

February 3, 1981

LR 12, 13  
LB 543

stood up and suggested that these things ought to go to committee. I have said, "Fine, we will send them to committee." They have went to committee and they have come back out. There has been a good discussion. There has been a public hearing and, in fact, both of those cases the resolutions<sup>s</sup> passed without opposition and I thought that that wasn't such a bad thing. I mean I started to believe in that kind of a process since, in fact, we had more information and less confusion on which to vote. But now Senator DeCamp has forgot that he is the guardian of the process and wants to ram this thing through. And maybe Johnny knows what he is talking about and he knows why this, you know, this great necessity to move this resolution through without any great analysis. Maybe he knows that. I really doubt it. I think that Johnny has got this double standard and that double standard is applied in different ways as double standards are and that is why Johnny suggests today that we don't need to know what we are talking about since it is not important anyways. I think there is time for public hearing. I would encourage this body to look at this program, to really understand what they are doing, to know what the abuses are that were tightened up and to know whether or not we were party to those abuses, and to know even more than that, whether in the national context, in a national context in fact this is the kind of program that we need or that we cannot or could not and should not have done it a different way. With that in mind, I would urge this body to send this to committee so that we can have that hearing, so we can have that understanding. Thank you.

PRESIDENT: Motion before the House then is the Newell motion to refer LR 12 to the Executive Board for referral to a committee for a hearing. All those in favor will vote aye, opposed nay. Has everyone voted? Record the vote.

CLERK: 27 ayes, 13 nays, Mr. President.

PRESIDENT: Motion carries. LR 12 is referred to the Exec. Board for referral to a committee for a hearing. The Clerk has some matters to read in and then we will take up a motion on the desk of Senator Nichol.

CLERK: Mr. President, your committee on Revenue gives notice of public hearing for February 9, 10 and 11.

A new bill, LB 543 offered by Senator Schmit at the request of the Governor. (Read title. See page 404, Legislative Journal.)

Mr. President, a new resolution signed by several members. LR 13. (Read. See page 403, Legislative Journal.) That will be laid over, Mr. President.

March 17, 1981

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

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

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

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

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

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

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

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

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

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

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

SENATOR CLARK: We have two more amendments up here.

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

March 23, 1981

LB 40, 157A, 253, 317,  
427A, 472A, 478, 543

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

CLERK: 16 ayes, 5 nays to go under Call, Mr. President.

SPEAKER MARVEL: The House is under Call. All legislators return to your seats, record your presence, unauthorized personnel please leave the floor, and as soon as everybody is in their seats, we will proceed with the roll call vote.

CLERK: Mr. President, while we are having members check in, Senator Lamb would like to print amendments to 317; Senator Hoagland to 253.

I have a corrected committee statement for LB 543 from the Banking Committee.

An announcement from the Administrative Rules and Regulations committee.

Appropriations Committee gives notice of executive meetings Monday, March 23 at adjournment and for March 24, 25 and 26.

New A bills, LB 157 A, (title read); LB 472A, (title read); and LB 427A, (title read).

Senator Hoagland would also like to print amendments to LB 478, Mr. President.

SPEAKER MARVEL: Senator Burrows, do you want to record your presence? Senator Pirsch, do you want to record your presence? All legislators must be in their seats before we can start the roll call. Call the roll. The motion before the House is the advancement of the bill. Senator Barrett, for what purpose do you arise?

SENATOR BARRETT: Mr. Speaker, I respectfully request the roll call be reversed.

SPEAKER MARVEL: Okay, go ahead, Mr. Clerk.

CLERK: (Roll call taken in reverse commenced.)

SENATOR WIITALA: I would just like to say I have no objections.

SPEAKER MARVEL: Okay, a roll call vote has been requested. Go ahead. Proceed with the roll call.

CLERK: (Roll call taken in reverse. See vote on page 1075,

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LB 396, 543

SPEAKER MARVEL: The motion is carried. Senator Carsten.

SENATOR CARSTEN: Now, Mr. President, LB 396 is a bill that I introduced on behalf of the Nebraska Farm Bureau Federation and the farming industry. Several years ago the federal government had a combination of matching funds and a program whereby lime was tested. It was a program where there was cost sharing. At that time lime was tested and we did have an analysis before it was put on and we knew for sure. When that lime act was suspended the Ag College also suspended the testing process. Since that time we have had no real serious problems but we have had a few cases where at least the farmer himself felt that he was not getting that which he had been told he was receiving. It did seem appropriate that we reinstate that testing program. We were in contact with the Ag Department. There were no problems with that and so we proceeded then to draft the bill as it is. I want to alert you also that there is a fiscal note with this but due to the changes in the bill by way of the amendments there is a revised version and I was told that we had to have an A bill with it which I have introduced this morning. It is a minimal amount for the use of the sampling and the testing and the extra work that the Ag College is going to have to do. It amounts to \$21,167. We do believe that the bill is all right. There has been some question relative to the slurry in the lime products which we believe is all right but I assure you and want to alert you at this point that we are going to continue to look at that, and if there is a problem there, on Select File we will be ready to correct that problem but we believe the bill is worthy of your consideration and your support and I move, Mr. President, that LB 396 as amended be advanced to E & R Initial. Thank you.

SPEAKER MARVEL: Motion is to advance the bill as explained by Senator Carsten. All those in favor vote aye, opposed vote no. Record the vote.

CLERK: 31 ayes, 0 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: The motion is carried. Next bill, 543.

ASSISTANT CLERK: Mr. President, LB 543 (read title). It was read for the first time on February 3rd and referred to the Banking, Commerce and Insurance Committee and there are committee amendments from the Banking, Commerce and Insurance Committee.

SENATOR SCHMIT: Okay, Mr. President, members of the Legislature,

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I would like to explain the committee amendments. Although there are some that are only technical, there are others that are substantial and so I would like to go through them with you. First of all it provides and identifies that any person, any individual or employee of the fund who later acquires a personal interest in any transaction of the fund shall immediately and in writing transmit that knowledge to the board, and, secondly, it provides for the conflict of interest identifies when a conflict of interest can occur and how it should be handled. Third, it provides for proper investment of the funds through the...that have been secured from the bond issue. Fourth, it provides when a facsimile signature of all the members of the fund can be used and limits the use of the facsimile signature. Fifth, it provides that bonds may be secured by a trust indenture which may be in the form of a bond resolution or similar contract. Sixth, it provides when the funds shall have the power to indemnify any fund member identical to the provisions that exist when a school district may indemnify a school board member in a lawsuit. Lastly, it provides for the direction that is to be followed if the fund is dissolved. It provides for the disposition of the assets, indebtedness and obligations of the fund and, lastly, just the item changes the original sections, renumbers the original sections. Those are the amendments, Mr. President. I move for their adoption.

SPEAKER MARVEL: The motion is the adoption of the committee amendments as presented by Senator Schmit. All those in favor of the adoption of the committee amendments vote aye, opposed vote no. Have you all voted? Record.

ASSISTANT CLERK: 26 ayes, 0 nays on the adoption of the committee amendments.

SPEAKER MARVEL: The motion is carried. The committee amendments are adopted. Now we have an amendment. Do you have one, Senator Schmit?

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

SPEAKER MARVEL: Okay.

SENATOR SCHMIT: I would like to add the emergency clause.

ASSISTANT CLERK: Mr. President, Senator Schmit moves that the emergency clause be added to LB 543.

SPEAKER MARVEL: All in favor of that motion to add the emergency clause to LB 543 vote aye, opposed vote no. Record.

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ASSISTANT CLERK: 25 ayes, 0 nays on the adoption of the Schmit amendment.

SPEAKER MARVEL: The motion is carried. The emergency clause is adopted.

SENATOR SCHMIT: Mr. President, members of the Legislature, the principal purpose for the introduction of LB 543...

SPEAKER MARVEL: Senator Schmit, just a moment. Senator DeCamp, do you want your amendment read now?

SENATOR DeCAMP: Mr. President, members of the Legislature, the Nebraska Mortgage Finance Fund has asked me to put this amendment on LB 25...any way they have asked me to put this amendment on here. It has been deleted...it simply removes the FHA Title I insurance requirement that the Mortgage Finance Fund now has on whatever they do and this allows them to save on paperwork and offer loans at less interest. As I understand previous law made it mandatory they use Title I insurance. Title I insurance is actually not the cheapest thing. They don't always require it. By eliminating the mandatory requirement in there, they can offer mortgage finance money to build houses or whatever they do with it at less money. I move adoption of the amendment.

SPEAKER MARVEL: The motion is the adoption of the amendment as explained by Senator DeCamp. All those in favor of that motion vote aye, opposed vote no. Have you all voted? Record. No, I am sorry. Have you all voted? Record.

