

January 6, 1982

LB 618 - 645

PRESIDENT: The Legislature will stand at Ease for about five minutes. We have a few more bills to get in and we would like to get them in at this point. So the Legislature will stand at Ease for five minutes.

EASE

PRESIDENT: The Clerk will proceed with the reading of new bills.

CLERK: Mr. President, new bills. LB 618 offered by Senator DeCamp. (Read title). LB 619 offered by Senator DeCamp. (Read title). LB 620 offered by Senator DeCamp. (Read title). LB 621 offered by Senator DeCamp. (Read title). LB 622 offered by Senator DeCamp. (Read title). LB 623 offered by Senator DeCamp. (Read title). LB 624 by Senator DeCamp. (Read title). LB 625 by Senator DeCamp. (Read title). LB 626 offered by Senator DeCamp. (Read title). LB 627 offered by Senators DeCamp and Kilgarin. (Read title). LB 628 offered by Senators DeCamp, Koch and Vickers. (Read title). LB 629 offered by Senator DeCamp. (Read title). LB 630 offered by Senator Newell. (Read title). LB 631 offered by Senators Von Minden, Hefner and Goll. (Read title). LB 632 offered by Senators Wesely, Remmers and Rumery. (Read title). LB 633 offered by Senator Clark. (Read title). LB 634 offered by Senator Newell. (Read title). LB 635 offered by Senator Kahle. (Read title). LB 636 offered by Senator Warner. (Read title). Mr. President, new bills. LB 637 offered by Senator Vickers. (Read title). LB 638 offered by Senator Koch. (Read title). LB 639 offered by Senator Wiitala. (Read title). LB 640 offered by Senator Wiitala. (Read title). LB 641 offered by Senator Wiitala. (Read title). LB 642 offered by Senator Wiitala. (Read title). LB 643 offered by Senator Wiitala. (Read title). LB 644 offered by Senator Vickers. (Read title). Mr. President, LB 645 introduced by Senator Kilgarin. (Read title). (See pages 95 through 100 of the Legislative Journal).

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The Chair recognizes Senator Wesely, Chairman of the Rules Committee, to proceed with item #10. I would respectfully remind the Legislature once again that we need to keep moving in order to remove some of the roadblocks, and if we don't they are going to be there as big as life itself. The Chair recognizes Senator Wesely.

SENATOR WESLEY: I move the adoption of permanent rules for this legislative session.

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LB 378, 32A, 359, 574, 630,
631, 728

LB 378 to E & R initial. All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 26 ayes, 11 nays, Mr. President.

PRESIDENT: The motion carries. LB 378 is advanced to E & R initial. Alright, the Clerk will read some matters into the record.

CLERK: Mr. President, your committee on Revenue whose Chairman is Senator Carsten reports LB 630 advanced to General File; LB 631 advanced to General File with amendments, and LB 728 advanced to General File with amendments, all signed by Senator Carsten. (See page 418 of the Legislative Journal).

Your committee on Urban Affairs whose Chairman is Senator Landis reports LB 574 as indefinitely postponed. That is signed by Senator Landis.

Senator Vickers makes a motion to withdraw LB 32A. That will be laid over pursuant to our rules.

Your committee on Public Works gives notice of hearing in Room 1517 for February 11, 18, 19, 24 and 25. That is signed by Senator Kremer as Chairman.

PRESIDENT: Okay, we are ready then for the next bill on General File, LB 359, Mr. Clerk.

CLERK: Mr. President, LB 359 offered by Senator Newell. (Read title). The bill was first read on January 19 of last year. At that time it was referred to the Urban Affairs Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending by the Urban Affairs Committee.

PRESIDENT: The Chair recognizes Senator Landis.

SENATOR LANDIS: If I could have the attention of the Chair and the body, I would like to apprise you that we have had due to some problems in bill drafting, the committee amendments that sprang from the hearing that we held about a week ago are held up. But we have as a committee acted on those amendments to the approval of the unanimous committee and to the approval of Senators Newell and Hoagland. And although I want us to act today on LB 359, I guess I have to tell you what the committee amendments are and indicate to you that they will be available for passage on Select File. They, in fact, constitute substitute committee amendments, and so let me outline what I think we need to do and how to proceed. We had amendments introduced this session to change LB 359. As a courtesy to the members of the committee and in furtherance of good policy we sent it

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LB 335, 631, 707

Mr. President, I have a set of amendments from Senator Landis, one to LB 335 and one to LB 707 to be printed in the Journal. (See pages 490 through 492 of the Legislative Journal).

Mr. President, I have notice of hearing on gubernatorial appointments from the Business and Labor Committee and that is signed by Senator Barrett as Chairman. (See page 492 of the Journal).

PRESIDENT: Ready then, Mr. Clerk, for the next bill on General File, Special Order, LB 631.

CLERK: Mr. President, LB 631 offered by Senators VonMinden, Hefner and Goll. (Read title). The bill was read on January 6th of this year. It was referred to the Revenue Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending by the Revenue Committee.

PRESIDENT: The Chair recognizes Senator Carsten on the committee amendments. Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, with your permission I would yield the committee amendments to Senator Hefner who is prepared to handle them, Mr. President.

PRESIDENT: Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I move for the adoption of the committee amendments. This is a three-part amendment. The first part provides a four-year sunset for the tax provision so that it would expire January 1st, 1986. Some of the members of the Revenue Committee felt that we should put a sunset clause on this so that we could take another look at it in 1986. The second part of this amendment would require the State Racing Commission to report to the Revenue Committee if and when other tracks would qualify for the tax preference, and the third provision of this is that it adds an emergency clause onto this bill. And the reason for this is that the Atokad racing season is scheduled to begin in April instead of May like it says in the front of your bill book. These amendments won unanimous approval of the committee and if you have any questions to these committee amendments, I would be happy to answer any questions you may have. I move for the adoption of the committee amendments, Mr. Chairman.

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LB 631

PRESIDENT: Any further discussion then on the committee amendments on LB 631? Seeing none, I guess that is the opening and the closing then. All those in favor vote aye, opposed nay on the committee amendments on LB 631. Record the vote.

CLERK: 31 ayes, 0 nays on adoption of the committee amendments, Mr. President.

PRESIDENT: Motion carries. The committee amendments are adopted. We will now have an explanation of the bill by Senator Von Minden. Senator Von Minden, you may proceed with the explanation of the bill.

