

January 6, 1982

LB 563 - 584

Any discussion? All those in favor then of Senator Clark's motion will vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 44 ayes, 0 nays to cease nominations, Mr. President.

PRESIDENT: The motion carries and Senator Barrett...Senator Bill Barrett, would you like to say a few words. You are elected unanimously, congratulations, and say a few words. The Chair recognizes Chairman Barrett.

SENATOR BARRETT: Thank you, Mr. President and members, I simply wanted to thank the body for the vote of confidence placed in me today. I will certainly attempt to represent the office and this body with integrity and a certain amount of dignity. Thank you very much.

PRESIDENT: Thank you, Senator Barrett. We are now ready for agenda item #9, introduction of new bills. Yes, proceed, Mr. Clerk, reading of new bills.

CLERK: Mr. President, new bills, LB 563 offered by Senator Lamb as Chairman of the Exec Board. (Read title for the first time). LB 564 offered by Senator Lamb as Chairman of the Executive Board. (Read title for the first time). LB 565 offered by Senator Lamb as Chairman of the Executive Board. (Read by title for the first time). LB 566 offered by Senator Lamb as Chairman of the Executive Board. (Read title for the first time). LB 567 offered by Senator Haberman. (Read title for the first time). LB 568 by Senator Haberman. (Read title for the first time). LB 569 offered by Senator Haberman. (Read title for the first time). LB 570 offered by Senator Haberman. (Read title for the first time). LB 571 offered by Senator Clark. (Read title for the first time). LB 572 offered by the Education Committee and signed by its members. (Read title for the first time). LB 573 offered by Senator Clark. (Read title for the first time). LB 574 offered by Senator Koch. (Read title for the first time). LB 575 offered by Senator Rumery. (Read title for the first time). LB 576 offered by Senators Koch and Wesely. (Read title for the first time). LB 577 by Senator Koch. (Read title for the first time). LB 578 offered by Senator Koch. (Read title for the first time). LB 579 offered by Senator Koch. (Read title for the first time). LB 580 offered by Senator Koch. (Read title for the first time). LB 581 offered by Senator Koch. (Read title for the first time). LB 582 offered by Senator Kilgarin. (Read title for the first time). LB 583 offered by Senator Warner. (Read title for the first time). LB 584 offered by Senator Warner. (Read

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LB 577, 580, 627, 671,
680, 702, 803, 905.

CLERK: Mr. President, your Committee on Constitutional Revision and Recreation whose Chairman is Senator Labedz reports LB 577 advanced to General File, 671 General File, 803 General File, 580 indefinitely postponed, 627 indefinitely postponed, 680 indefinitely postponed and 905 indefinitely postponed, all signed by Senator Labedz.

Mr. President, with respect to 702 I have E & R amendments to the bill.

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

CLERK: Mr. President, Senator Newell would now move to amend the bill and the amendment is on page 879 of the Legislative Journal.

SPEAKER MARVEL: Okay, Senator Newell.

SENATOR NEWELL: Yes. Mr. President and members of the body, when this bill was up on General File, I rose to speak against the kill motion and later voted against the advancement of the bill. One of my concerns at that time was that the way the interest rate was set up that there would be a tremendous incentive, an incentive to loan money to individuals under the provisions of this act to a higher extent than they may need or even request because there were certain incentives built in because of the point situation that it was more profitable to those who would loan the money if they loaned up to \$6000 or at least above the \$3000 provision. Presently the bill stands at a total finance charge of points being offered of up to \$500 in costs and 7 points. Now I talked to Senator Clark and Senator Clark and I discussed and basically came up with a proposal and this proposal is to make that a point situation to require it to be no more than 7 percent on the first \$2000 and 5 percent, 5 points on the remainder and leaving the total of \$500 in the provisions. Now I talked to the small loan industry and they agreed and basically that is what this bill does, except...this amendment does, except for the fact that it clarifies internal references which authorize or makes clear that small loan companies may charge the normal usury rate. In other words, they don't have to use this provision of the law, they can, in fact, charge lesser interest which is what I would hope they would do, but this allows them to have that free...that freedom to use the smaller interest or the provisions of the bill as it is presently being drawn with this amendment, which means that no more

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expires, they will be able to do this. Most of these foreign countries require that you have an up-to-date license from your home state and county before they will issue you a license in their country. I move the bill be advanced.

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

SENATOR KREMER: Yes, thank you, Mr. Chairman, just for the privilege of supporting Senator Rumery and he did not point out but it does retain the present three months extension of the drivers' license within the United States. His bill relates only to those living without the boundaries of this country. So it does leave intact exactly what we have now but it does expand the present provision that if you live outside the country it can be extended for a year at a time. So I do support Senator Rumery on his motion to advance.

SPEAKER MARVEL: The motion is to advance the bill, LB 877. All those in favor of advancing the bill vote aye, opposed vote no. Have you all voted? Clerk, record the vote.

CLERK: 31 ayes, 0 nays, Mr. President.

SPEAKER MARVEL: The motion is carried. The bill is advanced. The Chair recognizes Senator Koch.