ASSISTANT CLERK: 25 ayes, 0 nays on the adoption of the DeCamp amendment.

SPEAKER MARVEL: The motion is carried. The committee amendment is adopted. Senator Schmit, do you want to explain the bill?

SENATOR SCHMIT: Yes, Mr. President, I will explain the bill. The bill provides for four major areas of improvement in the Home Mortgage Act. Number one, it allow the utilization of the funds for construction of rental housing. Number two, it provides for the utilization of the funds for multifamily development. Number three, it allows for the participation by the fund in federal housing programs, and number four, it provides for the utilization of the funds for remodeling or rehabilitation of existing structures and homes and it also allows for the elimination of the rating requirement for privately placed bonds. In other words a public bond must have at least an A rate. If there

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LB 543, 70

are any other questions, I would be glad to answer them but that is the principal purpose and I think we have all been familiar with the history of the Home Mortgage Act. I think we know that it has provided some valuable assistance at a time when the construction industry and the financial industry was unable to meet the demand for housing. We know that those interest rates are continuing to be abnormally high. We can expect I think a continued period of time when this will continue to exist. It denies many people the opportunity to own their own home or even to remodel or even to provide or have access to rental housing. It was felt by the Directors of the Home Mortgage Act that this would be a substantial improvement to the act. I concur and I, therefore, offer the bill and hope that it will be advanced.

SPEAKER MARVEL: The motion is the advancement of the bill to E & R for review. Any further discussion? All those in favor of that motion vote aye, opposed vote no. We are voting on LB 543 and its advancement. Record.

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

SPEAKER MARVEL: The motion is carried. The bill is advanced. The next bill is LB 70.

ASSISTANT CLERK: Mr. President, LB 70 (read title). It was read for the first time on January 9th. It was referred to the Government, Military and Veterans Affairs Committee. There are committee amendments from that committee.

SPEAKER MARVEL: Senator Kahle.

SENATOR KAHLE: Mr. Speaker and members, as introduced, LB 70 would repeal all provisions in the statutes pertaining to polling place accessibility for physically handicapped. Currently the statutes require that no more than fifty percent of the polling places in the counties can be inaccessible now, and by January 1, 1984, all polling places will have to be accessible. The Secretary of State is authorized to issue waivers of the percentage requirement but no waivers will be allowed after January 1, 1984. Now rather than do away with the current statutes, the committee basically accepted the compromise offered by the various handicapped groups who testified at the hearing. The committee amendments reinstate the current language in the statutes so that by 1984 all polling places will have to be accessible. However, the Secretary of State will be able to continue granting waivers in 1984 and beyond. To

May 7, 1981

LR 75  
LB 181, 224, 316, 396, 441,  
485, 487, 543, 544

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by the Reverend Bob Chitwood of Capitol City Christian Church here in Lincoln.

REVEREND BOB CHITWOOD: Prayer offered.

PRESIDENT: Roll call. Has everyone registered your presence? We are going to have to suspend in order to take up some of these bills, so I hope everyone has registered their presence so we can see if we have 30 people here. Mr. Clerk, why don't we record the presence and at least get started on the early things we have got.

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

PRESIDENT: All right, quorum being present, Mr. Clerk, are there any corrections to the Journal?

CLERK: I have no corrections, Mr. President.

PRESIDENT: All right, the Journal stands correct as published. Are there any messages, reports, announcements?

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 181 and recommend that same be placed on Select File with amendments; 396, Select File with amendments; 543, Select File with amendments; 487, Select File with amendments; 316, Select File with amendments; 441, Select File with amendments; 224, Select File; 485, Select File with amendments; 544, Select File with amendments. All signed by Senator Kilgarin, Chair. (See pages 1809 through 1811 of the Legislative Journal.)

Mr. President, your committee on Education gives notice of hearing on gubernatorial appointments for May 21. (See page 1812 of the Legislative Journal.). And, Mr. President, LR 75 is ready for your signature.

PRESIDENT: While the Legislature is in session and capable of doing business, I propose to sign and I do sign LR 75. The Chair recognizes Senator Marsh.

SENATOR MARSH: Thank you, Mr. President. The Lincoln Journal on Monday, May 4th, printed an inaccurate article regarding an interview about the Treasurer's office vacancy which will occur June 15th. I should have moved to correct the misstatement immediately, which stated: "State Senator Shirley Marsh of Lincoln said Monday she will ask Governor Charles Thone to appoint her to the soon to be vacated post



May 8, 1981

LB 70, 181, 396, 543

SENATOR KILGARIN: I move we adopt the E & R amendments to LB 70.

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

SENATOR KILGARIN: I move we advance LB 70 to E & R for engrossment.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. The motion is carried. The next bill, Senator Kilgarin, is 181.

SENATOR KILGARIN: I move the E & R amendments to LB 181.

SPEAKER MARVEL: 181, what was your motion, I am sorry?

SENATOR KILGARIN: I move we adopt the E & R amendments to LB 181.

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 181 to E & R for engrossment.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. Motion is carried. 181 is advanced. Next bill, 396.

SENATOR KILGARIN: I move the E & R amendments to LB 396.

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 396 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. The next bill is 543.

SENATOR KILGARIN: I move the E & R amendments to LB 543.

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

SENATOR KILGARIN: I move we advance LB 543 to E & R for engrossment.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. Motion is carried. The bill is advanced. Next bill is 487.

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

May 11, 1981

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by Chaplain Palmer.

REVEREND PALMER: Prayer offered.

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

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

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

CLERK: Mr. President, I have no corrections.

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

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

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

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

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

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

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PRESIDENT: LB 501 passes. The next bill on Final Reading is LB 543, Mr. Clerk.

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

PRESIDENT: Read the motion.

CLERK: Mr. President, Senator Goodrich would move to return LB 543 to Select File for a specific amendment. The amendment would read as follows: (Read the Goodrich amendment as found on page 2068 of the Legislative Journal.)

PRESIDENT: The Chair recognizes Senator Goodrich.

SENATOR GOODRICH: Mr. President and members of the body, first of all I apologize for having to do this on Final Reading, but when this was on Select File I had the motion ready to go and then all of a sudden we dropped 24 votes...24 bills rather and picked this one to advance off Select File and frankly caught me off base. The motion that I am proposing that we make is to set a limit on the moderate to low income family income to whom these loans can be made and go from the \$28,000 figure set by the fund down to the average, excuse me, average median family income for the State of Nebraska. Now the fund actually sets...uses rather three criteria for setting this median income, but right now if you average the three it's about \$19,000 a year. This would mean that none of these mortgage, these mortgage loans, can be made to families with incomes over \$19,000 approximately per year. However, doing it this way where you set the median income, you don't set a specific figure, then the median income can fluctuate and the fund has a guideline with which to operate. For example, I would like to quote to you from the Nebraska Supreme Court's decision on this particular case, and Krivosha himself says when he is ruling on this particular program, says, each program is intended to enable mortgage lenders to use a new source of capital solely for the purpose of marketing mortgage loans to persons otherwise unqualified for mortgage financing because of insufficient personal or family income. In other words, if the fund stayed with...as the Supreme Court has said, or as Chief Justice Krivosha has said, to people as intended by the original purpose of the statute itself, if they would have stayed within those guidelines, it would have been all right, and the problem now is that in 1979, for example, the Fund Board set a limit on these particular loans of \$22,000 and this year the limit has been raised

to \$28,000. Now the purpose of the law...the original bill itself and I am referring back to LB 543 of previous sessions, said low and moderate income persons shall mean persons irrespective of race, religion, creed, national origin or sex determined by the fund to require such assistance as is made available by Section 76-1601 to 1651 on account of insufficient personal or family income taking into consideration without limiting the generality therefore to such...as such factors as, and it continues the factors. And then (e) of the factors is the ability of such person to compete successfully in the normal private housing market and to pay the amounts at which the private enterprise is providing sanitary, safe and uncrowded housing. Well, that is what gave rise to the problem, and two lenders, for example, gave some time to researching the loans made in the first issue of this particular fund. One lender came up with a figure of 65 percent of the loans serviced by them had been made to persons with over the median income. The other lender had, 80 percent of the loans they were servicing had been made to persons over the median income. If you stick with the original purpose of the loan...of the law rather, for setting up this mortgage fund, and then you make 80 percent of your loans to people over that median income, over the qualifications for that original statute, that is what gives rise to the problem. Now let me repeat for you one thing and that is that saying it this way, saying it that in no case shall the level of low or moderate income shall....level of low or moderate income as defined by the fund, that's the board, exceed the median family income for the State of Nebraska. If you word it that way, that is constantly going up and consequently you have got flexibility built into the statute and you can actually...you actually then are giving the Fund Board the flexibility to raise that every year because it is automatically done. But yet you are living up then to the original purpose of the fund, number one, but, number two, you are also providing the assistance to those that are unable to get it elsewhere, and you are not jumping into the market of those, for example, that are able and are qualified to get it from private industry. For that reason, I ask you to adopt this amendment.