SENATOR VON MINDEN: Mr. Chairman, members of the Legislature, LB 631 is brought to you to try to right a wrong that was imposed on the racetrack in South Sioux City, Nebraska. I will give you a little history first about the race track and then about the bill. If you will listen to me now why we can save a lot of time on the bill later on. In the early 1950s a group of citizens in northeast Nebraska decided they would like to bring thoroughbred racing into Nebraska and also have a building where we can have different functions in northeast Nebraska large enough to accommodate them such as county fairs and horse shows and dog shows and 4-H shows and so on and so forth. We applied to the Racing Commission for a license to have a racetrack. We were granted that in 1955 and we were granted fall dates. Since 1955 we have been doing quite well. We run in the black most of the years and some of the years we are a little bit in the red. The State Racing Commission felt perhaps they could help us out a little bit and they wanted to try an experiment. They said, we will take your dates away from you and give them to Omaha and Lincoln who can absorb them and use them much better than you can, and we will let you race in the summertime and give you more dates to run so you can perhaps make more money. Well we tried the experiment and it worked out real well for the other racetracks and for the State of Nebraska. They, in turn, the pari-mutuel handle was so much greater than the big tracks that Nebraska got \$1,400,000 more tax money than by having the dates up at our racetrack up in northeast Nebraska. The other part of this agreement didn't work too well for a thoroughbred racetrack at Atokad. We lost a half a million dollars. We found out that we can't run a racetrack in competition with Omaha which is only a hundred miles away. They have nicer facilities, faster horses and people with

more money, and we simply went in the hole. We requested our dates back and, of course, you know that we couldn't get them back. The State of Nebraska doesn't want to lose \$1,400,000. So Atokad Association met with the Racing Commission and this is the important part of the bill, legislators. This bill was drafted by the State of Nebraska by the Racing Commission. I didn't draft the bill and neither did Atokad Association draft the bill, and you would know that the State Racing Commission which is Nebraska is not going to draft a bill that is going to hurt their pocketbook. Now I will explain a little bit on the bill. We are attempting to put the racetracks in Nebraska in two different categories, one the thoroughbred racetracks in Nebraska and the other one racetracks that race three days a week or less. It has been in the past all racetracks that the pari-mutuel handles a million dollars the state steps in and gets 5 percent tax on every dollar bet after that. We are attempting for the smaller tracks three days or less that there will not be a 5 percent tax until the pari-mutuel handle is \$5 million. That in turn would give us \$200,000. We also have one other stipulation in there where we can collect 18 percent on the first \$5 million instead of the customary 15 percent which thoroughbred tracks use. That would give us 3 percent on \$5 million, another \$150,000. That is \$350,000. We think that with tightening of our belts as everybody has to do in Nebraska now and little bit better management, we can keep the racetrack in Nebraska. And I want to say to you again, you are not giving us \$200,000. You took our dates away from us. You caused us a \$500,000 debt. I don't know if we can get our dates back through courts. I doubt it very much. But this is a bill that the Racing Commissioner wants all the racetracks to have the blessings of this bill, all the thoroughbred horse racings want this bill and I think the whole State of Nebraska wants this bill. With that, I would like to close. I also would like to ask one favor of you Senators in here. Please don't try to tie a bunch of amendments to this bill. We can't stall this bill even one day. We are going to attempt to race in less than 90 days and to put a million dollar operation in business right away. We have to raise \$400,000 in bonds in northeast Nebraska before we can even get enough money to start this racetrack a going this spring, so if we clutter it up with a bunch of amendments it is going to be delayed. And also look in your bill book, this thing went through the committee very fast the very first day it was introduced by 7 to nothing. It is an excellent bill. Thank you.

PRESIDENT: The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, because this bill will cost the State of Nebraska \$200,000 annually in lost tax revenues, I would think that each of you would say, maybe I should vote red. I can guarantee you that as a member of the Revenue Committee I have voted red on virtually every bill that comes before that committee that I know is going to result in a revenue loss to the state. But I voted green in committee on this bill and I would ask you to vote green on this bill because this is truly a fairness in equity measure. What happened is very simple as Senator Von Minden points out. The State Racing Commission made arrangements with Atokad and with several other racetracks whereby Atokad gave up some racing days and got other racing days, and the days that Atokad gave up went to the benefit of Aksarben and to the benefit of the Lincoln track, and as you well know those are much larger tracks, and because those tracks got Atokad's special racing days, those tracks had much larger handles. I have become a tout after hearing racing legislation, handle being all the money they collect when the bettors make their bets. I never took any bet, Rex, but anyhow they got larger handles and because they got larger handles the State of Nebraska got a lot more tax money. We got \$1.4 million in new tax money by virtue of Aksarben and Lancaster County getting Atokad's racing days. We wouldn't have had that money but for the fact that Atokad gave up those racing days. Now Atokad got some other days but the other days that it got to some extent were duplicative of Aksarben racing days, and Atokad began to lose money hand over fist. In fact, it lost so much money that Atokad could easily be put out of business. Now the track touts tell me that Atokad shouldn't be put out of business. They say it is a very fine track for some of the horses that aren't going to race at Aksarben or are not going to race in the Lancaster County track and right on down the line. It is an excellent track and we need to preserve Atokad. But to be able to preserve it, we have to make certain that Atokad's revenues are not totally depleted by our taxing structure. So what the Revenue Committee did is it totally and absolutely agreed with Senator Von Minden and the people from his area, including the Nebraska Racing Commission and the Nebraska Thoroughbred Breeders Association and the like that we needed to provide a tax break to Atokad because Atokad in the last analysis had provided a very fine tax break to the State of Nebraska by giving up some of its racing days and allowing the bigger tracks to take them

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so that the bigger money could come in to those tracks and obviously the bigger money could come in to the state revenue coifers. This is a fair and just bill. I don't know how Senator Von Minden voted on the retirement bill, which I thought dealt with fairness and equity, but irrespective of how he voted, this kind of bill should be approved because it truly is a fair and equitable measure.

PRESIDENT: The Chair recognizes Senator Haberman. All right. The Chair recognizes Senator Kahle.

SENATOR KAHLE: Mr. President and members, if you look at your bill in the book, I did not vote either way. I passed on this issue because I did not hear the testimony. I had another couple bills before another committee that same day. That is the reason for the pass. I would like to ask either Senator Hefner or Senator Von Minden a question. I understand there are some back taxes or money that should be paid or could not have been paid maybe to the State of Nebraska and I wonder how they were going to handle that, because if you or I were in deficit to the Department of Revenue, why they would haul us in, and I wondered how the track...if this is true and how they intend to handle that deficit that apparently the taxes have not been paid into the Department of Revenue. Can either one of you tell me that?

PRESIDENT: Senator Von Minden, do you want to answer that? Did you follow that?

SENATOR VON MINDEN: Yes, Senator Kahle, we do, we owe \$230,000 to the State of Nebraska, and....or \$232,778.45 to the State of Nebraska. We also have another \$230,000 to go to local banks. If this bill would move along rapidly like I hope it does, they have already sold 150,000 bonds up there and they intend on selling over \$400,000 worth of bonds so we can clear up our debts and start racing at the end of April providing this goes through.

SENATOR KAHLE: Then that deficit in the Department of Revenue would be picked up?

SENATOR VON MINDEN: If this bill goes through. Otherwise I don't know how...if we can sell the bonds, yes, we will pick it up.

SENATOR KAHLE: In other words, if this bill doesn't go through, you are done.

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SENATOR VON MINDEN: Yes, we are done racing, and we are...there is probably enough asset in the track to sell it and pay the State of Nebraska, I don't know. I imagine there would be, but it is much easier to do it this way.

SENATOR KAHLE: You are optimistic that with this change that it would become profitable and that you could retire the debts and keep your taxes paid up.