CLERK: Mr. President, LB 577 offered by Senator Koch. (Title read.) The bill was read on January 6 of this year. It was referred to the Constitutional Revision and Recreational Committee, was advanced to General File. I do have an amendment to the bill, Mr. President.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Thank you, Mr. Speaker. Senator Beutler has an amendment and we visited about that and I accept it. It is a clarifying amendment and I think it is appropriate we adopt the amendment before we take any further action.

SPEAKER MARVEL: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, I won't take much time. Just let me say that the amendment tends to narrow the scope of the use of the revenue bonds. It is in line with my continual campaign to be very specific about the use of tax exempt financing and I think Senator Koch is in agreement so I don't think there is any point to discussing it in much detail. I am in favor of the bill

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and I hope we can advance it. Thank you.

SPEAKER MARVEL: Senator Kremer.

SENATOR KREMER: Senator Beutler, are you offering an amendment? You have not explained it?

SENATOR BEUTLER: Yes, I explained the principle. I'll explain it specifically the words I am changing, Senator Kremer. The bill allows the use of revenues, it allows them to pledge revenues from all or any part of any state revenue closely related to the use of the structures that are being constructed and I wanted to change the language "closely related" to the language "derived from." And the point is that generally speaking in revenue bond language you limit the pledge of the revenues to the revenues that are derived from whatever it is that you are constructing and the language "closely related to" is loose language and I'm not sure what it refers to. What other revenues are closely related to the project that Senator Koch would have in mind here. I don't think he had any specifically in mind. I think they were adopting some old language from some old statutes. So that is the purpose of the amendment, to make it clear that the revenues that you can pledge are from the project that you're building with the bonds.

SENATOR KREMER: Thank you.

SPEAKER MARVEL: Okay, the first motion is the adoption of the Beutler amendment. Is there any further discussion? All those in favor of the adoption of the amendment vote aye, opposed vote no. Okay, record the vote.

CLERK: 28 ayes, 0 nays, Mr. President, on adoption of Senator Beutler's amendment.

SPEAKER MARVEL: Senator Koch, do you wish to explain the bill?

SENATOR KOCH: Thank you, Mr. Speaker, the purpose of 577 is to amend our Constitution, Article XIII, Section 1. This is not without precedent. A number of years ago the people of this state saw fit to adopt a constitutional amendment which allowed us to issue revenue bonds for the purposes of highway construction. Even though the Legislature has not used it to a great extent, I believe it is important today that the people give us some advice and counsel on whether or not they think the impoundment of water is as important as many members of this body think that it is. I've watched efforts to build structures in this state. I've seen efforts to raise

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or increase the cigarette tax so we can get a million or two here to build some kind of a water project. This would not impinge upon that but I happen to believe very strongly that if we are going to really capture surface water, then this body is going to have to take the leadership because many projects of any worthwhile nature are going to have to be rather significant, and to build those structures today as you know is a very costly endeavor and so this would merely provide the Legislature advice and counsel of the general public when they say to us we believe that if we are going to capture the water that annually leaves this state to any great degree, then there is going to have to be significant structures built in this state identified by geological surveys as to where the greater advantage would be. Now the Legislature then, once the people advise and counsel us that they believe it is important, then it is up to us through the various agencies we have that deal with water to identify those priority areas and to get at the business of capturing this water. You have all heard the figures like I have. I have heard them every year since I have been here. It is estimated that on the average we lose eight million acre feet of water and we only retain of that eight about one million. I hear this every day when I sit in the Public Works Committee and I read it through the World Herald articles and many other things. So what I am saying to us is let the people advise us through this constitutional amendment and see whether or not they believe it is important as we might think it is important and so that is the reason I am offering the constitutional amendment. I ask for the adoption of LB 577.

SPEAKER MARVEL: Senator Kremer.

SENATOR KREMER: Thank you, Mr. Speaker, and members. I rise to support Senator Koch with his idea on LB 577. I have here on my desk and I am willing to share with any of you that wish to see the latest printout of what we learned when the study council of the Ogallala aquifer met in Dallas just day before yesterday. Throughout the morning session you heard this phrase repeated over and over again, we have these problems, we have these problems all except Nebraska. That phrase kept coming out all morning long simply because Nebraska does have the resource if they will take care of it and that involves the impoundment of some of the water that is getting away from us. If we do not, we are going to have the same problem the states south of us do. Now we can delay somewhat but down the line we are going to have them, too, in some areas of the state, not all areas. I think Senator Koch has an excellent idea in some way if we are going to impound this resource in

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the State of Nebraska, we have to find some way to do it and there are several methods. We do not have other resources upon which we can place an excise tax like most of the other states do. We are simply going to have to go this direction, this route or perhaps go to an increase in our sales and/or income tax, and if we do not, the cost is going to be greater than the cost of building some of these impoundments. So I wholeheartedly want to go on record as supporting Senator Koch on LB 577. Thank you.

SPEAKER MARVEL: Senator Koch, do you wish to close on the motion to advance?

SENATOR KOCH: I have no closing. I ask that LB 577 as amended be advanced to E & R Initial. Thank you.

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

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

SPEAKER MARVEL: Okay, the bill is advanced. We now move to LB 792.

CLERK: Mr. President, LB 792 offered by the Judiciary Committee and signed by its members. (Read title.) The bill was read on January 12th of this year, referred to the Administrative Rules and Regulations Committee for hearing. The bill was advanced to General File, Mr. President. I have no amendments to the bill.