PRESIDENT: The Chair recognizes Senator Schmit.

SENATOR SCHMIT: If Rex will go along, I will give it some consideration. Mr. President and members of the Legislature, in regard to the Goodrich amendment, I would have to oppose the amendment. I would suggest perhaps that from time to time there may have been a loan

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that was completed that was perhaps to a person of an income level higher than what we would have liked to have seen, but the vast majority of the loans have been made to persons under the median income range. I believe it is important that the board members of the fund be given discretion to determine at what level an income they should make the money available. I think that we recognize the prime rate this morning, one major bank has gone to 20 percent. I think we must recognize that the home building industry is one of the most vital cogs in our nation's economy. It has for all practical purposes drawn to a halt. It is not my intention, nor has it ever been, to infringe upon the legitimate home mortgage market of the savings and loans. This bill does not do that. I do not believe that it can be proven that it will do that. I think that Senator Goodrich, and I respect him, I know he has had considerable experience in this area, but I believe he is wrong in this area and in this instance. I think if you will read the handout provided by Senator Koch, it will provide you the statistics which you need, and those statistics will back up the action of the present fund members of the board. I think that there needs to be flexibility. These times are volatile. Rates of interest increase dramatically in a short period of time. The impact upon the market is dramatic. The impact upon the ability of homebuilders to compete in the market place without any mortgage funds is, of course, a very serious consideration to all of us. It is unusual that I would get up here and oppose Senator Goodrich as I have now. It is unusual that I would have to oppose the savings and loans, as I have said earlier, it is not my intention to impose upon the legitimate and regular home mortgage fund money. But if we do allow the Goodrich amendment to become law, we have for all practical purposes killed the home mortgage fund. It is not just a small amendment, it would be dead. You could just as well count on it. I would ask you to oppose the Goodrich amendment and to read the bill and to act favorably upon the bill.

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, I made myself a promise and I am making you a promise that in these waning days I am going to try to exercise great restraint in offering any amendments of any kind on Final Reading that aren't pretty well worked out or that there hasn't been some agreement or understanding to in advance with all parties knowing, so that we don't use the last nine days with new amendments.

On this particular amendment I do have to speak because I think there is a misunderstanding as to what the amendment will do. The amendment will kill the Mortgage Finance Fund as it now exists and I would submit if that is what you want to do, fine, that's one of the options. But you have to understand the Nebraska fund is different than other states. Ours does not have one single penny, not one penny, of any government money, federal subsidy, and so on and so forth. Therefore, it operates in the following manner, and I am going to use an example that I kind of understand to illustrate it and why this amendment would kill it. Let's imagine you are a student in school and you're going through your classes and your first exam you get an A on, the next one you get an A on, the next one you get a B on, the next one you get a C on, and another one you get an A on, and the final exam you get a C minus on. The teacher averages them all out and he says, look, you only got a C minus on the final exam, which wasn't that great but overall you averaged out to a B plus or an A minus. The Nebraska Mortgage Finance Fund functions precisely in that manner. The only way you can help low and moderate income is by having a balanced average so that somebody will buy the lower ones. That's because, as I stated, we have no subsidy, so basically the people themselves have to subsidize the fund, so you have to have some good quality security to be able to take on the Cs and C minuses and Ds. Now, a new development has occurred within the last 48 hours that should enhance tremendously the low income peoples' ability to get loans through this fund at an even lower interest rate than in the past. What is that? And this is important that you understand because this will be the first time this has been used and it really could make this fund the greatest thing ever for low income. Two events...number one, the federal government decided to allow variable rate mortgages. So you say, what's that got to do with the price of houses in Nebraska? Subsequent to that the Mortgage Fund with some pressure from some members of the Legislature, has agreed to do the following. To have a higher interest rate for the A category. In other words, the category that normally would get the best rate, we are going to get a slightly higher rate, one percent interest more. We are going to charge them more, and then we are going to be able to take that low income group and give them a cut of as much as 4 percentage points. So you really will see this fund, if you don't tamper with it now, become effective in making a lot of low income loans to people who wouldn't get it otherwise at very, very competitive rates. And who is going to be helping them? The very people that you are eliminating

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from the fund with this amendment. I urge you to reject the amendment. I apologize to my good friend, Bill Fitzgerald. We talked about this taking the entire package into consideration. I have to say it is better to keep the fund in existence with this new opportunity that the leaders of the fund have agreed to than to totally kill it through this amendment.

PRESIDENT: The Chair would like to take this opportunity to introduce from Senator Labedz's District some forty-two 8th Grade students and seven adults from Holy Ghost School of Omaha, Miss Kathy Chapman and Miss Cheryl Shanker, teachers. They're up here in the north balcony. Would you welcome the group from Holy Ghost School to the Nebraska Legislature. The Chair recognizes Senator Koch.

SENATOR KOCH: Thank you, Mr. President. In 1978 I served on the Urban Affairs Committee when this bill was introduced by that committee on behalf of several members of this body. This committee has had two years of experience, and for us to take the action that Senator Goodrich is proposing today is not in the best interest of this body. Senator DeCamp has outlined the issue very clearly, Senator Schmit before him as well. Unless we can find concrete evidence where the investment fund members have misused their discretion, I think it is not in the best interests of us to suddenly at this late date to penalize them on lack of information and a base. For the members of the Douglas County delegation, I would have you look at the handout we all have in our files on this issue and find the average loan is \$31,000. In this day of economies and building costs, I do not think this is unreasonable. And for us to place a very rigid figure in here based upon the median income takes away the flexibility that is needed for us to simulate the building industry and not only that but stimulate low moderate income housing. I, therefore, ask you to recall the bill that we passed just two years ago, 476. The intent of the bill is being upheld by the Mortgage Fund membership, and for us now take on Senator Goodrich's amendment is not in good interest. The S & Ls have called me and generally I have gone along with their positions, but in this case I cannot, so, therefore, I ask you to reject Senator Goodrich's proposed amendment.

PRESIDENT: The Chair recognizes Senator Newell.

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

PRESIDENT: The question has been called for. Do I see

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five hands? I do. The question is, shall debate cease? All those in favor vote aye, opposed nay. Have you all voted? The question is, shall debate cease on the Goodrich motion to return? Record the vote.

CLERK: 26 ayes, 3 nays to cease debate, Mr. President.

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

SENATOR GOODRICH: Thank you, Mr. President and members of the body. In closing I would like to make about three points, one of which is you all received the handout from Senator Koch this morning and I will quote from that handout. It says, "If the Fund abuses its discretion in making income determinations, it is certainly the prerogative of the Unicameral to legislate limits". When you analyze the loans that were made in the first issue and in one lender it was 65 percent of the loans, the other lender it was 80 percent of the loans that were over the median income, these were loans made to people that could have gotten it in the private market, that is an abuse of the original intent of the legislation itself, which was to provide for that segment of the market that could not be met elsewhere. By doing this, by going over that amount of income limitation, \$28,000 per year is not low income. Consequently, there is an abuse being exercised and the board actually voted 4 to 3 against this amendment. However, that means that almost half of the board itself disagrees with the policy of the Fund of making loans up to \$28,000 income...of loans to people with \$28,000 income. So, consequently, there is an abuse already and it is for that reason that I am suggesting that we put in the ability...a flexible limit that would serve as a guideline to the Fund Board and it would put this whole loan fund back into the category of loans where the original statute as I quoted to you actually states that it should be. That's what we passed it for and that is where we should be. And it is for that reason since they have gone beyond that in setting \$28,000 a year income, they have jumped into the private market, the market that can be met by the regular lenders, and it is for that reason that there is an abuse and for that reason, as Senator Koch's handout says, we have the duty almost to do this. For that reason I ask the adoption. Thank you.

PRESIDENT: The question then is the motion to return for a specific amendment to LB 543. All those in favor vote aye, opposed nay. Have you all voted? I remind you, you are on Final Reading, so there is no need to have a



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Call of the House. Everybody should be at their desks and ready to vote. Senator Goodrich. Senator Goodrich.

SENATOR GOODRICH: Wait till I get the....okay. Mr. President, just to expedite the time on the thing, why don't we just have a roll call vote?

PRESIDENT: All right. Everyone is at your desk, we will...as soon as everyone is at their desk, Senator, we will have a....okay, all right, we will proceed then with a roll call vote.

CLERK: (Read the roll call vote as found on pages 2068 and 2069 of the Legislative Journal.) 23 ayes, 21 nays on the motion to return, Mr. President.

