point out that if there is an elevator out there that cannot afford \$1500 a year, then they are in pretty bad financial shape anyway when they are dealing with those many thousands of dollars and I think we should,

if we are really serious about protecting the grain producers of this state, which is what I think Senator Kahle and Senator Sieck are attempting to do with LB 529, then it seems to me that it is certainly wrong to accept the Chronister motion to take the third party looking over the shoulder out of the bill. So I oppose the amendment and would hope the body would also.

PRESIDENT: The Chair recognizes Senator Kahle.

SENATOR KAHLE: Mr. President, members of the body, a lot of things have been said and I agree with most of them and I will repeat what I have to say and let you vote on the issue. For instance I think there has been a lot of hysteria over this accountability that we are talking about. I talked to a number of elevators operators, managers, from both coops and from the privately owned elevators. Many have raked me over the coals for introducing this amendment until I explain to them that probably...that in all probability with the new bonding requirement they are going to have to have this accountability anyhow and finding out later that most of them, and I say most of them, already are qualifying with an accounting that would certainly cover what we are trying to do and many, many are using a CPA. You talk about being related to the industry, and as Senator DeCamp mentioned Senator Chronister being involved with the grain industry, and I respect that information and that knowledge that people have that work in this field but I am a farmer. My family markets probably between \$400,000 and \$500,000 worth of grain each year and we are one really small farm by comparison in my neighborhood or at least we are certainly not above the average in number of acres and bushels that are handled. So it's big business, and while \$1000 to \$1500 or \$500, some of them told us they can get this compiled audit, sounds like a lot of money, it is a drop in the bucket in their cost of doing business. I think most of the misstatements that we have talked about on both sides of this issue have been corrected. We talk about being a burden on the small grain, the small dealers. If you will look at the record you will find out that the five elevators that have gone broke in Nebraska have been small elevators by comparison. These are the ones that we need to have the accountability on and they are the ones that are probably most trusted by those farmers that live next to them and are the least apt to be aware of a financial problem. I might say that Senator Sieck and myself and the Ag Committee that worked on this bill have had trouble in getting the industry together to work together. We, first, of course, had the Public Service Commission to deal with and we had the coop elevators

and the private elevators and the truckers, which are also in this bill. We are not talking about that this morning. The only thing we are talking about is the compiled audit. As I mentioned before the corporate bonding is going to require much better bookkeeping already and I guess I would ask the farmers in the Legislature, what do you know about the financial stability or statement or strength of your elevator that you market to, and I certainly think that we ought to look into that a little closer and I would guess, in fact, I know that we want to strengthen that trust that we have between our elevators and us as farmers. If that ever breaks down, we have lost a great deal. We have had that trust in the past and I would hate to think I would have to take a load of grain to town, weigh it, unload it, get my scale ticket, demand a check and go to the bank to see if it was any good before I'd bring back another load of grain.

PRESIDENT: A half a minute, Senator.

SENATOR KAHLE: Okay, thank you. One of the things I want to mention before I close is the fact that someone mentioned that all these elevators will go to the federal licensing if we do this terrible thing to them and it was also mentioned that those requirements are going to be beefed up. I don't think there is a doubt about it after what happened in Missouri and they are going to probably be much tougher than what we are talking about here today.

PRESIDENT: Time, Senator.

SENATOR KAHLE: So I ask you to reject the Chronister amendment.

PRESIDENT: The Chair recognizes Senator Fenger.

SENATOR FENGER: Mr. President, members of the body, I rise to support Senator Chronister in his motion to review action which reviews these compilation statements requiring them to be submitted with an application for a grain warehouse bond. During earlier debate when we were discussing the cost of this amendment, we were doing it without complete information but we now have figures which show the cost of compiling these statements by a licensed CPA to be \$750 to up to \$2,000. I am afraid this is a far cry from the \$250 previously mentioned but despite this cost we had better ask ourselves, will this requirement actually provide the protection that we want or need. When you speak of compiling reports, CPAs, PAs prepare generally accepted statements from books and records without examination or