SPEAKER MARVEL: Senator Nichol.

SENATOR NICHOL: Mr. President, members of the Legislature, this bill came to us from the Fire Marshal, and believe it or not, one judge declared that "all" didn't mean "all" and said that the duties of the Fire Marshal apply only to new construction and not to existing structures. This merely adds that new and existing structures shall be under the duties of the Fire Marshal. I move for the advancement of the bill.

SPEAKER MARVEL: Senator Vickers.

SENATOR VICKERS: Mr. Speaker, members, I just rise to urge the body's adoption of LB 792. It just makes so much sense, and as Senator Nichol pointed out, I cannot understand any judge believing that "all" doesn't mean "all" and that if

LB 577, 579, 601, 605, 642, 644, 651, 662,
677, 678, 696, 697, 718, 718, 719, 720,
728, 729, 739, 743, 764, 767, 767A, 775,
776, 778, 784, 792, 796, 807, 824, 825,
828, 839, 845, 869, 877, 890, 892, 931,
941, 951, 952, 961, 962

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SPEAKER MARVEL PRESIDING

REV. MORRIS VENDEN: Prayer offered.

SPEAKER MARVEL: If I could have your attention for a moment before we proceed. The chairmen had a meeting today and it was agreed that we would attempt to control debate as we have not done too well in the last few months and that we would try, for instance, with 652 to have the debate and the vote on advancement after one hour and that we try to have the pros and the cons of these issues so it doesn't take forever to get the point across. This time we're in a position where we either try to limit debate or many of the other issues will simply go down the drain. So the Chair would appreciate, the chairmen would appreciate your cooperation in trying to give people an opportunity on both sides and not spend all day in the discussion. Record.

CLERK: There is a quorum present, Mr. President. Yes, sir, I do have some items to read in. Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined and engrossed LB 579 and find the same correctly engrossed; 662 correctly engrossed; 677 correctly engrossed; 718 correctly engrossed; 719 correctly engrossed; 728, 729 correctly engrossed; 764 correctly engrossed and 778 correctly engrossed. (See page 1060 of the Journal.)

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 720 and recommend that same be placed on Select File with amendments; 767 Select File with amendments; 767A Select File; 807 Select File with amendments; 941 Select File; 877 Select File; 577 Select File; 792 Select File; 605 Select File; 931 Select File with amendments; 796 Select File; 845 Select File; 644 Select File; 739 Select File; 696 Select File; 828 Select File; 642 Select File; 678 Select File; 775 Select File; 776 Select File; 951 Select File; 961 Select File; 952 Select File; 784 Select File; 651 Select File; 716 Select File with amendments; 743 Select File; 601 Select File; 869 Select File with amendments; 697 Select File; 825 Select File; 892 Select File; 962 Select File with amendments; 839 Select File and 890 Select File with amendments. Those are all signed by Senator Kilgarin as Chair, Mr. President. (See pages 1057-1059 of the Legislative Journal.)

Mr. President, I have a motion from Senator Labeledz to place LB 824 on General File pursuant to Rule 3, Section 18(b). That will be laid over pursuant to our rules, Mr. President.

SPEAKER MARVEL: Okay, we go to item #4 and we're talking about LB 924 and I would caution you to do your best to get

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LB 215, 410, 417, 493, 577,
584, 538, 643, 689, 791, 837,
807, 900, 815

SENATOR KILGARIN: I move we advance LB 807.

PRESIDENT: Motion to advance LB 807 to E & R for Engrossment. Any discussion? All those in favor signify by saying aye. Opposed nay. The motion carries and LB 807 is advanced to E & R for Engrossment. The Clerk will read some matters into the record.

CLERK: Mr. President, I have a reference report referring LB 971 to Appropriations. I have notice of hearing for LB 971 by the Appropriations Committee.

Your Committee on Miscellaneous Subjects reports LB 493 indefinitely postponed; 584, 638, 643, 689, 791, 815, 837, and 900 all indefinitely postponed.

Mr. President, LBs 215, 410 and 417 are ready for your signature.

PRESIDENT: While the Legislature is in session and capable of doing business I propose to sign and I do sign LB 417, LB 410 and LB 215. Ready, Mr. Clerk, then for LB 577.

CLERK: Mr. President, I have no E & R amendments to LB 577. I do have a motion to indefinitely postpone the bill. That is offered by Senator Wesely. That would also lay the bill over unless Senator Beutler or Koch agree to take it up at this time.

PRESIDENT: Senator Koch or Beutler, do you have any reaction to the motion....there is a motion to indefinitely postpone, what do you wish to do? Senator Koch, did you... what do you wish to do?

SENATOR KOCH: Mr. President, I will leave that to the high and profound ethics of my good friend, Senator Wesely. First of all, I did not like the motion in the first place, but obviously Senator Wesely thinks it is important that we discuss it some more, so why don't we discuss it today.

PRESIDENT: Okay, we will let it go then, Senator Koch, is that all right? Let's debate it today then.

SENATOR KOCH: What's my prerogative here?

PRESIDENT: Senator Wesely.