SENATOR VON MINDEN: I really think so. We couldn't quit last year at the middle of the season when we knew we were losing money because we had obligations to make. We did cut out a few things that weren't profitable and we think with new management and a little tighter belts that we can make a profitable track out of it.

SENATOR KAHLE: How long a situation is this now? I believe you said there was, what, a five year time limit?

SENATOR VON MINDEN: Four year.

SENATOR KAHLE: Four year. So if it doesn't work in four years, why then you will be back.

SENATOR VON MINDEN: If it doesn't work, we won't be back. We will be broke.

SENATOR KAHLE: Okay. Well, I think I needed to know this. I know that there were some taxes that weren't paid and I didn't know how they intended to get those paid up, and I think we should be careful about forgiving taxes, but if we are going...if they are going to be able to pick them up with support of this bill, I will favor the bill. Thank you.

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President, am I the last speaker on this issue? Mr. President, am I the last speaker?

PRESIDENT: Senator Newell.

SENATOR NEWELL: Am I the last speaker on this issue?

PRESIDENT: Senator Cope is to speak yet.

SENATOR NEWELL: Okay, let me just say that I think that the arguments that have been made in favor of this bill really are, if we don't do it it is going to cost us more

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than if we do do it, which probably isn't going to cost as much. I think we are in a rock and a hard spot. That's why I supported it in committee. I think, frankly, Senator Von Minden is making an honest attempt to try to keep this very important agricultural organization alive in northeast Nebraska. I support that proposal. I was going to call the question but since Senator Cope is the last speaker, I don't think I need to do that. Thank you.

PRESIDENT: The Chair recognizes Senator Cope.

SENATOR COPE: Mr. President and members, a question of Senator Von Minden.

SENATOR VON MINDEN: Yes.

SENATOR COPE: Senator Von Minden, do I understand then that if this bill passes that all the debts from last year will be picked up prior to the racing season?

SENATOR VON MINDEN: Well, Senator Cope, at least the debt to the State of Nebraska will be picked up to the tune of \$232,000, but I don't know what our local banks, whether they will extend credit if....we have to sell over \$500,000 worth of bonds. We want to sell 400 so I anticipate that they have things worked out with the local banks that we don't have to clear up that whole debt. But the one will to the State of Nebraska be cleared up.

SENATOR COPE: That will be cleared up prior to the racing season?

SENATOR VON MINDEN: Yes.

SENATOR COPE: And you really believe that this will make a successful track of Atokad in the years to come?

SENATOR VON MINDEN: Well, Senator Cope, if the people of northeast Nebraska want to buy bonds into it, apparently they must think it is going to be successful. They sold a lot of the bonds and they assured me that if we can pass this legislation that they can sell the bonds. That is all I can tell you.

SENATOR COPE: Okay, thank you.

PRESIDENT: The Chair recognizes Senator Goll.

SENATOR GOLL: Mr. President, I happen to be one of the

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sponsors of this bill with my good friend, Senator Von Minden, and in an effort not to get anything screwed up I would at this time call the question.

PRESIDENT: Well, I am sorry to disappoint you but you were the last speaker so we don't have to call the question. And you are safe, Senator Von Minden, you may now close.

SENATOR VON MINDEN: I will leave closing to Senator Hefner.

PRESIDENT: Senator Hefner is closing, you say? All right, Senator Hefner, you are closing.

SENATOR HEFNER: Mr. President and members of the body, we are coming down the home stretch now, but just let me explain this bill one more time briefly. This bill would exempt the small thoroughbred tracks in Nebraska that race three days or less from the pari-mutuel tax on the first \$5 million instead of the first \$1 million receipts. Last year, this last year, 1981, Nebraska took in \$1.4 million more in pari-mutuel tax receipts than it did the year before. With this exemption being granted to one small track this coming race season, we would still end up \$1.2 million more. There was no opposition at the hearing. The ones on the Revenue Committee that voted on this bill voted it to General File. In South Sioux City at Atokad we hold county fairs, we hold area beef and dairy shows, home shows and many other local functions. It is a good place to have these various functions. Senator Kahle asked if Atokad was going to pay the amount of money that they owe the State Tax Commissioner. Yes, they will, Senator Kahle, and if they do not race this coming season, something happens that we don't get this bill across and they do not race, then they will sell the facility that they have and pay all their debts. Therefore, I would urge you to vote green on this bill and advance it to the next stage of debate.

PRESIDENT: The motion before the House is the advance of LB 631. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 35 ayes, 0 nays on the motion to advance the bill, Mr. President.

PRESIDENT: Motion carries. LB 631 is advanced to E & R Initial. The Clerk will read some matters in.

February 3, 1982

LB 115, 115A, 139, 139A, 212A,
LB 450, 576, 583, 588, 589,
LB 413, 631, 634, 670, 672,
LB 706, 735, 851

CLERK: (Read LB 413 on Final Reading.)

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

CLERK: Senator Clark voting yes.

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

CLERK: (Record vote read. See pages 529 and 530, Legislative Journal.) 20 ayes, 27 nays, 2 present and not voting, Mr. President.

SENATOR CLARK: The bill having not received the required number of votes has failed to pass on Final Reading. We will now to to item #5, General File. Does the Clerk have anything to read in?

CLERK: Mr. President, your committee on Public Works whose Chairman is Senator Kremer to whom we referred LB 670 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File; and LB 851 advanced to General File, both signed by Senator Kremer.

Your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 139 and find the same correctly engrossed; 139A correctly engrossed; and 450 correct engrossed. (Signed) Senator Kilgarin.

Your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 631 and recommend the same be placed on Select File with amendments; 589 Select File; 212A Select File with amendments; 115 Select File with amendments; 115A Select File with amendments, all signed by Senator Kilgarin.

Your committee on Constitutional Revision and Recreation whose Chairman is Senator Labeledz to whom we referred LB 576 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File; 583 General File with amendments; 588 General File with amendments; 634 General File with amendments; 672 General File with amendments; 706 General File with amendments; and 735 indefinitely postponed, all signed by Senator Labeledz as Chair.

Mr. President, your committee on Ag and Environment will have an exec session at eight forty-five on Thursday, February 4 in Room 1105, Senator Schmit's office. That is an exec session of the Ag and Environment Committee tomorrow morning at eight forty-five in Senator Schmit's office.

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LB 240, 609, 623,
631, 654, 902

once and for all we would do two things this year, keep our state control which you have' d with legislation if you are going to do anything. You are not going to have it otherwise. It is going to be lost, number one, if you don't pass the bill. And, number two, get it simplified in this usury rates to where at least we can kind of understand it from year to year. That is about it. I urge you to reject the amendment and that is it.

SENATOR CLARK: There is no way we can finish this amendment. We have got four more lights on up here. Senator Marsh, would you like to adjourn us until nine o'clock tomorrow morning? After he....

SENATOR MARSH: After he reads in?

SENATOR CLARK: After he reads in.

CLERK: Mr. President, Banking, Commerce and Insurance will hold an Exec Session in Senator DeCamp's office today at noon.