without review. They are not independently verified by the accounting firm, merely reported. So in fact the information the accountants use is no better than what they receive, but most importantly as an urban Senator interested in state control of business, I have to ask myself this. For years we have seen state banks become national banks. We are now seeing state savings and loan associations become national associations with federal charters. What we are doing with this amendment and Senator Chronister's effort is to prevent a similar flight of state licensed grain warehouses becoming federal licensed grain warehouses, and if we require compilation statements prepared by CPAs, we will see the federally licensed warehouse become the rule rather than the exception. Finally those of you as Senator Kahle and Senator Sieck have indicated who are farmers, ask yourself, will this requirement actually expose a risk to you customers or will this expensive annual report merely be filed to collect dust like so many others in so many industries are. I urge this body to support Senator Chronister in his efforts. Thank you.

PRESIDENT: The Chair recognizes Senator Cope.

SENATOR COPE: Mr. President, members, I have a question of both Senator Chronister and Senator Sieck since they seem to be on opposition sides and it has to do with the cost and just what a certified accountant does. Now do I understand that this will be just very similar to a bank audit? And I will ask Senator Chronister first.

PRESIDENT: Senator Chronister, will you respond?

SENATOR CHRONISTER: Would you repeat that?

SENATOR COPE: That it will be a complete audit, that is there will be an accounting of the number of bushels of grain. There will be a complete audit of all the books, everything complete, and I would like to hear what you think the cost will be for the average smaller elevators. Senator Chronister.

SENATOR CHRONISTER: Yes, Senator Cope, the cost from Touche and Company and Peat, Marwick and Mitchell have been from \$750 on up to \$2,000 depending upon the size of the elevator. Now they could also require besides an audit of the books a visual inspection or measurement of the grain. They could also require an elevator to move his grain out of flat storage and weigh it up which would be a very costly measure. So it would depend upon how big an audit the auditor would request.

May 13, 1981

LB 529

It would be up to him to a certain extent.

SENATOR COPE: Now what about a complete audit of his books, not using his figures for the average financial statement that an auditor does.

SENATOR CHRONISTER: The figures I just gave you, \$750 to \$2,000.

SENATOR COPE: No, what I mean, will the audit be of the company's books, a complete? Most audits are taken from figures presented by the company.

SENATOR CHRONISTER: That again will depend on the auditing company, how far they would want to go into it before they would sign such an audit is my idea of it, Senator Cope.

SENATOR COPE: All right, now, Senator Sieck, would you reply?

SENATOR SIECK: You are talking about an audit, is that the question?

SENATOR COPE: What do you think a certified audit comprises?

SENATOR SIECK: A certified audit would be to look into the books of the company and this could be pretty expensive because it depends...I don't know whether it is similar to the bank audit or not because I think the bank audit is complete, but in this particular case, if they see something that doesn't look right, they are going to measure the grain. They are going to do this if it doesn't look right. They are going to check everything that is suspicious and that is a complete audit.

SENATOR COPE: Now that, remember, certified, they are putting their names on it.

SENATOR SIECK: Right, that is a complete audit, a certified audit.

SENATOR COPE: Yes.

SENATOR SIECK: Now what we are talking about here is a compilation. Now this is just looking at the financial statement of that company, and if there is something that looks a little wrong, sure, they are going to check it.

SENATOR COPE: Well, that wouldn't be a complete audit then?

May 13, 1981

LB 529

SENATOR SIECK: That will not be a complete audit. (Inter-
ruption.)

SENATOR COPE: Now that is the point I think there is the
discussion is on but what is a certified audit?

SENATOR SIECK: A certified audit will be required when you
get the corporate bond. The bonding company would require
a certified audit and I think in that statement that I
handed out to you will explain the difference between a
certified audit and what it does and a compilation state-
ment. A compilation statement is just looking at the
financial statement of the company, and if it looks like
there is something wrong, they will check it out and then
this is sent to the Public Service Commission where they
can review with the audit that was performed at an earlier
date.

SENATOR COPE: Do you think that an auditing company is
going to put their names on this, in that type of a
audit, that they sign it?