SENATOR KOCH: I would prefer to take it up today.

PRESIDENT: All right. Senator Wesely, he would just as soon take it up right now.

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SENATOR WESELY: Okay, that's fine.

PRESIDENT: So you want to go right ahead?

SENATOR WESELY: Yes.

PRESIDENT: All right, the Chair recognizes Senator Wesely on the motion to indefinitely postpone.

SENATOR WESELY: Thank you, Mr. President and members of the Legislature, I put this kill motion up here just so we could at least discuss the concept behind this bill. We had, I think, almost no discussion on General File. I think that it moved rather quickly and it is too important an issue to leave to minimal debate on the floor of the Legislature. I think as you can tell that there was also very little discussion in committee with only Dayle Williamson supporting Senator Koch's motion at that time on the bill. So it seems pretty clear to me that we ought to at least talk about the concept of how are we going to deal with water development in the State of Nebraska? What is the best funding aspect to that? And what I think is wrong about LB 577 is that it has been taken out of the context of other legislation dealing with water development in the state and how we are to fund that development. We have several bills in the Public Works Committee which Senator Koch is a member of where we have discussed the concept of taking a half cent or a full cent of sales tax. Senator Sieck has got a bill on that and Senator Schmit, Senator Kremer, others, dealing with the issue of how do we develop water projects in the state. We have those bills in committee. We are looking at those issues in committee and it seems wrong in my estimation to then take a bill, take a concept through another committee that hasn't looked at the full water picture as we have in Public Works Committee, present them with a comprehensive bill such as this and then have it come on the floor with minimal debate, move right across and pass in this Legislature. I think one of the big drawbacks about the Unicameral process and also one of its great advantages at the same time is the quickness in which legislation can pass. That can both be to the detriment and to the advantage of the general public. In this case I think it is to the detriment of the public not to fully discuss this issue, and I think it does behoove us to take a little caution and take a little time to at least consider the concept. Now what is the concept? The concept is that the State of Nebraska issues revenue bonds through a constitutional amendment, builds up the money it needs for water projects in the state, pays those back over a period of time and develops the water projects. Well, it sounds

fairly good, but what we are talking about is the State of Nebraska essentially going into debt. It is the one thing that the state government in the State of Nebraska rarely does. We are prohibited by the Constitution of going into the red on our budget. It is a very rare thing for this state to go into any sort of debt whatsoever, but this proposal is essentially pushing the state toward the area of debt rather than a pay as you go concept in water development projects. I think that is the wrong direction to take. I think the other bills that are talking about upping the sales tax a half a percent or a full cent are up front with you as to what it is going to cost in water development. What LB 577 does, it is a sort of a very nice panacea type approach to this problem...well, we will worry about paying this back over the years. Let's get that money through revenue bonds and let's go into debt and let's build these projects and then we will pay it back over a period of time. Well, that sounds wonderful, but I don't think that is what the State of Nebraska was built on. I think we built this state on the concept of pay as you go, be up front whether it be highway projects, whether it be the Capitol Building, it is a pay as you go concept pretty much with a few exceptions, of course. But let's talk about this Capitol Building, we have eulogized and talked and praised about the Capitol Building the way it was built. One year at a time we gave one million dollars. When that money ran out, the project stopped for the next year when more money was allocated, and then in a ten year period we built this Capitol Building, and we are proud of it. We didn't go into debt. We are still not paying off the Capitol Building as many states may be. Instead, we did it as we went. We paid for it as we developed and I think that is the same thing on water projects. Now is that to say that what Senator Koch is proposing is absolutely wrong? No, I don't think so. But let's talk about it a little bit. Let's talk about whether or not we want to put the State of Nebraska into debt through these bonds to pay for these projects. Let's talk about the alternatives that are presented in bills held in committee at this point in the Public Works Committee. Let's talk about those approaches versus this approach and are there better alternatives that could be done to deal with the same sort of issues Senator Koch is trying to address? Certainly the goal of water development projects is something that we can all agree to. I personally think that we should be able to develop a number of smaller projects across the State of Nebraska to retain our water where it falls and do a better job of managing our water supply. No doubt in my mind we can do that but the cost is extreme and we have dealt with this issue time and again. This Legislature in efforts

to try and increase the cigarette tax and other efforts to pay for these projects has always pretty well rejected that. When we tried to increase through our budget on the floor through sales and income taxes an amount to the water development fund, you will recall over the past three years every year we seem to have that issue come up, we tried to put in an extra million or so dollars every year to make sure we try and get at least a little bit of money into that, it always had a difficult time going in this Legislature. That is why I can't believe that the members of this body would be so quick and easy to pass this legislation which has an open door approach to the issuance of revenue bonds on water projects when this body has been so reluctant to in the past in a minimal way increase water development funds, and we have been very reluctant to increase the sales tax, to be up front in paying for these water projects with some of the bills that we have in committee. And I have been one of those that has been concerned and skeptical about some of these proposals because I don't want to move ahead and spend a whole lot of money when we are not sure of the direction we are taking or the approach that we are taking and I certainly want to encourage caution at this time before we spend a great deal of effort putting this issue on the ballot along with a whole range of other constitutional amendments to take up the voters' time if we are not certain that this is the direction this Legislature wants to follow. If this bill goes on the ballot, the people approve this amendment to the Constitution, then I think we are basically committed to the concept of coming back here and developing the legislation to implement it. I don't think any of us are going to deny the people if they should approve such an amendment the opportunity to implement that amendment. So let's talk about what will happen after the amendment passes. Has anybody discussed that? What is going to happen once the constitutional amendment passes? How will it be handled? How much money are we talking about? What are the projects that it will be targeted for? How is this money going to be spent? Have these questions been answered with LB 577? If they haven't been then I think they ought to be, and that is the purpose of the motion to kill. I think if the answers are there and if this is obviously the best route to take, then I don't have any problem with the bill, but let's get these questions answered. Let's understand where we are going with this legislation and let's not just rapidly push through a bill committing this state to increase debt for water projects if we are not absolutely sure that that is the approach we want to take and that is the direction we want to follow. So I am asking these questions. I ask you to ask some questions in your own mind about this bill and