PRESIDENT: The motion fails. Motion on the desk. Read the motion, Mr. Clerk.

CLERK: Mr. President, Senator Newell would move to return LB 543 to Select File for a specific amendment. (Read the Newell amendment as found on page 2069 of the Legislative Journal.)

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, the present allocation is \$28,000 for family income. This would reduce that by \$2000 to \$26,000. Basically, the arguments that Senator Goodrich made and others made in regard to the fact that we are really reaching quite a ways over nearly 140 percent of the median family income when we have the \$28,000 limitation, my proposal here is simply this. Senator DeCamp and others argued that we really need to allow for a little higher income so that we can get the little lower interest rates when we go to the market, and I agree. I offer this amendment because I think this...the purpose of this program was to try to ensure the people of low and moderate income with some revenue sources. Now this does not go as far as the industry, the savings and loan industry would like to go, and it certainly does put a limitation that the homebuilders probably are not anxious about, but frankly I think it is imminently fair. And if this becomes too low two or three years down the road, the industry can come in and justify the difference in interest rates, the difference that might be...might cause some sort of justification for increasing this \$26,000. So with that, I offer this

amendment feeling that it is a decent compromise. It is one that does not change the guidelines significant today, but does allow legislative review, that is the basic beneficial desire here is that we will have legislative review, the Legislature will be able to look at what the income levels ought to be. And I think that it's pretty hard for this Legislature to justify this kind of exemption without some sort of a legitimate and reasonable lid, and this \$26,000 figure is, in fact, very legitimate. It is not a significant change from what is being done today and yet it does target for low income folks. So with that, I would urge this body to accept this as a compromise. I think it is a legitimate compromise and one this Legislature ought to consider very seriously and adopt. Thank you.

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President and members of the Legislature, I rise in support of the Newell amendment. I think it's a much more reasonable one than the Goodrich amendment. I have been one who has talked frequently in the past about the problems of targeting too much of the money to the higher income families which need this assistance and I felt that the pressures put on by many of the Senators in this body were heard by the fund. You saw this last issue had a targeted figure of about a third of the monies to lower income individuals. That money...they weren't sure how it would go but, in fact, they used it up and they used it up quickly, that it was very much a success. And we tried an amendment last year, Senator Beutler and I and others tried to get an amendment which would have held money for the lower income individuals for a certain amount of time before it would reconvert back into the fund and then used for anybody who needed it, and we failed on that amendment but essentially the same policy was adopted by the Fund Board and it was tried this last year, and as I said, it was a success. So I think the efforts by this body in raising the issues, and Senator Goodrich's amendment I think was very clear in saying to that Fund that we don't want that money going to the people that don't need it. We want it to go to the low and moderate income people that it was intended to help. So I think in that sense the pressure that we keep putting on that body is being heard and that they are responding. It's probably a better thing to do it that way that they are more flexible and probably in the end if they do follow our wishes are better at doing that on the administrative side than we would be legislating it over here. Nevertheless, the Newell amendment does make

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sense and I think that we ought to adopt it and I am willing to go with it because it is a more reasonable one than the Goodrich amendment. I think that it is clear though the message that we are carrying over there is, target the money for low and moderate income, keep up your withholding program to target the money to the lower income individuals, give them a first shot at it and do the different things that you are talking about in putting up slightly higher rates for the higher income and a lower rate for the lower income, and do some of the things that we are interested in doing in helping the lower income individuals benefit from this fund. So I think that this is a good compromise. I think our message is loud and clear, and I think the Fund is listening and they will respond. So I support the Newell amendment.

PRESIDENT: The Chair recognizes Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I oppose the Newell amendment for two reasons, and specifically, number one, as Senator Goodrich pointed out, we have only eight days left. At this time to attempt to drag a bill back and make an amendment on it which may or may not be a serious amendment, I think is not good judgment. Number two, and I am not saying this is Senator Newell's reason but I can tell you very frankly that if you want to be lobbied up one side and down the other for the next three or four days, move the bill back and you are going to see some very intensive lobbying, and that may be what you want. If you like it that way, fine. Number three, the intent of the Legislature has been pretty well established. The court has outlined that it should be for low income persons. Senator DeCamp has pointed out, you can't sell a bunch of risky high risk loans along to investors unless you put some of the better loans in there at the same time. I suggest perhaps that maybe the members of the Fund are going to have to have the flexibility that we have provided in the first place. To come along now and to place in the statute a limitation of \$26,000 in itself is meaningless. It means absolutely nothing because it's only \$2000 below what the board has set as their upper level, and that is a point at which very few loans will be made in any case. I believe it has been expressed many times on this floor and I don't think the Fund is going to survive unless they help the low income persons. But you have got to be able to sell the package or you won't help anyone, and if you want to package up a bunch of really high risk loans and think

you are going to merchandise that kind of a bond issue, Senator Wesely and Senator Newell, I can tell you very frankly they will go begging. They will not be purchased. You wouldn't do it. Senator Newell wouldn't do it, nor would I do it. You are not going to invest your money in that sort of an investment. You have got to have some assurance that there is enough good solid people behind there to make the whole thing work. This is not to take anything away from the low income individual because many of them...most of them are going to be good loans. They have demonstrated that in the past. The facts are, you have got to have the proper mix. Now I ask you this question, why do you want to clutter up the statute at this point with the \$26,000 income level? Senator Koch has pointed out, let the people who have the responsibility take that. If they get too far out of line, we can come back. But with the cost of money varying as it does today, with the income situation varying the way it is today, with the economic prospect and the situation which we face today, I think, members of this body, you are going to have problems a lot more severe than whether or not you should raise or lower the income level \$2000 on this fund. You are going to have a housing industry which is not doing a thing. A group of people who last year at this time had a number of houses under construction have told me they do not have one under construction. Now I have great empathy with the S & Ls. The facts are that at the present time and with the present cost of money, you can't build a house...you can't build a house. So the question I ask you is this. Do you want a part of the business or do you want nothing? My principle objection at this time is that I do not like the idea of moving a bill back and trying to rewrite it when you have only a few days of time left. I think the issue should have been determined long ago. The issue was clear. There was very little objection at the public hearing on the bill, and at this time I believe it is totally unfair to request to bring the bill back and to write into the limitation a \$2000 restriction under what the board presently asks for. I think it is ridiculous and I think that Senator Newell would admit it in private conversation. I ask that you do not send the bill back.

PRESIDENT: The Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, Senator Schmit, Senator DeCamp and to the others who really want to keep this Mortgage Fund in its present shape, I hate to say what I am about to say, but I come before you this morning with a heavy heart,

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and I am not saying it in jest. The Omaha Housing Authority one day last week agreed with the Department of Roads to a proposal which will cut right through the heart of what they call a low income housing project to build the freeway that Senator Beutler and others on the Public Works Committee have heard me talk against so strongly. They are going to take 57 units out of the middle of this project. On either side of the road will be very young children, poor women, others who have no place to go. I don't know that a bill that I had advanced from the Public Works Committee could be given any consideration this session. It would stop the project. But while some of you are discussing this Mortgage Fund in abstract terms, there are others of us who have to look at very real hellish conditions that are being created for people by the irresponsibility and the vicious racism of the State Department of Roads, and it is racism. There is no place in this state where a freeway cuts through the heart of a community, destroys a daycare center and takes a project. How can there be the concern about just dollars when there is no concern about the people? Now let's say that this Mortgage Fund were cut in terms of the loans that could be offered by \$2000, maybe somebody with a house that one of these people who will be kicked out of the housing project could afford, will get a loan and move out, then this person who is displaced might have a reasonable house to try to purchase. But I'll tell you what I see happening and I ought to be a part of it. Those of us who are poor cannot get help from the Legislature. The Department of Roads with the federal government are allowed to run rampant and roughshod over us. It is clear that when black people try to allow the law to take its course, the law joins in conspiracy with those who are trying to trot over us to take what little bit we might have, and the only thing left is self-help. How can you stop a bulldozer from knocking down houses in your community? Is a lesson being given to us who are black by the people in Northern Ireland? If the British police and soldiers cannot stand against gasoline bombs and poor people cannot afford weapons, then are gasoline bombs what it will take to stop this freeway? Will it take people bringing their little children to the construction site and lying down in front of bulldozers? Is it a war that you want in Omaha? You ought to sometimes help prevent these things before they occur. I am going to try to find a bill before this session is over that I can amend to stop that freeway, and in the meantime I am going to vote for Senator Newell's amendment. When they

take people out of their homes, those few of you who may be listening, they offer what they call a four-year subsidy and during the four years maybe the subsidy will make it possible for that person to afford a place to rent or to buy or make payments on. When the four years are over and the subsidy is cut out, the person can no longer afford that residence and he or she is out on the street, who will handle that person's problem then? Not this Legislature. But they will come to me and I have nothing to offer them. I have to tell people to use whatever means they find at their disposal and then I have to do what I can to help pick up the pieces. It is very, very difficult to sit in this Legislature as a black man. There are times that realization will flood in on me and I will ask myself, what am I doing here? I don't even belong here. There is no interest here in the people that I represent. There is no chance to get freedom here.