SENATOR SIECK: Yes, they are trained to do this. They are
trained to look at figures So they are trained, yes. They
will do this. They will put their names on it.

SENATOR COPE: Now what are the costs again that you (inter-
ruption.)

PRESIDENT: Half a minute, Senator.

SENATOR COPE: All right, I guess I will use that time then.
The reason I am asking this is that an elevator operator
in my district called this morning and it is not Kearney
or Grand Island. It is a smaller town and he was opposing
this and I asked him what the cost was to him. He said
we are doing it now and it was \$2,000. Now I don't know
whether I am going to vote for the...how I am going to vote
but I think this is going to be much more expensive than
what we are anticipating, and whether it is worth it,
whether we want to pass those costs on to the public, which
we are doing, understand, either in a lesser price in grain
or for the products the elevators sell.

PRESIDENT: Time, Senator Cope.

SENATOR COPE: Thank you.

PRESIDENT: The Chair recognizes Senator Haberman.

May 13, 1981

LB 529

SENATOR HABERMAN: Mr. President, members of the body, the only thing I can say is, by golly and whoop-de-do. When you put your money in a bank, the state and the federal government audits that bank two or three times a year to make sure that your money is there and that it is okay. Now it is fine for you Senators who do not put grain in an elevator, it is fine for you to stand up here and say we don't need an audit of the grain because you don't have it in an elevator, but I will tell you right now, I do and that is money. When I put my grain in an elevator, it is the same thing as you Senators putting your money in a bank. I want to be sure that that grain is there. Now if it is going to cost from \$750 to \$1500 as this letter says, sobeit. This body saw nothing wrong with raising the tax on the wheat farmers to three-quarters of a cent. They said that is fine. This body saw nothing wrong with putting a tax on the grain sorghum farmers. They said that is fine. This body saw nothing wrong with putting a tax on the corn farmers. They said this is fine. Well, I will tell you this. It is fine with me if it is going to cost that elevator \$750 to have an audit because I want to know if my wheat is there, if my money is there, and you would feel the same way if you had grain in an elevator. Now I am not talking about ten or fifteen hundred bushel. To some farmers that is ten, fifteen, twenty, thirty, forty thousand bushels of wheat, not me but to some farmers, and corn and grain sorghum. So if they can't afford the \$750 to a \$1000 audit, maybe they hadn't better be in business. What about their insurance? Their insurance costs them more than that. Maybe they shouldn't have to have any insurance either. I just can't understand why you would not be in favor of a bill like this. So I ask you to oppose returning 529 and let's leave it, and those elevators that can't afford \$750 to \$1500, they possibly shouldn't be in business but I personally would like to see it and I would like to know if my grain is there. Thank you, Mr. President.

PRESIDENT: The Chair recognizes Senator Kremer.

SENATOR KREMER: Mr. Chairman, I'd like to 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. The question is shall debate cease? Have you all voted. Record the vote.

CLERK: 28 ayes, 6 nays to cease debate, Mr. President.

PRESIDENT: Motion carried. Debate ceases. Senator Chronister, you may close on your motion to return.

May 13, 1981

LB 529

SENATOR CHRONISTER: Okay, thank you, Mr. Speaker. What I would like to relay to you is if we would have a compilation statement made out and sent to the Public Service Commission I question what good this would do because according to the Public Service Commission they do not have anyone in their office qualified to read a certified audit. What they do is go back to the bonding company and rely upon the bonding company for their information. So to me this is just needless information, more papers compiled and sent into an agency that does not have time or the people to look it over as in the case of a bank audit. They again rely on the corporate surety bonding company. Now according to a count done by the Nebraska Public Service Commission Warehouse Department yesterday, 150 cooperatives were found to be licensed with the state. Now this could mean more than 150 locations since branch locations are listed under the main locations license. However, in reviewing what type of financial statements were submitted, only 35 of these cooperatives submitted CPA statements. This does not mean that the rest do not have CPA audits. They may have them but they just haven't been submitting them. So I again question what good it will do, and in closing, if we make it too tough on these small elevators without providing a bit more protection for the farmer, I guarantee you you will see a swing from state houses over to federal licensed houses, and if that happens, the state will have less control than ever over their grain warehouses. I ask you and urge you to support the motion.