Your committee on Retirement Systems whose Chairman is Senator Fowler reports 609 advanced to General File with committee amendments attached; 902 advanced to General File; and 240 advanced to General File with amendments. Those are signed by Senator Fowler. (See pages 560 and 570 of the Legislative Journal).

Your Enrolling Clerk has presented to the Governor the bills that were read on Final Reading yesterday, Mr. President.

Senator Fowler would like to print amendments to LB 631. (See page 561 of the Journal.)

Senator Lamb would like to print amendments to LB 654 in the Journal. (See page 561 of the Journal).

Mr. President, Senator Wesely asks unanimous consent to add his name to the Wiitala motion previously filed today. (See page 561 of the Journal).

SENATOR CLARK: Senator Marsh.

SENATOR MARSH: Mr. Chairman, I move we recess until 9:00 a.m. on February 5th.

SENATOR CLARK: We have to adjourn.

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LB 631

SPEAKER MARVEL: The bill is advanced. There is a request to lay over LB 631. Any objections? Senator Fowler.

SENATOR FOWLER: Senator Dworak, I believe, has an amendment pending on 631 and he isn't here and out of courtesy to Senator Dworak I would think we would lay the bill over until he comes.

SPEAKER MARVEL: For what purpose do you rise, Senator Haberman?

SENATOR HABERMAN: A point of order, Mr. President.

SPEAKER MARVEL: Pardon me?

SENATOR HABERMAN: A point of order.

SPEAKER MARVEL: What is the point?

SENATOR HABERMAN: I asked for the same privilege here about a week or ten days ago and the Chair wouldn't give it to me. They said if we laid everything over just because somebody wasn't here on an amendment, we would be here all week.

SPEAKER MARVEL: That is not only true but is one way to slow down the process. So...well, let's put it this way, the request is made to pass over the bill which puts it in the same position as others, and so the Chair grants that privilege. Now if somebody wants to comment....okay, Senator Hefner.

SENATOR HEFNER: Mr. President, how long is Senator Dworak excused for? Will he be here later in the day?

SPEAKER MARVEL: Senator Schmit, do you wish to answer the question?

SENATOR SCHMIT: If the question is in reference to the Dworak amendment on LB 631, I can't speak for Senator Dworak but I can tell you very frankly that I have been in close contact with the people in the City of Columbus and I want to say this, that during the summertime we held some hearings on the problem of the Atokad racetrack. At that time I discussed with the people of Columbus whether or not they wanted to address some of their problems as they are presently developing. The consensus was reached that they would not attempt to become involved with the Atokad problem, and as a result of that I gave my word to Senator VonMinden and

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Senator Hefner that I would not attempt to piggyback anything on the present bill for the benefit of Columbus. I did sort of get an agreement from them that they would listen to me at a later date if Columbus found themselves in a similar problem, and I also discussed that with other persons who represent other tracks in the state. I know that there are people in Columbus who have perhaps some interest in the Dworak amendment but I am going to have to say frankly at this time that because of my commitment to Senator Hefner and to Senator VonMinden and because the people that I spoke to in Columbus did not request the type of amendment which Senator Dworak has requested, that I will not support Senator Dworak's amendment.

SENATOR HEFNER: Thank you, Senator Schmit. Could I ask the Clerk how long Senator Dworak is excused for?

ASSISTANT CLERK: He is excused until he arrives, Senator.

SENATOR HEFNER: Okay, Mr. Speaker, I believe that we went ahead with a previous bill this morning on 378 even though there were several Senators that were not here, and so I would like to ask the Clerk, is there any other amendments that we could start on?

ASSISTANT CLERK: I have one other amendment on the bill.

SENATOR HEFNER: Mr. Speaker, could we go ahead with that amendment and maybe Senator Dworak will be here by that time? If we don't get to this bill today, I am a little concerned that the Atokad racetrack will not be racing this year because they start their season in April, and they very definitely need to know if they are going to get some relief and if they are not, they are going to have to make other plans. Therefore, I would respectfully ask the Speaker to go ahead with this bill at this time.

SPEAKER MARVEL: The Chair has been informed that Senator Dworak will be here shortly before....shortly after lunch. If there is no objection, then we will lay the bill over until that time, shortly after lunch. Okay, the next item of business is LB 631. I am sorry, 571.

ASSISTANT CLERK: Mr. President, I have no E & R amendments. I do have an amendment from Senator Burrows. That amendment is found on page 581 of the Journal.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman and members of the body, this

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LB 631, 717, 792, 849

RECESS

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Would you please record your presence? We are going to need all the help we can get this afternoon because there are at the moment two committees out. Pardon? Okay. Have you all registered your presence so we can proceed? Record.

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

SPEAKER MARVEL: Okay, the Clerk has got a couple items to read in and then we will turn to Senator Dworak.

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 717 and find the same correctly engrossed. Your Committee on Administrative Rules whose Chairman is Vard Johnson reports LB 792 as advanced to General File. And Mr. President, Senator Hoagland would like to print amendments to LB 849 in the Legislative Journal. (See page 987 of the Journal.)

SPEAKER MARVEL: The first order of business this afternoon is LB 631, and then the next bill is Senator Nichol's bill, 705.

CLERK: Mr. President, the Legislature considered 631... I guess they didn't this morning. Mr. President, there are E & R amendments to LB 631.

SPEAKER MARVEL: Senator Nichol.

SENATOR NICHOL: Mr. President, I move the E & R amendments be adopted.

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

CLERK: Mr. President, I have an amendment from Senator Fowler who is not in the Chamber right now. Senator Dworak would move to amend the bill, Mr. President.

SPEAKER MARVEL: The Chair recognizes Senator Dworak.

SENATOR DWORAK: Mr. Speaker and colleagues, I feel terribly disadvantaged with just 26 or 27 people on the floor, and I hope you people will take that into account

and give this amendment serious consideration at this point. I know it has been heavily lobbied against by Aksarben and Skochdopole out there. He has been out there two or three days now. I am curious as to whether he has really sat down and showed you the figures on this specific amendment. Now let me tell you exactly what this amendment does. It is a graduated pari-mutuel tax. And I would suggest to you had this body adopted this tax the last time I proposed it three years ago, South Sioux City wouldn't be in the trouble they are in today. South Sioux City wouldn't be in here scrambling for a last effort desperation type approach to survive. I also want to say for the record that unless this amendment is adopted, next year or two years from now Columbus is going to be in here just like South Sioux City is in here today. We are going to have to give the smaller tracks some kind of break. If we really believe in the philosophy of pari-mutuel horse racing, if we really believe that this is for the benefit of the thoroughbred horsing industry, if we really believe this has got great social value across the State of Nebraska, then we are going to have to race more than just Omaha and Lincoln. We are going to have to continue to keep these tracks in operation across the State of Nebraska. Now last year Columbus netted...this is net after everything, \$16,300. Now, for heaven's sakes, let's not wait until they are broke like South Sioux City before we do something. It may be too late to help South Sioux City because we waited too long. We didn't move when we should have moved. It doesn't take anybody with too much intelligence to see disaster when disaster occurs, but it does take a little bit of foresight and not a heck of a lot more to see the inevitability, and that inevitability is exactly what is happening to Columbus. Columbus is going to be absolutely in the same position South Sioux City is today and that is bankrupt. So let's do something this year with this bill to help attract where there is some viability left. Let's not wait until it is dead before we try to pump life into it. It is too late then. Now if that is the interest of some of these bigger tracks, so be it, then stay where you are. Now let me give you the exact figures. The way it is right now with 5 percent over \$1 million and that is the present tax, Aksarben pays \$5,680,000. Now if we went to 2 percent for the first million to \$5 million and then 5.5 percent, only a half a percent over \$5 million, Aksarben would pay \$6,028,000 or a difference of \$348,000 or a mere 6.1 percent. Columbus pays now \$357,000. Under the graduated approach they would pay \$253,427 or a difference of \$104,234 less.