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let's consider it carefully before we advance it any further in the legislative process.

PRESIDENT: The Chair recognizes Senator Vickers.

SENATOR VICKERS: Mr. President and members, as a member of the Constitutional Revision Committee that heard this bill and advanced it to the floor, I certainly support LB 577. I support the concept and I support the idea that this state has to make more of a commitment to water storage projects within this state. Now I think I understand the position that Senator Wesely is coming from, but I am a little bit surprised as a member of this body that served on the Public Works Committee for the length of time that Senator Wesely has that he would take this position. I am also a little bit surprised that people that have supported the idea of revenue bonds for just about everything under the sun would suddenly be opposed to them for such a worthwhile project that benefits everybody in the State of Nebraska practically. As many of you know, I have opposed the use of tax exempt revenue bonds to finance and support various things that private industry could also do that I felt put the State of Nebraska or put the government in competition with private industry. But I think we all recognize that private industry is not going to develop the water and the water projects in the State of Nebraska that probably need to be developed. Now I would suggest to you that you note the language of the bill that indicates that the repayment of these bonds is going to be closely related to the use of such structures. Now recognizing that this is a constitutional amendment we are talking about and that would take legislative action following that constitutional amendment's adoption to enact it in the statutes, it seems to me what that is saying is that it is going to be paid by the people that are using the water from those projects. As Senator Wesely was talking about raising the sales tax and various other things, I don't think that is true. That is not the way I read this amendment. I don't think that is the intention of the introducer, and I certainly don't want to speak for the introducer, but I think the intention is that those of us whether it be through groundwater recharge, whether it be through irrigation, whether it be for minimum stream flow, or whatever the purpose may be, that benefit from water storage in this state would be asked to contribute to the repayment of those bonds to pay for that storage. And I think that is appropriate. I think it is appropriate that the state take this action, and I certainly oppose Senator Wesely in his motion to kill LB 577.

PRESIDENT: The Chair recognizes Senator Howard Peterson.

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SENATOR H. PETERSON: Mr. Chairman and members of the Legislature, I would rise too to oppose the Wesely kill motion for a number of reasons. Number one, it seems to me that we ought to congratulate Senator Koch for bringing this legislation to us to make it possible for us to do some things in this state that we haven't done to date and things that we will need to do. If I remember correctly, the Natural Resources Commission is to report to this Legislature next year their study of where dams ought to be constructed in this state, and we certainly need to have, when we get that report we need to have the process and the means by which we can start some of those structures. I just can't understand a Senator who serves on the Public Works Committee, who was aware of this study being made not understanding the importance of this legislation. I am not sure he ought to be serving on that committee. I would just say that we need to really move ahead and I would support Senator Koch one hundred percent in what he is trying to get done.

PRESIDENT: The Chair recognizes Senator Kremer.

SENATOR KREMER: Mr. Chairman and members, I spoke to this issue when it was before us on General File. I again rise to oppose the motion to indefinitely postpone for the various reasons I gave the other day. I would like to remind this group that the federal policy today is that if you want anything done within your states, the responsibility is going to be primarily with you, with the state. And without going to bonding certain projects, I do not see how we can build any so-called in between or major projects that Nebraska is going to have to have. I think Senator Koch is proposing here a way that we can go to the people and if they get a chance to look at what is necessary because of the discussion that will take place revolving around this decision that has to be made at the people's level and discussion takes place in the various communities, I think people will begin to understand that we have a real responsibility to do what we can by ourselves. I repeat, if we are willing to put up some front end money, I still believe there is going to be some federal funds available to help along because all states are going to have to get to work, especially in the states west of the Mississippi River. I think we are making a mistake if we kill this bill. It is another approach to doing what we are going to have to do to provide for Nebraska that which has to be done if we expect to beat the competition that we are going to face in the future. Thank you.

PRESIDENT: The Chair recognizes Senator Koch.