PRESIDENT: The question before the House then is the motion to return LB 529 for a specific amendment. All those in favor vote aye, opposed nay.

SENATOR CHRONISTER: Mr. Speaker, could I have a Call of the House and a roll call vote please?

PRESIDENT: All right, we just as well do it right now then. The motion then is to have a Call of the House. All those in favor of calling the House vote aye, opposed nay. Record the vote.

CLERK: 26 ayes, 0 nays to go under Call, Mr. President.

PRESIDENT: Motion carries. The House is under Call. The Sergeant at Arms will secure the Chamber. All unauthorized personnel will leave the floor. All legislators, return to your desks and register your presence now. Four members are excused, Senator Chronister. While the House is under Call and we are getting the members to return to their desks,

May 13, 1981

LB 529, 273

the Chair takes pleasure in introducing a guest of Senator Remmers, his pastor, Pastor Everett Brailey from rural Auburn. Will Pastor Brailey and Senator Remmers stand up and be recognized? Welcome, Pastor. We also have here in the North balcony from Senator Warner's District 22 fourth graders from Ceresco, five adults and Deborah Cook, the teacher. They are up here in the balcony. Wave to us up there and show us where you are. Welcome to your Legislature. Would Senator Lowell Johnson, Senator Hefner, Senator Warner, would you all show your presence? Senator Maresh. Senator Schmit. Senator Wesely. Senator Newell. Senator Chambers. Senator Newell, will you register your presence? Senator Wesely, we need Senator Wesely. I think Senator Wesely is the only one who is not here, Senator Chronister. He is on his way. Senator Chronister, do you wish to wait for Senator Wesely to come? He is on his way. He is the only one who isn't here.

SENATOR CHRONISTER: Could we start then and catch him when he arrives?

PRESIDENT: We can wait or we can start now. He is at the end of the alphabet anyway.

SENATOR CHRONISTER: Let's go.

PRESIDENT: So, commence to call the roll and those in favor of returning LB 529.

CLERK: (Roll call vote taken. See page 1986, Legislative Journal.) 22 ayes, 22 nays, Mr. President, on the motion to return the bill.

PRESIDENT: Motion fails. The next motion on agenda item #4 is LB...well, 529A is not part of it any more, so we go then to LB 273, Mr. Clerk.

CLERK: Mr. President, LB 273 has a motion by Senator Chambers to return for a specific amendment. (Read Chambers amendment as found on page 1986, Legislative Journal.)

PRESIDENT: The Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, this is the form of the amendment that had been discussed on the high-speed chase bill. I had tried to get it amended into LB 76 but was unsuccessful because we had decided that this would be the bill that such a proposition ought to be attached to. So what it would do is deal with the situation where a person not involved in

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.

May 18, 1981

LB 129, 529, 381, 384

Reading for today.

CLERK: Mr. President, while we are waiting I have amendments from Senator Wesely to LB 129 to be printed in the Journal.

PRESIDENT: While we are also waiting, Senator Beyer has four students from Political Behavior Class at Papillion High School, Rick Cogruue, Rus Koski, Jim Wiedelhouse and Jeff Valenta. Would they all stand up over there and be recognized. Welcome to your Unicameral Legislature.

CLERK: Mr. President, Senator Chronister would like to print amendments to LB 529.

PRESIDENT: I believe we are ready Mr. Clerk. We will start with LB 381.

CLERK: Read LB 381 on Final Reading.

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 381 pass with the emergency clause attached. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 48 ayes, 0 nays, 1 excused and not voting. Vote appears on pages 2064-65 of the Legislative Journal.

PRESIDENT: LB 381 passes with the emergency clause attached. The next bill on Final Reading, LB 384.

ASSISTANT CLERK: Read LB 384 on Final Reading.

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 384 pass. All those in favor vote aye, opposed nay. The board is open on LB 384. Record the vote.

ASSISTANT CLERK: 31 ayes, 16 nays, 2 present and not voting. Vote appears on page 2065 of the Legislative Journal.