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Lincoln pays \$1,408,000 under the present tax, would pay \$1,409,000 for a difference of \$833 or only .6 of a percent, and Fonner Park in Grand Island would pay \$1,186,000....or is now paying \$1,186,000, will pay \$1,164,000 or \$21,000 less, or a difference of a negative 1.8 percent. This results in the same, or actually it results in just a little bit different...little bit, a small increase in revenue to the State of Nebraska, \$223,000 or approximately 2.6 percent. Now when you look at Aksarben, when you are looking at \$5 and \$6 million, \$348,000 isn't that much difference. It is just 6 percent difference. This isn't going to hurt anybody but it is going to help South Sioux City. It is going to help Columbus and it is going to help Fonner Park, and it is not going to help them at a great expense to the larger tracks. Now you can wait. You can say, hey we got this bill going across, this isn't the time to do it, we've got to hurry up and get this across, and I can hear the arguments coming, and then next year or two years from now you have got the same situation in here with Columbus that you have today with South Sioux City and it is too late again. Now if that is what you want to do, if you want to shut those tracks up, that is fine. But had we adopted this proposition three years ago when it was initially brought before this body, we wouldn't be sitting here today with a last ditch effort to try to pump in life to something that is pretty dead. South Sioux City would have had more viability. Now the Columbus Racing Association supports this. I haven't spent a lot of time lobbying this. I think the figures speak for themselves. I think you people can all sit here and listen to them and look at it and determine whether it is a right way to go or not a right way to go. It is not that complicated. It is not that significant. I just beg and urge you to think about these figures, to think where we are today. You have seen something happen with South Sioux City. You have got experience in front of you. You all have seen the trend in Columbus. You have seen the trend in Fonner, and you have an opportunity to do something about it. Now, if something I am saying is not so, we can take it off Final Reading. I won't oppose it. But because we have such a short number on the floor today, I would like this idea to be adopted, to be viable, to generate some public commentary and once it is adopted people are going to pay attention to it. So please give me a vote today to put this concept on. It is well thought out and it is not going to hurt anybody. Thank you.

SPEAKER MARVEL: The Chair recognizes Senator Hefner.

SENATOR HEFNER: Mr. President, members of the body, I rise to oppose the Dworak amendment and I hate to do this because I know that we need to look at our whole racing structure. Senator Dworak's amendment talks about a graduated pari-mutuel tax. It is quite a complicated formula. I don't have it here on my desk. I don't see it printed in the Journal and so I would like to suggest to Senator Dworak that we have an interim study on this. If we adopt this amendment, what we will be doing is killing LB 631. Like I told you earlier in the day, Atokad and northeast Nebraska needs this bill. If we don't get this bill, I don't believe there will be any racing up in northeast Nebraska this spring. The racing days are just about a month away and so we do not have too much time. And let me tell you just a little bit about how Atokad got into this trouble. They were doing all right until the Racing Commission took the fall days and gave them to the larger race tracks in Nebraska. That is when we got in trouble at Atokad. But by doing this, by giving the fall dates to the larger race tracks and letting Atokad race when Aksarben was racing, the state took in \$1.4 million. They took in \$1.4 million more than the previous year, and this came from the pari-mutuel tax. So the State of Nebraska was quite a little better off by doing this. Columbus still has their regular race days which are in the fall of the year, or I should say early fall, and so they still have a chance to get in on some of the good days, good receipts. And so I would like to ask Senator Dworak to withdraw this amendment and then we will have an interim study on this this fall, or this summer, and I will certainly sign that resolution with him. If he doesn't withdraw it, why I would like to ask you to oppose the amendment.

SPEAKER MARVEL: Senator Dworak, do you wish to be recognized? Senator VonMinden.

SENATOR VON MINDEN: Mr. Speaker and members of the body, I will not waste a lot of time arguing the point with Senator Dworak and repeat what Senator Hefner already said, but I will have to say again, our Atokad was not in the financial difficulty that they were in until we lost our racing dates. The best way I can come across to you is to tell you the truth about the bill. The bill again, as I said before, was not drafted by me, it was drafted by the State Racing Commission. I have to tell you they drafted the bill with the blessings of the five race tracks in Nebraska, the Thoroughbred Horses, and the only part that Senator Hefner or I had in drafting the bill was that we did tell the Racing Commission that we

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would try to keep this bill clean, we would try to keep this bill the way the Racing Commission intended it to be, and that is why I have to stand up and oppose the bill. We have a race track in Nebraska...or up in South Sioux City, the Atokad racetrack that is in financial difficulty and to put this amendment that Senator Dworak has on it, we are apt to hold the bill up, perhaps it could even kill the bill. And I think on account of the Racing Commission has got our track in the trouble they have it in, we should move this bill along. Thank you, sir.

SPEAKER MARVEL: Senator Dworak, do you wish to close on your amendment?

SENATOR DWORAK: Well, I didn't realize this was a dirty amendment. Senator VonMinden, we are doing absolutely nothing, absolutely nothing, to alter the intent and the end results of your bill. We are doing absolutely not a thing to change what you are trying to do for Atokad and I thought you were trying to do it but now you tell me the State Racing Commission is trying to do it who I have all kinds of confidence in since they are the ones that changed the dates and got Atokad in the trouble they are in in the first place, and it is too late, and I don't want the same thing happening to Columbus. Now if this body as a philosophy wants to say, we are going to close those small tracks down, fine, let's close them down and kill this bill. If that is what we want to do, let's close them down. I don't care. I don't go to the horse races. I think they are dumb. But if this body as a matter of policy says these little tracks shouldn't continue to exist, then we don't need 631. But if we are going to scramble and if we are going to pass this piece of legislation to save Atokad and we are going to say there is some social value to the thoroughbred industry, and if we are going to say, we do need this, then for gosh sakes let's do something with this piece of legislation so we don't have the Columbuses and the Fonner Parks and everybody else coming in down the road where we are subsidizing to the tune like we are subsidizing now for Atokad. It seems to me that we have got a little parochial viewpoint, Senator VonMinden. We want to save Atokad but we don't give a darn about Columbus. Now is the time to try and help them before they are against the wall, before we have got them knocked down. The time is now, Senator Hefner, not another study and another study and another study. The time is now. This isn't going to slow this bill up. Put the amendment on and let it go.