SENATOR KOCH: Thank you, Mr. Chairman. I offered this

constitutional amendment as an alternative measure, a tool for the state to use. I have been here eight years and I will recite what I told you the other day. We have talked a great deal about impounding water in the state which constantly escapes, and for those of us who think we can do it with a cent of cigarette tax are absolutely wrong. A million and eight dollars hardly builds a glorified dam on a farm pasture. When I think of water structure impoundment, I am talking about large structures which will capture many, many acre feet of water and be placed in the most appropriate place in the State of Nebraska where it can be utilized for the enhancement of our agribusinesses and agriculture, for recreation and other great purposes. My idea of building a structure today, if you look at the costs, would be no less than probably \$20 million in any one shot to build anything that is worthwhile, and I will restate for you again and you have heard it many times like I have. It is estimated that we lose approximately seven million acres of feet of water a year and maintain only one million acre feet of water right now. And if we want to get in the business of conserving and managing our water, then this is the only way to do it because we can't do it on a nickel and dime basis. So I am asking you to oppose the indefinite postponement. Let the people advise us of what they wish to do. If they are favorable, then next year this Legislature can take the reports and studies that have been given to us and start by priority base of establishing water impoundment structures which are needed in many places. Thank you.

PRESIDENT: The Chair recognizes Senator Cope.

SENATOR COPE: Mr. President and members, water isn't just the problem of the agricultural areas. Water isn't just the problem of the urban areas. Water is a problem of every person in the State of Nebraska and anything we can do to impound water is going to be to the benefit of every person in the state, and I think it is just as simple as that. And there is no way in the world that the Legislature can budget enough money in any single year to do any measurable good. I think Senator Kremer made the best point too. If there is any structures that are going to be built with federal funds, we are going to have to get a good share or a part of... depending on how long we put this off, of money from the state. If we do it as quickly as possible, we might get a reasonable share of it from the federal government. But I believe eventually we are going to do it on our own if we delay too long. I think it is a good bill.

PRESIDENT: Senator Koch, did you wish to speak again and then we are ready for a close?

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SENATOR KOCH: I was going to move the previous question.

PRESIDENT: Yes, it is ready for a close now. Senator Wesely, you may close.

SENATOR WESELY: Mr. President and members of the Legislature, obviously there is a lot of support for the legislation on the floor. I think it was only appropriate that discussion take place about the implications of the legislation. I still am not convinced it is good legislation. Let me tell you a number of reasons why. Number one, what we are talking about is going into debt at a point at which our economic situation is so severe. We have had the extreme measures being proposed that we did yesterday and yet you are talking, Senator Peterson, a known rock-ribbed Republican conservative wants to go full steam ahead and issue these bonds and not worry about the fact that we are going heavily into debt at a time when interest rates are out of sight, when we are having a difficult enough time as it is paying for the certain projects, the certain efforts we are already undertaking. He talks about no tax increase, no tax increase, but what we are doing here is talking about a tax increase eventually, some form or another somebody has got to pay the price of this proposal. I think it is quite clear when I talked about the sales and income tax, what I was talking about is previous efforts to deal with the budget to raise money to put some water development funds...make those available, and that is what Senator Vickers was talking about. I wasn't referring to paying off these revenue bonds particularly with that, but in talking to Senator Kremer that is being discussed. There is a discussion that maybe a sales tax or income tax increase in the state budget would be used to pay off these bonds. Then what Senator Vickers talked about as far as those people benefiting from the projects paying for them, well that sounds great, but how is that going to happen? In looking at the language we talk about payment of the interest and retirement of such bonds and may pledge all or any part of any state revenue closely related to the use of such structures. Well, what state revenue closely related to the use of such structures? What are we talking about here? Are we talking about a fee that we are going to charge, a water fee, or are we talking about the increased revenues to the state from taxes that will be brought in? What exactly are we talking about? Has there been any specific mention of what is contained in this proposal? I don't think there is any doubt about it that this is an easy bill to pass. There is a lot of supporters for it. We all want to sound good about supporting water development projects because you can pass this bill, you can

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LB 577, 208

get it through the voters, you can implement it next year and then you can worry about paying for it later, and that is what has gotten our country and our government into problems time and again. You don't go into debt just because it sounds good and the project is worthwhile. You think carefully about that commitment and you think carefully about how you are going to pay for it. You don't worry about it in the future, you worry about it today when you pass the legislation. I sound as fiscally conservative as can be and I think there is a lot of you that claim to be that way but a lot of you are going to turn right around and vote for this bill. And the key point is this, consider it in the context of other legislation that we have. If anything, I would suggest it go back to the Public Works Committee and consider it along with those other bills that we have in that committee where we worked hard on this issue, and we have tried to do some different things and we have had difficulty. Maybe this is the only thing that will pass in the Legislature, but as I said, the reason it will pass is because it is easy, you don't have to pay for it right now. You don't have to go back to your constituents and say, we are doing a number on water projects and we are going to increase your sales tax a penny. That makes it a lot easier, doesn't it, and that means that this bill is probably going to pass. Because of that, I am going to ask that my motion be withdrawn at this point and just again suggest that the questions I have asked are legitimate and that you ought to be asking them yourselves.

PRESIDENT: Motion to indefinitely postpone has been withdrawn. It is withdrawn. So we are ready then, any other motions, Mr. Clerk?

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

PRESIDENT: All right, we are ready....Senator Koch, do you want to make the motion to advance?

SENATOR KOCH: Thank you, Mr. President, I move to advance LB 577 to E & R Final.