PRESIDENT: LB 384 passes. Before we get to the next bill I have been asked to make an announcement that there is a blue Triumph automobile parked on H Street with the lights on, license number, 2-V2207, if it belongs to anyone, if you know anyone, you had better get there before the battery is worn out. Also, we will

May 20, 1981

LB 499, 529

ASSISTANT CLERK: (Read LB 499 on Final Reading.)

SPEAKER MARVEL: All provisions of law having been complied with, the question is, shall the bill pass with the emergency clause attached. Those in favor vote aye, opposed vote no.

ASSISTANT CLERK: (Read record vote as found on page 2133 of the Legislative Journal.) The vote is 44 ayes, 0 nays, 1 excused and not voting, 4 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed with the emergency clause attached. The Clerk will read on Final Reading LB 529.

CLERK: Mr. President, Senator Chronister would move to return LB 529 to Select File for a specific amendment. The amendment is on page 2064.

SPEAKER MARVEL: The Chair recognizes...Senator Kahle.

SENATOR KAHLE: Mr. President, I would like a ruling from the Chair. I believe this is a reconsideration of the same issue we had the other day on Final Reading.

SPEAKER MARVEL: The research, Senator Chronister, the research that was done after the last bill was presented indicated that it was a reconsideration.

SENATOR CHRONISTER: Yes, but that was at a different stage of the bill, Mr. Speaker. This amendment has never been brought up on Final Reading before. A different motion on a different page.

SPEAKER MARVEL: Come down for a moment. Okay, the Chair sustains Senator Kahle and it is my understanding that Senator Chronister will attempt to override the Chair which is his privilege.

SENATOR CHRONISTER: Correct, Mr. Speaker. I will ask to overrule the Chair in this particular instance because I feel this matter is of great import.

SPEAKER MARVEL: Senator Kahle, do you wish to comment?

SENATOR KAHLE: Well, Mr. Speaker, this issue, if it hadn't been brought before the body twice before I would have not held out so strongly for this ruling but we divide the question, if you will remember, on Select File so that they had a chance to beat that part of the amendment that I introduced

along with Senator Sieck. We also had it up once before on Final Reading and that is what our discussion was about. So, I hope that you won't vote to overrule the Chair. I think this issue has been aired and that we need to get on with the Final Reading. Thank you.

SPEAKER MARVEL: The Chair still rules that technically we are involved in a reconsideration and that the motion is, shall the Chair be overruled and Senator Chronister needs 25 votes. Senator Sieck, your light was on. Do you wish to speak to the motion to shall the Chair be overruled? That is the issue.

SENATOR SIECK: Yes, Mr. President, members of the body, I want to just say that I agree with Senator Kahle, that I feel this has been acted upon a couple of times and that we should not overrule the Chair. Thank you.

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

SENATOR VICKERS: Yes, I do, Mr. President. Mr. President and members, I also rise to oppose this motion to overrule the Chair. As Senator Kahle and Senator Sieck have pointed out this issue has been before us at least twice, one other time at the same stage of debate. That is the reason for this motion to override the Chair. I would also point out that we do have a very few days left. The days are becoming longer. If we want to drag out legislation this is a good way to do it. If we want to keep things from happening this is a good way to do it but I don't think this is the way it should be done. It seems to me that whenever we all have to face the fact that occasionally we lose and we get to that point in time with a bill that we just passed a little bit ago, that I debated at quite some length on both General and Select File but once they get to Final Reading, once you have had two or three times to try to amend it in this specific manner and have lost, it seems to me that it is time to lick your wounds and go on with the business of legislating. I think we are wasting precious time and I certainly urge this body's rejection of the motion to overrule the Chair on this issue.

SPEAKER MARVEL: Senator Chronister, the Chair recognizes you to close on the motion, shall the Chair be overruled. The floor is yours.

SENATOR CHRONISTER: Okay, thank you, Mr. Speaker. Members, again I apologize for taking more time but I feel this matter is of great enough import that it should be reconsidered, especially in light of the way it proceeded through Select File

May 20, 1981

LB 529, 529A

the last time. I urge you to overrule the Chair. Thank you.