PRESIDENT: Half a minute, Senator.

SENATOR CHAMBERS: If there is to be a fight, I belong out there with the people who are fighting, not sitting here playing the games. So I am going to try to talk to some of you and see if I can make you understand the seriousness of the problem, and if so, then we can correct it in the way that legislators are supposed to. But if we don't, then don't one of you point an accusing finger at me or the black community because I am not going to sit by and watch my people and my community destroyed literally. If you can't live at a decent level, there is no reason to live at all. And if you think I am uttering empty words, just look at people whose complexion is the same as yours in Northern Ireland and you will understand that there are some people who would rather not live at all than live under the hellish conditions that are produced by an uncaring, unfeeling government.

PRESIDENT: The Chair recognizes Senator Higgins.

SENATOR HIGGINS: Mr. President and members of the body, we have had a lot of talk here this morning about low and moderate income and that that was the intention of the Legislature when they created this Mortgage Fund Act. I want to quote to you just a couple of things from the original bill, LB 476, Section 2. "From time to time the high rates of interest charged by mortgage lenders seriously restrict existing housing transfers and new housing and it causes a condition of substantial unemployment and underemployment in the construction

industry". Who is affected by underemployment and unemployment in a construction industry? Low income, moderate income people. Such conditions generally result in and contribute to the creation of slums, Senator Chambers, and blighted areas in the urban and rural areas of this state. This is the very beginning of LB 476 wherein you created this Mortgage Fund market. This is what they said the purpose was. And then later in Section 4. "Such problems cannot alone be remedied through the operation of private enterprise or individual communities or both, but can be alleviated through the creation of a governmental body to encourage the investment of private capital and stimulate the construction of sanitary, safe and uncrowded housing for low and moderate income persons through the use of public financing as provided by this act, LB 476." That's where you are coming from. They said the original intent of this act was to create a condition where you can build more houses, where you can have more employment, where you can alleviate or eliminate blighted areas in both the urban and the rural communities. And it ends that section saying, "By coordinating and cooperating with private industry and local communities, which is essential to alleviating the foregoing conditions and is in the public interest". I think the Fund has done a good job since we created it, and like some of you old-timers here I have heard say time and time again, if it isn't broken, why fix it? So go back to your original reason, you Senators that were here in '78 when you started this, and you said, it was to alleviate the problems of the real estate business, the construction business, and yes, to do away with the blighted areas that Senator Chambers has talked about. And the way it works right now, your low income and your moderate income people are going to get the money. And Senator DeCamp said, those that get more or that are in a higher income are going to pay a higher interest rate, and those that are in a lower income are going to pay a lower rate. I can't think of anything more fair. I am going to have to say that I would vote against this amendment along with all the other reasons cited this morning. But I just wanted to draw your attention to your reason why you originally started this Mortgage Fund Act. Thank you, Senators.

PRESIDENT: The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I rise in support of the Newell amendment. Senator DeCamp has indicated and Senator Schmit has indicated that if

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we limit the availability of this mortgage money to persons of quite low incomes as we could have done to the Goodrich amendment, and as I suppose it is possible could be done to the Newell amendment, then, in fact, no bonds will be issued because the potential bond purchasers or bond holders just won't buy bonds that they think are secured by inadequate incomes and certainly secured by inadequate properties. And so both Senator DeCamp and Schmit have argued that what we need to do is to continue to approach this problem in a very balanced way giving the Nebraska Mortgage Finance Board directors adequate authority to approve an appropriate mix of financing between persons with modest income and persons of low to moderate income. Only when that is done will the bonds themselves be marketable. And I think that that point has considerable amount of merit. However, what causes me to support what both Senators Goodrich and Newell are doing is the fact that the board of directors, itself, of the Nebraska Mortgage Finance program has been almost evenly split on this issue with a minority, a significant minority of the board members saying that the funds themselves need to be more carefully targeted to low and moderate income people. Now I don't think that the members of the board of directors of this organization are people of ill will, in fact, I think they are undoubtedly people of good will. And I can't believe there is any member of that board who does not want the Nebraska Mortgage Finance program to do the duty that we established for it to do, which very simply is to market tax exempt bonds and to then make money available for home mortgage financing. And so I have to conclude that the minority interests on that board which want to more carefully target and tailor the availability of this money have concluded that notwithstanding the targeting and tailoring the bond money will be...the bonds themselves will be purchased by investors and money will then be available. Now when the initial bonds were floated and the initial mix was established between the monies to be made available to people that were low and moderate income and the monies to be available to persons who actually were above those kinds of levels, I took a look at the act that we had passed, and I was somewhat surprised that we in the Legislature had genuinely not established any standards whatsoever for determining which persons were of low to moderate income status and which persons were not. It seemed to me that that very important standard question was improperly left to an administrative body, and I think it is only fit and proper for this body to say, all right, this money shall be available



only to those families that have an income of X number of dollars. Senator Newell has picked \$26,000. That happens to be \$2000 less than the current standard applied. So far as I am concerned, that is a very respectable standard. Now if in the next year or two or three inflationary pressures plus tremendously rising costs in housing construction plus increases in interest rates makes more and more housing unavailable to persons of higher income levels, then it may be appropriate for this Legislature to set...to change and to set the income standard. But I really think this is a very appropriate legislative function. It is a function best in a body of elected officials and not a function appropriate to an administrative board. It is for that reason that I can support the Newell amendment.

PRESIDENT: The Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, I continue to oppose the Mortgage Fund altogether, and the really, really sad thing about the whole affair is that we are self-defeating, we are creating vicious cycles that defeat our own best interests, including the best interests of the homebuilders and the best interests of the people trying to buy houses. And let me try to describe to you two of those cycles that we are creating that make this whole thing ridiculous whether you limit it to low income or not. You issue tax exempt bonds. Who pays for it? It's not the people who buy the tax exempt bonds because you are exempting their income from taxation. Once you do that, the income that is exempted from the taxation of the rich has to be paid by somebody else. It's paid by the middle class American. That's who it's paid by, and you increase their taxes which makes their ability to buy a home more and more the impossible dream, and when you make their ability to buy a home more impossible, you create a worse situation for the homebuilder, you create a greater need for more funds of this same type. You make the government the banker. You rely on the government, and the whole cycle perpetuates itself and you need the government again because you are taxing the middle class and taking away their money so they can't buy houses on the free enterprise market. That's the first cycle. The second cycle is that this kind of a fund is completely contrary to national policy. Why are the interest rates high? They are high because we have high inflation and we are trying to stop inflation. You create this fund which counteracts the national policy which has the effect

of dragging out inflation for many more years into the future, and who does that hurt? It hurts the home-builder. It hurts the home buyer. This is ridiculous. The whole fund is ridiculous and at the very minimum you should at least adopt this amendment. Thank you.

PRESIDENT: The Chair recognizes Senator DeCamp. 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. I remind everyone you are supposed to be at your desks. We are on Final Reading. I know that sounds silly but we are. Probably expecting quite a bit to expect you to be there with all this final debate, but...the question is...yes, the question is to cease debate on the Newell motion to return. Record the vote.

CLERK: 27 ayes, 8 nays to cease debate, Mr. President.

PRESIDENT: The motion carries. Debate ceases. Senator Newell, you may close.

SENATOR NEWELL: Mr. President and members of the body, I would like to just kind of put this in perspective again. This is not an amendment to kill the Mortgage Finance Fund. In fact, it is a small reduction from what they presently authorize which most people I think fully recognize is well over the median average income and does not serve those people that this kind of program is intended to serve. We are making a very modest attempt to change this. We are reducing the dollar amounts from \$28,000 income, which I do not have, to \$26,000 income, which I still would qualify under, and so would many other members of this body, and those that wouldn't I don't think that you would feel very sympathetic for in terms of being able to borrow this money at that lower rate of interest using the federal treasury to support it. \$26,000 is an attempt to put a more reasonable ceiling on the income and to make this program work as it was originally intended to work for low and moderate income. Now the mean income as we have said before is \$19,000. \$26,000 is \$7000 income greater than that and that really is a moderate income. It is an attempt to compromise. I think it is a legitimate compromise. I think it's one that this body ought to accept. I urge the adoption of this amendment.

PRESIDENT: The motion is the motion to return LB 543 for a specific amendment, namely the Newell amendment. All those in favor vote aye, opposed nay. Senator Newell,

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do you want to have a roll call to speed it up? Everybody is here, so everybody should....we are on Final Reading so everybody should be able to vote by this time.