PRESIDENT: Motion is to advance LB 577 to E & R for Engrossment. Any further discussion? All those in favor signify by saying aye. Opposed nay. LB 577 is advanced to E & R for Engrossment. LB 208, Mr. Clerk.

CLERK: Mr. President, there are E & R amendments to LB 208.

PRESIDENT: Senator Kilgarin.

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PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Roll call. Record the vote, Mr. Clerk, or the presence, I mean.

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

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

CLERK: I have no corrections, Mr. President.

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

CLERK: Mr. President, I have a report from the Department of Roads. That will be on file in my office.

The Committee on Business and Labor whose chairman is Senator Barrett instructs me to report LB 967 advance to General File with committee amendments attached; LB 968 as indefinitely postponed, both of those signed by Senator Barrett.

A new resolution, LR 248 offered by the Administrative Rules Committee calls for an interim study into the feasibility of employing an independent hearing examiners system for state agencies in Nebraska. (See page 1149 of the Journal.)

Your committee on Enrollment and Review respectfully reports we have carefully examined and engrossed LB 69 and find the same correctly engrossed; 359, 428, 571, 623, 659, 705, 724, 779 all correctly engrossed, those signed by Senator Kilgarin as Chair. (See page 1151 of the Legislative Journal.)

Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined and reviewed LB 652 and recommend that same be placed on Select File with E & R amendments attached; 522 E & R amendments attached; 568 E & R amendments attached. Those are signed by Senator Kilgarin as Chair. (See pages 1150-1151 of the Legislative Journal.)

Your committee on Public Works whose chairman is Senator Kremer reports LB 785 advance to General File and LR 212 advance to General File. Those are signed by Senator Kremer. (See page 1152 of the Legislative Journal.)

I also have a committee on Public Works report on a gubernatorial confirmation hearing.

And, Mr. President, Senator Beutler would like to add his name to LB 577 as cointroducer.

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LB 611

affect a road to anyone's home or any business. It would only be those roads that are field roads generally classified as field roads. It would not affect mail route, bus route or anything like that. It cannot be done without the approval from the state, the Highway Department, and if that didn't work, from the Department of Standards, so I think it is a very necessary thing due to our economy that we approve this. It is foolish to spend money on those roads that are only used by farmers to go to the fields and we have a number of them now in my area where they blade them down in the fall for harvest and perhaps in the spring after the thaw and they are pretty well used for field roads after that. Some of the bridges, of course, will have to be taken out because they are not safe and some of those draws and sloughs and creeks can probably be forded at some time during the year if rock is put down in the bottom of them. It would be much safer than that old rickety bridge. So I move for the passage or movement of 611 to E & R Initial.

SENATOR CLARK: Senator Wesely, you have four minutes left.

SENATOR WESELY: Okay. Mr. President, members of the Legislature, hearing this bill there was a lot of discussion about, questions about the signs and protecting the public when we reduce roads to minimum maintenance. I think the intent is proper and I think it will serve a purpose. There are some concerns still about safety of individuals and the liability involved and I think that there is an amendment being proposed I think you ought to be aware of...I don't know if Senator Kahle is going to offer it or not...which will clarify the liability question so I won't oppose the bill at this time and would ask you to please keep that in mind as one concern. When the bill was introduced and heard there was some questions about the fact that if a bridge went out or was left by lack of maintenance so it would be basically just a small sign or something telling you not to go over that bridge, and I thought we had to do a little more. I think the amendments from the committee make it clear that that will be barricaded and protected so the bill with the committee amendments is a much better bill and I think will serve a good purpose. I would just ask the liability question be addressed by Senator Kahle and I think it will be good legislation at that point.

SENATOR CLARK: Time is up on the bill. We have two more speakers, Senator Vickers and Senator Kremer. Did you both want to speak? If you do, we will just have to pass over the bill? All right, we will pass over the bill. Senator Stoney, would you like to recess after we read some things in or adjourn us until tomorrow morning.

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LB 571 , 577

to adopt the amendment as explained? All those in favor then of adopting the Clark amendment to LB 571 vote aye, opposed nay. Record the vote.

CLERK: 31 ayes, 0 nays to adopt the amendment, Mr. President.

SENATOR CLARK: I would move that the bill be readvanced.

PRESIDENT: Senator Clark.

SENATOR CLARK: The bill be readvanced to Final Reading.

PRESIDENT: All right, motion then is to readvance LB 571 to E & R for Engrossment. Any discussion? All those in favor signify by saying aye, opposed nay. The bill is readvanced to E & R for Engrossment. Mr. Clerk, we will now go to LB 577 next on Final Reading.

CLERK: Mr. President, Senator Vard Johnson would move to return LB 577 to Select File for a specific amendment, that amendment being to strike the enacting clause.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I make this motion so that I can just have a little bit more dialogue the final time on the floor with the bill's sponsors, Senator Koch and Senator Beutler. This bill... this bill authorizes the State of Nebraska to issue bonds for the construction of water retention and impoundment structures, i.e., dams for the purposes of water conservation and management, and then it says these are revenue bonds and it says, the state may pledge all or any part of any state revenue derived from the use of such structures for those bonds. And what I really want to know before I vote on the bill, Senator Koch and Senator Beutler, and either one of you can handle this, is what kind of revenues do you anticipate being generated by these dams that could be used as the basis for the revenue bond pledges? Senator Beutler, do you want to handle that?