SPEAKER MARVEL: The motion before the House is, shall the Chair be overruled. All those in favor of that motion vote aye, opposed vote no. The motion is, shall the Chair be overruled. Senator Chronister.

SENATOR CHRONISTER: A roll call vote, Mr. Speaker.

SPEAKER MARVEL: Okay, record your presence. Senator Fenger, will you please record your presence. Senator Cullan, will you please record your presence. Senator Kilgarin, will you please record your presence. Senator Koch, will you please record your presence. Senator Hefner, will you please record your presence. Senator Labedz, will you please record your presence. Senator Chambers, will you please record your presence. Mr. Sergeant at Arms, we need Senator Hefner, Senator Labedz and Senator Chambers. Senator Chronister, everybody is accounted for except Senator Chambers. Is he on his way? Okay. The Clerk will call the roll. Remember, shall the Chair be overruled is the issue. Those in favor vote aye, opposed vote no. Mr. Clerk, proceed with the roll call.

CLERK: (Read roll call vote as found on page 2134 of the Legislative Journal.) 17 ayes, 28 nays, Mr. President, on the motion to overrule the Chair.

SPEAKER MARVEL: The motion lost. Read on Final Reading, LB 529.

ASSISTANT CLERK: (Read LB 529 on Final Reading.)

SPEAKER MARVEL: All provisions of law having been complied with, the question is, shall the bill pass. Those in favor vote aye, opposed no, LB 529 on Final Reading. Record the vote.

ASSISTANT CLERK: (Read record vote as found on page 2135 of the Legislative Journal.) The vote is 44 ayes, 2 nays, 1 excused and not voting, 2 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. The Clerk will now read on Final Reading, LB 529A.

CLERK: (Read LB 529A on Final Reading.)

SPEAKER MARVEL: All provisions of law having been complied with, the question is, shall the bill pass, LB 529A. Have you all voted? Clerk, record the vote.

May 20, 1981

LB 39, 39A, 179, 252,
451, 499, 506, 529

RECESS

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Record your presence, please. Okay, record.

CLERK: There is a quorum present, Mr. President. 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 reengrossed LB 39, reengrossed LB 39A, reengrossed LB 179, engrossed LB 252, engrossed LB 451, engrossed LB 499. Do you have anything to read into the record, Mr. Clerk?

CLERK: Mr. President, one other item. Senator Chronister moves that the Legislature reconsider their action on the final passage of LB 529.

SPEAKER MARVEL: What was that announcement again?

CLERK: Mr. President, I have an Attorney General's Opinion addressed to Senator Lamb regarding LB 506. (See pages 2140 and 2141 of the Legislative Journal.)

SPEAKER MARVEL: From Senator Wesely's District we welcome forty-five students from Northeast High, Lincoln, Nebraska. Melvin Berka is the teacher. In the north balcony. Will you hold up your hands so we can see where you are? Welcome to the Unicameral. From Senator Sieck's District nineteen 4th Grade students and 2 adults from York Edison Elementary School, York, Nebraska, Mrs. Sue McDaniel, teacher, also in the north balcony. Where are you located? Welcome to the Unicameral.

SENATOR NICHOL: Senator Marvel.

SPEAKER MARVEL: Somebody says be kind. This is the time for action. I would like to read two or three paragraphs to you to emphasize the fact that we either get off of dead center, stop amending so many bills, stop putting discussion on certain pieces of legislation when we could do with maybe one-tenth of what has been offered. And I have indicated it is perfectly all right with me from a selfish standpoint if you want to continue the debate, if you want to continue to clog up the machinery, and it is clogged up, believe it or not, you can do that and you are going to lose some important legislation that practically everyone has, including reapportionment as an example. Now let me

May 21, 1981

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

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

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

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

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

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

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

SPEAKER MARVEL: Senator Fowler.

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

SPEAKER MARVEL: Hearing no objections so ordered.

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

SPEAKER MARVEL: Chair recognizes Senator Chambers.

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