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If we don't get this amendment on in Select File, because of the desperateness of the situation, I might have to do something on Final Reading. Let's get the thing put on. It is a sensible amendment. It makes a lot of sense, and get it across. I am not trying to harass this bill. The Columbus track came down and supported the bill. They came down and testified for it. I support the bill. I think we need to help Atokad. But for crying out loud, we have got the vehicle in front of us and we don't have the time to sit around and waste, let's do something for the other track that is going to be in the same situation in the next year or two. I urge the adoption of the amendment.

SENATOR CLARK PRESIDING

SENATOR CLARK: The question before the House is the Dworak amendment to 631. All those in favor vote aye, opposed vote nay. Senator Dworak.

SENATOR DWORAK: I have got to have a Call of the House. There is 32 people not voting. Senator Clark, I want a Call of the House and a roll call vote, please.

SENATOR CLARK: All right, 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: 14 ayes, 0 nays to go under Call, Mr. President.

SENATOR CLARK: The House is under Call. Sergeant at Arms, will you get the Budget Committee, and we also have a committee down...Public Works. Senator Duda, would you check in, please. Senator Kilgarin, will you check in, please. Everyone is supposed to be in their seats. Sit down. Thank you. Senator Rumery, will you check in, please. Senator Warner, would you let us know you are here, please. We have everyone here now except the Public Works. Senator Dworak, for what purpose do you rise?

SENATOR DWORAK: Mr. Speaker, I don't suppose because there were 15 or almost 20 people absent when we debated this, is there any chance we can tell them....

SENATOR CLARK: I'll tell them what it is.

SENATOR DWORAK:what a good amendment this is, adding \$200,000 to the general fund and....

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SENATOR CLARK: Can we get Senator Lamb checked in and get Senator Kremer checked in? (Gavel). All unauthorized personnel will leave the floor. The bill men are authorized. You are all right. We must have some quiet if we are going to call the roll though, please. The Clerk will call the roll.

CLERK: (Commenced reading the roll call vote.)

SENATOR CLARK: Maybe we had better tell them what they are voting on. We are voting on the Dworak amendment to 631. Continue, Mr. Clerk.

CLERK: (Read the roll call vote as found on page 988 of the Legislative Journal.) 13 ayes, 27 nays, Mr. President.

SENATOR CLARK: The motion lost. The Call is raised. The next motion.

CLERK: Mr. President, Senator Fowler would move to amend and the Fowler amendment is found on page 561 of the Legislative Journal.

SENATOR CLARK: Senator Fowler.

SENATOR FOWLER: Mr. President, how much time is left on this bill?

SENATOR CLARK: Probably about five minutes, Senator Fowler.

SENATOR FOWLER: Well, I will start the amendment, I guess. I doubt we can complete it in five minutes, but I will go ahead. The amendment deals with an issue that was last time addressed by this Legislature also by an amendment on Select File. The issue revolves around an unclaimed property question, that is the tickets that are not cashed in and what happens to that revenue. Now in the past it was contended by the former...previous, rather, State Treasurer that that followed like all unclaimed property and should go through the normal channels ultimately ending up as money for the school fund. The racing industry for whatever reasons felt that they should get a special exemption from that customary practice and they trotted in, I think it was in an afternoon, the language that now I am taking out which says that those tickets, that unclaimed property, becomes the property of the track. Basically, I think we are talking about estimates varied about from \$100,000 to \$400,000 a year that previously

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went to education but now became the property of the racing industry. I think that the adoption of that amendment and the process that it went through then kind of reflect the attitude of the racing industry and perhaps the priorities that we often see in this Legislature as to who gets consideration. Are we going to take a vote in five minutes? Is that right, Senator Haberman, is that...? Thank you. It seems that the priority there is that there was really no public hearing.

SENATOR CLARK: Could we have it a little quiet to give Senator Fowler a chance, please.

SENATOR FOWLER: Yes, I only have three minutes left.

SENATOR CLARK: Go ahead.

SENATOR FOWLER: Let me ask, based on Senator Haberman's information that we would take a vote, is that even if the...is that a vote on the bill or the amendment? I guess I have a point of order that I would like to inquire. Senator Haberman has informed me that there will be a vote taken in three minutes and I was just curious if that is true.

SENATOR CLARK: You go ahead, I will make the decision on that.

SENATOR FOWLER: Oh, okay. I thought maybe he was presiding. So essentially what we see there is that the Legislature stole money from the school fund to give it to the racing industry. Now we get a good deal of concern about the sanctity of the school fund in other situations that, for example, when we get to talking about the severance tax, Senator Nichol might recall that there was a great offense at an effort that he had, a bill with a public hearing, full debate and so on to deal with the letting a little of the severance tax that went to the school fund be used in another area of education, technical colleges. There didn't seem to be any problem or compunction when the racing industry comes in to take money away from the school fund and let it go to the race track. I think that this reflects kind of some priorities that the Legislature unfortunately reflects. So I am offering this amendment basically to restore back to education the money that was taken in this Select File amendment and to take race tracks and treat them as anyone else in the area and concept of unclaimed property. And so with that I would move for adoption of the amendment.

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SENATOR CLARK: Senator Hefner. We don't have a lot of time on the bill, and I would like to take a vote on this amendment and then the bill. This is the last amendment.

SENATOR HEFNER: Mr. President, I will be brief. I just want to rise to oppose this amendment. This body did hold a study on it several years ago and we had a bill and at that particular time we thought it was not wise to do this and so now Senator Fowler has presented an amendment to us on this bill that would do this. And, of course, I think this is wrong. I think if he wants to have another study on it, or introduce a bill next session, this would be fine, and then we could have both sides of the issue at the hearing and present their cases and go from there. And so, therefore, I would just like to ask this group to oppose this amendment at this particular time.

SENATOR CLARK: Senator Schmit.

SENATOR SCHMIT: Mr. President, I will also be brief. I just want to correct, I believe, an impression left by Senator Fowler that the money had been going to the school funds. It has been my information, I may be wrong, but I do not think so, that the funds have always remained with the tracks and that only my amendment which clarified the language and the intent of the Legislature several years ago, continued that practice when there was some doubt as to where they might belong. I think that it is kind of ironic, on the one hand we are here today enacting a bill which will...or hopefully enacting a bill to save the small tracks on the one hand, and on the other hand we take the money out of the same pocket. This bill will cost Atokad about \$11,000. It will cost Columbus \$14,700 out of that \$17,000 profit, which Columbus had last year. It will cost Aksarben \$160,000. They might possibly be able to stand it, but then it will come back at us some other way I am sure. Fonner, it will cost them \$23,500 and Lincoln about \$43,000. I suggest that the process is fair the way it is. I think that if you, as Senator Hefner has said, that there seems to be a problem here, that it ought to be introduced as a bill and it ought to be discussed and debated before the proper committee. The question will come, why did you put the amendment in? I put the amendment in to counteract an action, well intentioned, that would take the funds away, that it had to be legislative intent. I expressed that in my amendment that was upheld by the Legislature and hopefully at this you will reject the Fowler amendment. Thank you very much.