SENATOR NEWELL: Let's have a roll call.

PRESIDENT: All right, roll call vote. Proceed with the roll call vote, Mr. Clerk.

CLERK: (Read the roll call vote as found on page 2069 of the Legislative Journal.) 25 ayes, 24 nays, Mr. President, on the motion to return the bill.

PRESIDENT: The motion carries. The bill is returned. Now, Senator Newell, will you make the motion to adopt the amendment.

SENATOR NEWELL: Mr. President and members of the body, the bill that I offer....the amendment that I offer really restricts the fund from 28 to 26 thousand dollars, well over the median income. Now we had a very difficult time bringing this back and I am surprised that so many people feel that this ought to be unrestricted, because I really think that this bill, the intent, the purpose of this whole program, was to try to serve low and moderate income folks, and if, in fact, we do not adopt this amendment, I think the Legislature is very significantly making a statement, a policy statement that we are talking about no limitations, and I think that that is absolutely wrong. I think that this Legislature has a responsibility to try to use these tax supported programs to provide some public policy and it certainly is not the greatest restriction that has been proposed here. So I would urge the adoption of this amendment. I think it is a policy statement that this Legislature has a responsibility to make and I would urge you to do so.

PRESIDENT: Senator DeCamp.

SENATOR DeCAMP: Mr. President, I want to get something on the record because on this one I am right, Senator Chambers, Senator Newell, Senator Fowler, and all of you people that want to help the poor people and want to provide funding for lower income, I make the absolute guarantee that can be verified by any computer you want to take, you have now changed the fund if you adopt the amendment so that for every four people essentially of median, average, slightly above, up to the 28, you are able to serve one high risk low income. With the 28 to 26

guaranteed you change it, you have to have one more, now you have to have five for every one. You are simply doing precisely exactly one hundred percent the opposite of what you bright people think you are doing and you are not that dumb, you can do arithmetic. It takes so many dollars to support so much sales of bonds, so much quality. I didn't create it but that's the way it is in the real world. These funds are bought by people who invest based upon certain standards. That little change that you say is helping the poor people from 28 to 26 simply guarantees that you cut the number of low income people in this state that are now eligible so that they will buy, you have cut them by 20 percent. Guaranteed, I want it on the record so next year when you brilliant people that are going to give money to the poor people realize what you have done, I can say, I told you so. This is a sensitive one because if you were doing it intelligently it would be one thing, but you are doing it through blind...and I hate to use the word, it's just senselessness thinking that somehow magically private people in the bond market in New York are going to donate money. They don't do it. They are ruthless. They are rich, filthy rich, and they simply buy bonds based upon the quality of the doggone thing. You are undoing the fund. That little change from \$28,000 to \$26,000 eliminates 20 percent of the low income people who couldn't get a loan anywhere else. Simply eliminates them, 20 percent. And that is what some people want to do, but it isn't the people supporting the amendment that want to do it. That's the hilarious thing about this. Finally, I repeat one more time, the new program they are going to implement is going to actually do something incredibly different. It's going to add one percentage point higher, higher on the 25 or 28 thousand dollar people. It's going to make them pay one percentage more so that they can give this 25 percent down here a four percentage point break. You may undo that. At least you will undo it to the degree that you are eliminating the numbers. I don't know how more simple I can put it. Go check how bonds are bought and sold and how this fund works. It is not subsidized by this state. It is not like Minnesota where you have a guarantee. It's not like those other funds. It's got to live and die on its own merits, unfortunately. If I were doing it, I would take \$20 million of state money I'd put as a back up for it. I couldn't get away with it. You wouldn't vote for it. That's the way if you want to have a subsidy, a guaranteed back up. But this one doesn't. The only guarantee is that group in the 15 to 28 thousand dollar range that they are loaning to so that they can loan to the lower one now and take the high risk, the guy that

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couldn't get it anywhere else. That's the way it works. If you don't like the way it works, eliminate the whole thing, but don't say you are targeting money to low income when you are just taking it out of the pocket this way, their chance to get a loan.

PRESIDENT: Before we go on to the next speaker, the Chair would like to introduce from Senator Labedz's District twelve 8th Grade students and one adult from St. Stanislaus in Omaha, Sister Rose Ann. They are up here in the north balcony. Would you welcome them to the Legislature. The Chair recognizes Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, you can have legitimate disagreements as to whether or not revenue bond financing ought to be a part of the financial structure of the country of the United States. That is legitimate disagreement. Senator Beutler and I have discussed it at length many times, and you can argue as he has pointed out that it provides somewhat of a haven for extremely rich persons to invest money and return a tax free...or get a tax free return. If you disagree with that, that's fine, but here in Nebraska we are powerless to do anything about the revenue bond financing from the standpoint of whether or not it should exist as Senator DeCamp has pointed a tax haven for certain persons. That was decided by the Congress. Now I and a few others have aspired to that lofty position without any success, and if it were there we might take another look at this thing. But the point is that the decision to be made here today is, shall we make available to the Nebraska citizens revenue bond financing for housing in a manner which will provide the kind of attractiveness so that investors will purchase bonds? Now the bonds that will be issued by this fund are not the only bonds that are going to be issued across the United States. There isn't any reason it's going to...any way in the world you can compel an investor to buy this bond. He's going to take a look at it. He's going to take a look at how it compares with bonds that are issued in other parts of the country and if he doesn't like it he is not going to buy it. It's not going to be bought. Now, if you really want to provide some low income financing, then there are mechanisms whereby the State of Nebraska perhaps would want to get into that although we're barred by the Constitution from lending the credit of the state to individuals. But there is not any Nebraska general fund tax dollars in this fund, and I don't think we can put them in there if we wanted to. The point I make is

exactly what Senator DeCamp has made, the limitation which you have placed will limit the availability of credit to low income people. It's going to make it tougher for low income persons to get a loan. I wish it were otherwise. I wish it were possible. I wish there were some possible way, and let me tell you with the prime rate at 20 percent there isn't any way young persons, middle aged persons, low income persons, median income persons, are going to build a house today and pay for it. A \$40,000...\$35,000 house which is what you can build under this fund at the present time, \$35,000 house with a 15 percent rate of income is about 500 bucks a month interest. I ask you, take a look at what the State of Nebraska pays our average working person and you can see why no one could buy even a moderate kind of a house. I would hope that you would take a really strong look at this thing. I am going to ask you once more, those of you who voted to return the bill, has anyone read the bill? Has anyone gone back and read LB 476? Do you have the slightest idea what in the hell you are doing? I say, no, I know you don't. Now some of you do, but the vast majority do not, and I suggest, Senator Newell, when he talks about that 28 to 26 thousand, he's not really trying to bring the lid down \$2000 but he knows that if you bring it back for this small amendment, this rather innocuous amendment, the bill is going to be kicking around for another three or four days and you are going to have the chance to regroup and maybe you can kill it. Go ahead and kill it. I live in a house that is 70 years old and I don't intend to move. But there are a lot of people that are going to be looking for housing that are not going to find it, and I suggest that the S & Ls are not going to provide that money with the present interest rate. It can't be done. If they could, you couldn't pay for it if you borrowed the money. So there has got to be some other mechanism. This bill was not my original intent. Senator Fowler and other individuals who saw the need introduced the original language, and I think the bill has some merit. Now if they want to knock it out universally across the country, go ahead. But to adopt the Newell amendment is to do first of all delay the bill. Secondly, give the opposition or the opponents of the bill time to regroup and come in on you with both feet and then, number three, give you the chance to kill the bill on Final Reading which is what Senator Newell really wants to do in the long run. It's not going to provide housing. It's going to do nothing. There were a number of opportunities to appear on this bill. I never heard from Senator Newell before. Never heard from any of the opponents of the bill. All of a sudden they have become

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extremely interested. I suggest they go back and read the bill, decide what it does and what it does not do, and then take a different position on the bill. It is amazing when you read the list of those who voted to return the bill.

PRESIDENT: Time is about up, Senator.

SENATOR SCHMIT: It makes absolutely no sense. I ask that you not adopt the Newell amendment.

PRESIDENT: Before we go to the next speaker we have several guests. First from Senator Kremer's District twenty-four 4th grade students and three adults from Clay Center Elementary, Clay Center, Miss Virginia Hammond. Up here in the north balcony. Would they wave to us so we know where they are. Over there. Welcome to your Legislature. We have from Speaker Marvel's District some 6th Grade students, 77 it looks like and 4 adults from Alcott School in Hastings, Miss Helen Handley, Miss Kathy Haberly and Mrs. Jane Bierman. They are in the north balcony too. Would they all wave to us up there. That's the big group over here on this end. Lastly, we have from Senator Richard Peterson's District ten 3rd and 4th Graders and 3 adults from St. Paul Lutheran in Norfolk, Nebraska, Miss Nancy Enter, teacher. They are in the north balcony. Would they wave to us down there. Welcome to your Nebraska Legislature. The Chair recognizes Senator Koch.