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Senator Johnson...

SENATOR V. JOHNSON: Yes.

SENATOR BEUTLER:I really don't have any specific

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LB 577, 601

revenues in mind. It is possible that there would be fees that are high enough to generate revenues. That would probably be the type of revenue that we would be talking about, charges to the water users. Those charges would go back in to pay for the revenue bonds. Conceivably at some point in time there could be charges for groundwater recharge for people who are not directly using the water but who are indirectly benefiting from the water, and those revenues could go back into the payment of the principal interest of the bonds. Those would be the two principle types of payments that I know of right now.

SENATOR V. JOHNSON: Okay, let me ask you this then, Senator Beutler, I assume then...now is there anything about this amendment which would authorize the state to issue any kind of bonds for the construction of dams that would be supported by any funds other than the revenues that you just described?

SENATOR BEUTLER: It is certainly not my personal intention to provide anything beyond the revenues directly derived from the project.

SENATOR V. JOHNSON: All right, thank you very much. Mr. Clerk, in that case I would ask unanimous consent to withdraw my motion.

SENATOR CLARK: It is withdrawn. The Clerk will read 577, constitutional amendment.

CLERK: (Read LB 577 on Final Reading.)

SENATOR CLARK: All provisions of law according to procedure having been complied with, the question is, shall the bill pass? This will require 30 votes. Voting aye.

CLERK: Senator Clark voting yes.

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

CLERK: (Read the record vote as found on page 1285 of the Legislative Journal.) 38 ayes, 4 nays, 6 excused and not voting...7 excused and not voting, Mr. President.

SENATOR CLARK: The bill is declared passed on Final Reading. LB 601.

CLERK: (Read LB 601 on Final Reading.)

SENATOR CLARK: All provisions of law according to procedure

LB 520, 577, 591, 604A, 623, 629, 629A,
634, 651, 659, 697, 705, 716, 724, 759,
774, 779, 784, 792, 839, 877, 931, 941,
951, 626, 961, 962

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626 up to the point where it was the other day before this misunderstanding occurred. I thank you very much.

PRESIDENT: Any further discussion? Senator Rumery, do you have any closing on the advance?

SENATOR RUMERY: Just this, Mr. President, there has been reference made to sinister moves by a lobbyist and I would like to say that Mr. Paul O'Hare worked with us and I can truthfully say that we have not considered that he was doing anything underhanded at all, and I would like to have that for the record. I ask you to move the bill.

PRESIDENT: Did I hear a request for a record vote? I figured I would. Okay, Senator, we will go to the board then. All those in favor of advancing LB 626 to E & R for Engrossment vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 25 ayes, 9 nays on the motion to readvance the bill, Mr. President.

PRESIDENT: Motion carries. LB 626 is advanced to E & R for Engrossment. You may read some things in.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined LB 591 and recommend that same be placed on Select File; 520 Select File with amendments; 629 Select File with amendment; 629A Select File, and 759 Select File. (Journal page 1305.)

Mr. President, Senator Warner would like to print amendments to LB 604A in the Journal. (Page 1304 of the Journal.)

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

PRESIDENT: While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LB 577, 601, 623, 634, 651, 659, 697, 705, 716, 724, 779, 774, 784, 792, 839, 877, 931, 941, 951, 961, and 962.

PRESIDENT: Before we go into the next matter, the Chair takes the privilege of introducing 41 Seventh Grade students from Sandy Creek District from Fairfield, Nebraska. They are up here in the south balcony, Mr. David Nienkamp, their instructor. Would they kind of just wave to us. It is so crowded up there, let's see where you are up there. Welcome to your Legislature, to the Unicameral. Ready, Mr. Clerk, on LB 870.

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LR 256, 267
LB 208, 383, 421, 577, 631,
634, 677, 720, 796, 827

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by Senator Rumery.

SENATOR RUMERY: Prayer offered.

PRESIDENT: Roll call. Have you all registered your presence? Record the presence, Mr. Clerk.

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

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

CLERK: I have no corrections, Mr. President.

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

CLERK: Mr. President, two letters from the Governor. The first addressed to the Clerk. (Read letter regarding LBs 631 and 827.) The second, Mr. President, addressed to the membership. (Read letter regarding LBs 577 and 634.)

Mr. President, new resolution, LR 267 offered by Senator DeCamp. (Read LR 267 as found on pages 1392 through 1395 of the Legislative Journal.) That will be laid over, Mr. President.

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

PRESIDENT: While the Legislature is in session and capable of transacting business I propose to sign and I do sign LBs 796, 720, 677, 421, 383, and 208. Anything further, Mr. Clerk?

CLERK: I have nothing further, Mr. President.

PRESIDENT: We are ready then for agenda item #4, resolutions. There is a 15 minute limit. Commencing with LR 256.

CLERK: Mr. President, LR 256 was offered by Senator Nichol and many of the members. It is found on page 1280 of the Journal. (Read LR 256.)

PRESIDENT: The Chair recognizes Senator Nichol.

SENATOR NICHOL: Mr. President and colleagues, the purpose of LR 256 is to call on the federal government and the