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SENATOR CLARK: The question before the House is the adoption of the Fowler amendment. I know you had it on but we had a limit on time. Oh, yes, you bet. The question before the House is the adoption of the Fowler amendment. Senator Fowler, do you wish to close?

SENATOR FOWLER: Do I get time for that?

SENATOR CLARK: I am not going to give you a full five minutes because the time is up on the bill. I would like to get the bill moved if possible. I don't think it is fair to stall it.

SENATOR FOWLER: Okay. Well, I would give...Senator Johnson, do you want a minute? Can I give him a minute and I will take a minute?

SENATOR CLARK: All right.

SENATOR FOWLER: Is there anyone else who wishes to speak?

SENATOR CLARK: No.

SENATOR FOWLER: Okay.

SENATOR V. JOHNSON: I have a minute.

SENATOR CLARK: One minute.

SENATOR V. JOHNSON: I was going to speak on behalf of Senator Fowler's amendment. It is absolutely true that the issue did come before the Revenue Committee in connection with an unclaimed property bill that was introduced I believe in the 1980 legislative session, and we did hear the question. And the question simply was, where should the unclaimed property, that is of the uncashed-in tickets go? Should it continue to stay with the race tracks or in turn should it be treated like all other unclaimed property in this state, and there is a lot of unclaimed property, which ultimately goes...which goes to the State Treasurer and then ultimately into the school funds. Now it seems to me that as a matter of policy, simply as a matter of policy, it is better for the ticket, the unclaimed ticket proceeds to be treated like every other parcel of unclaimed property in this state and to go to the school funds. I think that Senator Fowler's amendment is an appropriate amendment and I would urge it being advanced.

SENATOR CLARK: Senator Fowler, you have a minute, and he

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did take just one minute.

SENATOR FOWLER: Well, Mr. President, it seems...and Senator Schmit may, in fact, be right that with regards to... since it was his amendment that I understand that he introduced on Select File, it just seemed appropriate that we ought to discuss this issue on Select File again. The racing industry didn't feel the need for a public hearing, the normal process, and so on. They like to do these things quickly and quietly perhaps. But I think that there is a need to look at this and I don't think the priorities in the state should be saving the small race tracks at the expense of education, and yet that seems to be exactly what a number of Senators here advocate. There are many major issues facing us, many things that we should act on in time and yet it seems the only thing yet this session that I have seen any discernible panic about is this bill, that suddenly this is the only thing everybody is agitated about, saving the race track. Now it seems to me that this probably, although it may be a priority in certain parts of the state, isn't the only priority we would address. I think that it is appropriate to restore things back to the way they were before the Schmit amendment, then Senator Schmit could follow his own advice and introduce a bill and have a public hearing as it should have been done. So I would move for adoption of this amendment.

SENATOR CLARK: The question before the House is the adoption of the Fowler amendment. All those in favor will vote aye, opposed vote nay. Have you all voted? Record the vote.

CLERK: 10 ayes, 23 nays, Mr. President, on adoption of Senator Fowler's amendment.

SENATOR CLARK: The motion lost. Now the question before the House is the advancement of the bill. All those in favor say aye. Opposed. The bill is advanced. We will go now to 705 where we left off.

CLERK: Mr. President, with respect to 705, there was an amendment adopted this morning by Senator Carsten. Senator Nichol now has an amendment. I believe copies have been distributed.

SENATOR CLARK: Senator Nichol.

SENATOR NICHOL: Mr. Chairman, this is the bill we were talking about before lunch and you will recall that Senator Carsten put an amendment on, and we are talking about interest rates

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LB 628, 631, 669, 669A,
722, 782, 827, 870

SENATOR CLARK PRESIDING

SENATOR CLARK: You will check in, please. Record the presence, please.

CLERK: Quorum present, Mr. President.

SENATOR CLARK: Senator Stoney. We have another motion on the bill right now.

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined engrossed LB 628 and find the same correctly engrossed; 631, 669, 669A, 722, 782 and 827 all correctly engrossed.

Mr. President, on LB 870, Senator Chambers would move to indefinitely postpone the bill.

SENATOR CLARK: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I feel that this is a motion that can bring the whole subject of this particular bill to a head. Now one of my major concerns, it should be clear, is the provision about mandatory sentencing, mandatory jail time. I am sending another handout around to you to show you in documentation in the newspapers about the type of overcrowding that is occurring not just around the country but in Nebraska. We have, on the second page the headline says: "Penal complex is sorely overcrowded." This is a statement from the people who run the Penitentiary here. Another statement from Judge Krivosha that there is no evidence that putting people in jail for longer periods of time prevents others from committing crimes. Jail alone is not a way to handle problems. Then for those from Lancaster County and surrounding areas, dangerous overcrowding is jail's worst. Their head of their Department of Corrections has pointed out that they are facing the worst overcrowding in the history of their twelve-year jail. Then the following page talks about a judge in Albuquerque, New Mexico who was faced with the law requiring mandatory sentences. Rather than sentence a young man in accord with the law, this judge stunned everybody in the court room by resigning on the spot from his judgeship, and he had a philosophy of sentencing, a philosophy of justice both of which were violated by the provisions of the mandatory sentencing law, so he resigned on the spot. It shows that people do have convictions, that they will follow them to what some people might consider unreasonable extremes. The next page will tell about a judge in Philadelphia who ordered the release of over a hundred prisoners because of

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LB 631, 845

pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

ASSISTANT CLERK: (Read the record vote as found on pages 1341 and 1342 of the Legislative Journal.) The vote is 44 ayes, 0 nays, 1 present and not voting, 4 excused and not voting, Mr. President.

PRESIDENT: LB 845 passes with the emergency clause attached. The next bill, LB 631, requires a motion, and the Chair recognizes Senator Hefner for purposes of that motion.

CLERK: Mr. President, Senator Hefner and VonMinden would move to suspend Rule 8, Section 5, so as to permit consideration of LB 631 on Final Reading today.

PRESIDENT: Senator Hefner.

SENATOR HEFNER: Mr. President and members, I move to suspend Rule 8, Section 5 so that we can read on Final Reading LB 631. And I will try to be brief in telling you why we want to suspend this rule. This bill changes the taxing provision for horse racing in Nebraska. This bill will reduce pari-mutuel tax receipts in Nebraska by \$200,000. Our rules say that whenever we have a bill that causes a reduction in tax receipts, the bill shall be considered with the other A bills. But here is our problem. Atokad is trying to gear up for their racing season which starts the latter part of April, in fact, just about 30 days. Contracts are ready to be signed for the use of the tote machine and the starting gate and concession stands, and I could go on and on, and also employees need to be hired. But without this bill, Atokad will not have a racing season. So we need to pass this bill today. And let me summarize this bill and explain it to you just briefly. Last year the Racing Commission changed the racing dates. They provided Omaha and Lincoln race tracks with extra racing days, removing the fall dates from Atokad. This was good for everyone except Atokad. It was good for the State of Nebraska because we took in \$1.4 million more from pari-mutuel tax receipts. This bill exempts the pari-mutuel tax on the first \$5 million to those tracks racing three days or less. So we end up with \$200,000 less in tax receipts. But overall...overall, we gain \$1.2 million in pari-mutuel tax receipts. At the present time the race meet is on in Grand Island. Their receipts are up and if this continues across the state like this, we will not have any deficit at all. We will pick up that extra \$200,000. Like I said before, we need this bill today instead of waiting, and without this bill Atokad will not have a race meet this year. We need 30 votes to suspend the rules to take

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this up this morning, and I would like to call your attention that this bill does have the emergency clause on and I think this was omitted on the agenda sheet. And so I would like to ask your support to suspend the rules and then go ahead and read the bill.