SENATOR KOCH: Thank you, Mr. President. I'm glad the white button is still working, it's been on since the last debate. I just want to reaffirm the remarks of Senator DeCamp, Senator Schmit and others. It's always nice that Senator Newell comes in here at the last second and wants to play that great compromiser. I have as much empathy for people who have financial problems as anyone else, and contrary to what Senator Newell is saying, you are not going to provide greater opportunities, you are going to diminish those opportunities. It's that simple. Senator Beutler talks about tax bonds and I know his feelings on that. But he forgets one other thing. You're not just talking about the principal and the interest you pay on this new construction or homes, it's the property tax that is also assessed to it. That's a great deterrent. If you want to talk about all the problems, then you better talk about the many of them and not just the several that bother each of us individually. I am concerned, as Senator Chambers is, about the North Omaha freeway and displacement of the people. We all know that is not in

the best interests of the individuals either. What we're talking about here is 543 in major surgery in the last seconds not knowing what the implications really are going to be, and I will stand with Senator DeCamp and Senator Schmit and say, instead of helping low moderate income people for better housing they are not going to get it. They are going to be minimized in their efforts. And as Senator DeCamp said, those who buy these bonds are not going to buy high risk bonds. They want to make certain that there are certain bonds that are being submitted that do not have that risk so that others might be afforded that pleasure and that privilege. Therefore, I still reject Senator Newell's amendment. It's not appropriate and it doesn't help the individuals. I am so surprised at a couple of members on this floor who went through the discussion on 476 when we tried to talk about a standard, and as I recall then we were talking about \$18,000. We talked about \$22,000. Finally this body in the best interests said, let's check to see how we can do it the best. We are doing it well. Up to this time we have given over four thousand loans and most of that has gone to moderate and low income, and I submit to you that right now to change our direction will not prove beneficial to any of us in any sense of the word. I reject the Newell amendment.

PRESIDENT: The Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, I would like to encourage again the adoption of the Newell amendment. And let me just repeat again that if you really analyze the situation, if you really look down under, yes, in the short run this bill would help a few low income people, but it helps them at the expense of those same low income people, and not just a few of them, all of them, at the expense of all low income people and at the expense of the middle income people, and it does that because by creating bond funds like this you shift taxes to the middle class and you exasperbate inflation, and who is hurt most by inflation? I don't think there is any doubt in anybody's mind by that...about that. If you enact in this Legislature a policy that has the tendency to contradict federal policy designed to end inflation, then you continue inflation for a longer period of time and it is the poor and the low income who are hurt by inflation. Now the lawyers, they can adjust their professional fees and so can the doctors, and the brokers are doing very well, the bond brokers, of course, they



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are doing best of all because they created all these multitude of funds and they can make money every time a set of bonds is issued. They make very good money. They are doing well. It is the low income people that are hurt by continuing inflation. But it is hard to vote on that basis because you can't quantify that, you can't see it, but it's there, it's true nonetheless. And the other people that are hurt by the continuing inflation, and remember as long as you have continuing inflation you will have continually high interest rates, is the construction industry itself. And I suggest to you that the construction industry itself is not looking at its own long term best interests by pursuing this kind of a policy on a national scale. What Senator Schmit said is true and it is one of the difficulties of this situation, that we cannot end this unfortunate policy with regard to taxes and bonds by ourselves here in Nebraska. It has to be done on a national level. But we can start by showing that we do not approve of this policy, first, and by, secondly, talking to our Representatives, Bereuter and Daub and Smith and Exon and Zorinsky, and start putting pressure on them to take the pressure off the middle class and the low income. This is a big rip off, this whole tax exempt bond deal. It is a rip off for the rich. Don't kid yourselves. Why is there a tax revolt in this country today? Because the pressure is on the middle class and there are a number of reasons for that but inflation is one of them and a shifting tax burden on them is a second one, and this whole tax exempt bond thing is exacerbating that problem and partially the cause of that problem. We are contributing to a disease in this country and we can't ignore it for much longer. So I suggest to you that we try to start turning this thing around, that we see the true cause and effect of what we are doing and act in a manner that is really truly in the long term best interest of the low income and the middle income and not in a manner that appears on the surface and in the short run to be in their benefit but which is not, in fact. And the last thing I guess that disgruntles me about this whole tax exempt bond situation, I really do believe in the private enterprise system. I am a very strong believer in it, but I believe in it in good times and I believe in it in bad times. And when times are bad, they are bad for a reason. They are bad because something is out of kilter, something that has to be corrected, and then we don't have the courage to correct it. We lose faith in our private enterprise system when those who benefit from it most come to us and say, help. I don't begrudge those who make big profits in good times their profits. But on the other hand, I don't think that

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the government should be bailing them out when the cycle is at the other end, and there will always be cycles in every industry especially the construction industry. So I ask you to keep faith with the private enterprise system, to keep faith with the low class and the middle class and don't try to kid them that you are doing a favor with this sort of mechanism.

PRESIDENT: Half a minute, Senator.

SENATOR BEUTLER: Do what's good for them in the long term. Thank you.

PRESIDENT: The Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, a bill such as this had come before the Government Committee many years ago when I was Chairman and I would not let the bill out of committee, if my memory serves me correctly, and my argument then as it was against 476 is that the bill never had any intention of being designed to benefit the low income people. In reality there is no housing market for low income people, so we can forget that. That's just a term that you conjure by. But when 476 was being discussed on the floor, there were all kind of statements that it is designed to help the low income people obtain housing. I argued then that it was for the bond houses, the brokers. They are the ones who brought the bill to the Legislature. They are the ones who supported it, and a group from New York are the ones who originally brought the bill before the Government Committee several years ago. So now, now that the toes of those who were to make the money, the bond hustlers, now that their toes are about to be pinched, the true nature of the bill begins slowly to emerge. It is not designed to benefit the poor. And while we are putting things on the record, I want Senator Schmit, Senator DeCamp and the others who are against Senator Newell's amendment to realize that I understand that this bill in whatever form is not going to benefit low income people. No matter where you set the figure, all the lending agencies have to do is say, we don't think this person makes enough money to be entitled to this loan. We don't think they can even afford the utilities, so we are not going to give them a loan. This bill, in effect, will still benefit those for whom the majority of the legislators are concerned. When Senator Beutler mentions the middle class, I think it ought to be put into the record that that also is a term to conjure by. By labeling somebody middle class, you give them the impression they have something which in

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reality they do not have. The way I express it is that they are a half step from poverty. And now that Reagan is bringing some of the reality home to them, they see that the term middle class means nothing. They are really poor people in disguise, and now that the disguise is being ripped away and they are having to pay a greater percentage of their income for essentials and don't have as much for recreation or fun times, they suddenly are alarmed about the economy and what it is doing to take away the incentive from people. But those large numbers who have been poor, who have never had any concern shown for them are just welcoming the so-called middle class to the club. Senator DeCamp and Senator Schmit will never have a problem finding a place to stay. They will never have any difficulty obtaining a loan. When somebody like me votes for an amendment like the one Senator Newell is offering, it is really expressing a philosophical point of view. If the fund is to exist with the sanction of the state, the attitude of the state ought to be reflected in what the bill does state. So I am going to vote for Senator Newell's amendment. I don't believe it is going to create any housing for the poor. I don't think it is going to make any more money available for the poor. And I have just one more thing at this juncture to say about the freeway. There is no housing market for poor people, the ones who will be displaced. Already the housing for that group of people is inadequate. This can be established statistically....

PRESIDENT: One minute, Senator Chambers, one minute.

SENATOR CHAMBERS: ....and has been done so. So what will be done with the subculture of people is to put even more of them out there with a little bit of what is called a subsidy to take from the small amount of housing that is available now. I don't know whether Senator Newell's amendment will be adopted or not, but whether it is or not, as one of those who is poor, it is not going to benefit us at all. But nevertheless I will vote for it.

PRESIDENT: The Chair recognizes Senator Lowell Johnson.

SENATOR L. JOHNSON: Mr. President, I call for the question.

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

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CLERK: 28 ayes, 1 nay to cease debate, Mr. President.

PRESIDENT: The motion carries, debate ceases. Senator Newell, you may close on your motion.