PRESIDENT: The Chair recognizes Senator Warner.

SENATOR WARNER: Mr. President and members of the Legislature, I rise to indicate I would not oppose the motion to suspend the rule. I would feel very strongly if we got in the habit of passing a number of these before we know the picture better than we do, but I think almost without exception every session there has been one or two A bills or one or two revenue reduction bills because of other time sequences beyond the control of the Legislature it was appropriate to consider the bill and as Senator Hefner has explained and as I understand that the outcome of this particular piece of legislation is very pertinent to that race track to know as soon as possible and if the bill... particularly if the bill was not to pass, I am sure it would have an effect that they would have to take into account before the race season could open. So on that basis on this particular bill I can see there is justification to take it up at this time.

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President and members of the Legislature, I would echo Senator Warner's comments and point out to you the rule that we did adopt through the committee and at the request of Senator Warner that was trying to attempt to put into context questions of the budget and revenue reduction and tax expenditures so that we could see the total picture before we made an individual decision on the bill. So by taking this step we are basically pulling out of that group of expenditure bills, this bill to identify it solely on its own basis and I guess I want to point out that it is important to keep it in the context of the present budget situation and tax revenue reduction and tax expenditure bills. But I do support the rule change suspension because I do think this is a very unique situation and I can understand the problem that they have, and so I think in this instance we can allow that to happen. But I think as we make that decision on the bill itself, you have to keep in mind the language that we are talking about here. And the fact is the bill does not have an A bill but it does have a revenue reduction of I believe \$200,000. And in the past we have held A bills which were appropriation bills for new expenditures and that was to indicate that we wanted

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to try and make sure before we spent money on new programs we took care of present programs, and that was I think a good policy. But this year almost more than any other year we realize the importance of revenue and the problem that we have when we provide for reduced revenues in certain areas. In the past we didn't care so much about those perhaps and we should have, and I always was concerned about the question about tax exemptions and revenue reduction bills and what have you, and so included in this rule is the fact that all bills that would reduce revenue and expend the taxes and would also be held so that we get the full picture of the effect on our budget. And so that is why this was included. In the past it wouldn't have been except for this rule change. So what I am saying is, look at the total picture, look at the impacts in a broad sense and I think it is all right to go ahead and suspend the rules and look at the issue at this time.

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President, I will be brief. I support LB 631 and I support the motion to amend the rule so that 631 can move forward. We heard it in the Revenue Committee. It is a good bill. I have had an opportunity as a member of the Miscellaneous Subjects Committee to look at this issue. I think that the one argument that has been made is that Atokad does have a problem and because of the considerable investment that community has made in that track and because of the fact that their days have been changed which has created some problems for that track and because they do provide an important service for some of the breeders and so forth who need to run horses that may not be in the quality of Aksarben and/or the Lincoln track or even the Grand Island track, I think that this proposal given at this point in time is a reasonable one. It, in fact, will cut revenues to the state but the compensating balance is that it increases revenues in the other two tracks. I wholeheartedly support the motion and I wholeheartedly support LB 631.

PRESIDENT: The Chair recognizes Senator DeCamp. Motion.... do I see five hands? I do. All those in favor of ceasing debate vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 27 ayes, 4 nays to cease debate, Mr. President.

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

SENATOR HEFNER: Mr. President and members, I again urge

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LB 631

you to vote for the suspension of this rule because I feel that not only will it help Atokad in their racing season this coming year, it will allow them to have a racing season, but also it helps to keep ongoing the 4-H groups that have been meeting there. We would also be able to continue the area beef and dairy show and many other civic functions. I think Senator Schmit would like to talk just a little bit and so I will yield the rest of my time for him. But I do urge you to vote for the suspension of the rules.

PRESIDENT: The Chair recognizes Senator Schmit for the rest of the close.

SENATOR SCHMIT: Mr. President and members of the Legislature, I echo what has been said earlier. I just want to reemphasize what Senators Hefner, Goll and VonMinden have said here many times, racing is a statewide sport, one which was intended to promote the thoroughbred breed and not necessarily to just place all of the racing in one particular area in the state. We need all the tracks in Nebraska. Senator Dworak attempted to emphasize that by an amendment to LB 631, and although it was not accepted at this time I want to point out that the problems of the small tracks in Nebraska, particularly Atokad at South Sioux City, Columbus track and the Fonner track are not over, and I hope that in years to come we will view each of those tracks in their own right and their own problems as they come up before this body and address them in an equitable and fair manner.

PRESIDENT: The question is the motion to suspend Rule 8, Section 5 to permit voting on Final Reading of LB 631. All those in favor vote aye, opposed nay. It requires 30 votes. And I remind the body, you are on Final Reading although it doesn't look like it. If everybody would...every member would return to his or her desk so that we at least give some appearance of being on Final Reading. We are on Final Reading. Record the vote.

CLERK: 38 ayes, 0 nays, Mr. President, on the motion to suspend the rule.

PRESIDENT: Motion carries, the rule is suspended, and, Mr. Clerk, you may proceed to read on Final Reading LB 631.

CLERK: Mr. President, before I proceed, Senator Dworak had an amendment on page 990 of the Journal that I understand he wishes to withdraw.

March 22, 1988

LR 259
LB 259, 631, 642, 644, 678, 845,
696, 767, 767A, 775, 776, 828,

PRESIDENT: Senator Dworak, you wish to withdraw the amendment. Senator Dworak is withdrawing his amendment which was in the Journal and the amendment is withdrawn. So we will now proceed, Mr. Clerk, with the reading of LB 631.

CLERK: (Read LB 631 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied, the question is, shall LB 631 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: (Read the record vote as found on pages 1342 and 1343 of the Legislative Journal.) 38 ayes, 6 nays, 4 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 631 passes with the emergency clause attached. That will conclude Final Reading this morning. Before we take up agenda item #6, the Chair would like to introduce 70 students of the Youth Citizenship Seminar. This is group number two of the Nebraska Farm Bureau representing some 62 counties of our State of Nebraska and they are up here in the south balcony. We welcome you to your Legislature. Welcome. The Clerk will have some matters to read into the record. Proceed to do so.

CLERK: Mr. President, new resolution, LR 259, offered by Senator Haberman. (Read LR 259 as found on page 1343 of the Legislative Journal.) That will be laid over, Mr. President.

Mr. President, legislative bills read this morning on Final Reading 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 259, 642, 644, 678, 696, 767, 767A, 775, 776, 828, 845 and 631. Ready then, Mr. Clerk, for agenda item #6, motions, LB 731.

March 24, 1982

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