SENATOR NEWELL: Mr. President and members of the body, I have heard a great number of debates and I tend to agree with those people on both sides of this issue as regards to the merits of this program. The agreement is a very simple one and I think that this is basically one of those programs that tax very much the federal tax system, provides for tax breaks for those people who can well afford to pay those taxes because it allows them to buy municipal bonds. But I want to talk to Johnny DeCamp's arguments because, frankly, they are most fallacious, they are, in fact, very fallacious and I think this body ought to recognize that. The situation is simply this. There is a competitive situation and these bonds will be sold at interest rates based on the history of this program. Now I want to remind you that the first bonds that they put out had a maximum of \$22,000, \$22,000 income. But the key thing there was the mix. It wasn't, you know, Johnny says, and Johnny's not incorrect when he says this, that by moving to 28 you allow for some more risky loans in the bottom. That's true, but the point of it is that the key question is the mix and the history of the fund. The purpose here is to try to serve low and moderate income people. \$28,000 is questionably moderate income...questionably moderate income when the median average income is \$19,000 in this state. So what we are saying simply is this, we are not going to exceed \$26,000 and we are going to be a little more careful with the mix. That's all. And that is not in any way going to create a higher interest rate or that in no way is going to create an unmarketability on the national money markets for this fund activity. What it is going to do is serve people who are a little more moderate than the present \$28,000. Well, Senator Johnson points out and it is public record that it was a very close vote when they raised it. It was 4 to 3 to raise it to \$28,000. There were a lot of people who did not believe on that fund that we should be serving those people with the higher incomes, and we are talking about moving that not down to 22 where it was before but to 26. So the arguments here are most fallacious indeed. Now, I have been out to the rotunda as over the years I have learned to do to find out what folks think of my amendment, and this must be a pretty good amendment because the savings and loans don't like it and neither do the homebuilders. So I think that we must have struck

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not only a very sensitive nerve but we must have found a very good balance. The savings and loans feel they can do a better job by taking this whole question to court. They say, you know, 26 may just make this reasonable and may, in fact, serve low and moderate income folks and, therefore, maybe what we ought to do is not go with that kind of amendment. The homebuilders say they have the best lawyers. They can hire the best lawyers and, therefore, they don't want the 26 either because they figure that they can win in court. And the real issue here is where philosophically should we draw the line. And I agree with those people that say 26 is too high, but I am trying to find a compromise and a legitimate compromise, one that will basically make the people of this state and everyone else realize that we are talking about moderate and low income people, not moderate to wealthy and low income people.

PRESIDENT: One minute, Senator.

SENATOR NEWELL: And so, frankly, I think that if there is a need to draw the line that this is a reasonable line to draw, and if there is a desire or a need to raise those limits, then I think the Mortgage Finance Fund can come in and justify that to show us what they can do. Now I doubt very much that they will need to do that or that they will choose to do that because frankly \$28,000 is excessive and they know it. A bare majority decided to go to that excessive amount. \$26,000 income is substantially higher than a median average income. We are talking about a hundred and nearly forty percent of that amount, and I urge the adoption of this amendment.

PRESIDENT: The motion is the adoption of the Newell amendment to LB 543. All those in favor vote aye, opposed nay. Still on Final Reading so everybody should be at your desks. Record the vote. Senator Newell.

SENATOR NEWELL: Let's just have a record vote, if you please.

PRESIDENT: All right, record vote.

CLERK: (Read the record vote as found on page 2070 of the Legislative Journal.) 20 ayes, 26 nays, 3 present and not voting, Mr. President.

PRESIDENT: The motion fails. This means, Senator Schmit, if you want to move the bill to Final Reading we can read it this morning.

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LR 185  
LB 70, 99, 134, 146, 250,  
404, 466, 497, 543.

SENATOR SCHMIT: Mr. President, I move the bill be readvanced to Final Reading.

PRESIDENT: Motion to readvance to Final Reading. All those in favor signify by saying aye. Opposed nay. The bill is advanced to Final Reading and we are on Final Reading on LB 543, Mr. Clerk.

CLERK: (Read LB 543 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 543 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 2071 of the Legislative Journal.) 40 ayes, 4 nays, 5 present and not voting, Mr. President.

PRESIDENT: LB 543 passes with the emergency clause attached. The Chair recognizes Speaker Marvel since it's noon, high noon.

SPEAKER MARVEL: Well, I have got some figures here but I will wait until after lunch and I move that we recess until about 1:20.

PRESIDENT: All right. The Clerk has some matters to read in real quickly and then I will call that motion.

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports that they have carefully examined and engrossed LB 466 and find the same correctly engrossed. (See page 2072 of the Legislative Journal.)

Communication from the Governor addressed to the Clerk regarding LB 70, 99, 146 and 250. (See page 2072 of the Legislative Journal.)

Mr. President, I have a Reference Report referring a gubernatorial appointment to the Public Health and Welfare Committee for confirmation hearing. (See page 2071 of the Legislative Journal.)

Mr. President, new resolution, LR 185, offered by the Speaker. (Read LR 185 as found on page 2073 of the Legislative Journal.)

Mr. President, Senator DeCamp would like to print amendments to LB 497; Senator DeCamp to 134; and Senator Warner to 404. (See pages 2073 and 2074 of the Journal.) That is all that I have.

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LB 11, 11A, 113, 113A, 228, 266,  
266A, 296, 296A, 310, 328,  
328A, 334, 334A, 369, 381, 384,  
441, 463, 470, 501, 543, 545

RECESS

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: In the North balcony, the Legislature welcomes from Senator Newell's District 5 students from St. Paul Lutheran, Omaha, Nebraska, Richard Ulmer, the teacher. Are you up in the North balcony? If you are, hold up your hand so we can see where you are. Welcome to the Unicameral. Then underneath the South balcony as guests of Senator Shirley Marsh we welcome Mrs. Marie Sal-verda from Sidney, Australia and Anne Johnson from Lincoln. Will you step out and say "hello"? Okay, record.

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

Mr. President, I have communications from the Governor addressed to the Clerk. (Read. See pages 2074 and 2075, Legislative Journal. Re: LB 463. LB 11, 11A, 228, 266, 266A, 296, 296A, 310, 328, 328A, 334, 334A, 369, 113 and 113A.)

SPEAKER MARVEL: The Clerk will read on Final Reading LB 545.

ASSISTANT CLERK: (Read LB 545 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, those opposed vote no. Have you all voted? Clerk, record the vote.

CLERK: (Record vote read. See page 2076, Legislative Journal.) 48 ayes, 0 nays, 1 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. While the Legislature is in session and capable of transacting business, I am about to sign and do sign engrossed LB 545, LB 381, LB 384, LB 441, LB 470, LB 501, LB 543. Now if I could have your attention for a moment and refer you to the agenda, what we propose to do is first of all go to item #5 on motions which has to do with consideration of the override and we propose to...in order to begin to catch up in some of the areas, especially if you look now on the agenda you will find the General File priorities that are left, and so we propose first of all to work until five o'clock and then, secondly, to start at eight o'clock tomorrow morning. Unless we begin to have a schedule like this, there are going to be a lot of bills that'll go down the drain. So we propose to work until five this evening and start work in the morning at

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LR 188  
LB 179, 181, 252, 273, 273A, 303, 322,  
346, 376, 381, 384, 389, 441, 451, 470, 472A  
485, 497, 501, 543, 512, 552, 545, 553, 554.

Senator DeCamp. All those in favor vote aye. All those opposed vote nay. It takes 30 votes.

CLERK: Senator Clark voting no.

SENATOR CLARK: Have you all voted? Once more, have you all voted? Senator DeCamp.

SENATOR DeCAMP: How many are excused? Eleven?

SENATOR CLARK: Two.

SENATOR DeCAMP: Two? Okay, we still stand a shot, so I would ask for a Call of the House and take call in votes if that would be okay. But I would ask for a Call of the House first.

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

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

SENATOR CLARK: The House is under Call. All Senators will return to their seats, and if all Senators will check in, please. The Clerk would like to read some things while we are trying to get everyone registered in here.

CLERK: Mr. President, while we are recording our presence, I have a communique from the Governor addressed to the Clerk. Engrossed LBs 181, 252, 303, 381, 441, 451, 470, 485, 497, 543, 179, 346 and 384, 273, 273A, 501 and 545 were signed by me May 22 and delivered to the Secretary of State. Sincerely, Charles Thone, Governor.

Mr. President, I have an Attorney General's Opinion addressed to Senator Barrett on 376; one to Senator Hefner on 552. (See pages 2228 through 2233 of the Journal.)

Your Committee on Enrollment and Review respectfully reports they have carefully examined 406 and recommend that the same be placed on Select File with amendments; 551 Select File; 552, 553, 554 all on Select File with amendments. (See pages 2233 through 2234 of the Journal.)

Your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 322 and find the same correctly engrossed; 376, 389 and 512 all correctly engrossed.

Mr. President, new resolution, LR 188 by Senator Wagner.