

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.

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.

February 17, 1982

LB 358, 547, 571, 595, 626, 634

CLERK: Mr. President, an announcement from the Speaker regarding LB 547 being moved from Passed Over to General File.

Senator Koch would like to be excused Thursday morning.

Senator Clark would like to print amendments to LB 571; Senator DeCamp amendments to LB 358. (See pages 722-723 of the Legislative Journal.)

Your committee on Banking, Commerce and Insurance whose chairman is Senator DeCamp instructs me to report LB 626 advance to General File and LB 595 indefinitely postponed, both signed by Senator DeCamp.

Mr. President, LB 634 was a bill introduced by Senator Newell. (Read title.) The bill was read on January 6 of this year. It was referred to the Constitutional Revision and Recreation Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending by the Constitutional Revision and Recreation Committee.

SENATOR LAMB PRESIDING

SENATOR LAMB: Senator Labeledz, do you wish to handle the committee amendments?

SENATOR LABEDZ: Thank you, Mr. President. LB 634 was introduced by Senator Dave Newell and the committee amendments are just correcting some language. The insertion of "use by" was for grammatical clarity, the words, "or financing" were added so that property and blighted areas could benefit from the federal income tax exemption on bonds without the requirement that the municipal corporation own the property. If there is further explanation of the bill I'm sure Senator Newell will be able to do it. I move for the advancement of the committee amendments on LB 634.

SENATOR LAMB: The motion is to adopt the committee amendments. All those in favor vote aye, those opposed vote no.

CLERK: Senator Lamb voting yes. 28 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SENATOR LAMB: The committee amendments are adopted. Senator Newell, do you care to explain the bill?

SENATOR NEWELL: Mr. President, members of the Legislature, LB 634 is a constitutional amendment which would authorize the bonds, tax exempt bonds for the financing of business

ventures in blighted and substandard areas. The proposal is to add to our present IDA bond provisions, industrial development bonds, the opportunity to develop commercial activities. Now commercial activities can be defined and will be defined by this Legislature but some of those can be warehousing. Nebraska is one of those states that because of its location, because of its transportation systems, interstate system, and so forth, has a bright future as a storage place for many of the goods and services moving across the country. In the blighted and substandard areas throughout the state, not just in the City of Omaha, but in other small communities across this state, this financing mechanism can be used to promote this kind of commercial activity. Frankly, with the changes that are being brought about with the new federalism and the cornerstone of the Reagan administration's urban policy being the enterprise zone, the free enterprise zone, this proposal fits very neatly and, in fact, is one of the requirements by the federal government when they consider authorizing and designating enterprise zones. And so I urge this body to advance LB 634 to Select File because it will be another tool to help us revitalize our older communities and add another tool to our arsenal for economic development in the State of Nebraska.

SENATOR LAMB: The Chair recognizes Senator Hefner.

SENATOR HEFNER: Mr. President, members of the body, I would like to ask Senator Newell several questions.

SENATOR NEWELL: Senator Hefner.

SENATOR HEFNER: Yes, Senator Newell, what is your definition of a blighted or a substandard area? Do we spell that out in statutes some place?

SENATOR NEWELL: It is designated under the Community Development Law. Blighted and substandard areas are really defined and would be defined unless the Legislature makes a clarification of that by local communities, Senator Hefner.

SENATOR HEFNER: Okay, then, in other words, if this constitutional amendment passes and the people vote it in, then the Legislature would come back and probably give a more definite definition on this?

SENATOR NEWELL: Well presently we do have definitions as to blighted and substandard in the criteria. I can get that information for you. I'm not able to answer that right now. We do have some definitions but the definitions can be changed, tightened, expanded, whatever by this Legislature because it is by legislative action that those are authorized.

SENATOR HEFNER: Okay, and then I have one other question. Where are we now with tax exempt bonds? There was some talk that the federal government was going to do away with some of these.

SENATOR NEWELL: Senator Hefner, that is a very tenuous point right now in various proposals. The federal government has felt for a number of years that they are losing quite a bit of revenues because of the tax exempt bonds and as a member of the Urban Development Committee of the National Conference of State Legislators we have taken policy positions and analyzed this. Frankly the administration is suggesting a number of proposals. One is to do away with totally, with the tax exempt bonds. The other is to only authorize tax exempt bonds in areas that fit, that could qualify for depressed economic areas like the blighted and substandard limitation. It is possible, it is very likely as a matter of fact and I hate to make predictions as you know about what Congress is going to do but it is likely that this will be the only authorized designation, blighted and substandard, probably with the federal definition maybe more tightly drawn than states.

SENATOR HEFNER: Okay, thank you, Senator Newell. I support this bill. I think that it would be very good. I think that our industrial bond system or program that we are using now works very well and so I would urge you to support this constitutional amendment.

SENATOR LAMB: The Clerk will please read the first amendment.

CLERK: Mr. President, the first motion I have on LB 634 is a motion to indefinitely postpone. That is offered by Senator Beutler.

SENATOR LAMB: The Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, I wanted to file that motion first to hopefully get your attention because there are some very serious policy issues involved in this question and I think that you should give them some real thought. My points are basically two, that this kind of an expansion of the Industrial Development Act is essentially anti small business and I assure you that in three or four years if this law is implemented, put into statute and implemented, you are going to be getting complaints from your small businessman, your small grocer, your small repair shop man and in a minute I will tell you why. Not only is it anti small business but it is anti taxpayer and again I will explain to you hopefully how this affects

the taxpayer. This is one of those bills where the taxpayer should be down here complaining but it is one of these occasions where the taxpayer has nobody representing him. Let's talk for a minute about the bill itself. We already have in law our Industrial Development Act and it says that for manufacturing and industrial purposes, for those two purposes, manufacturing and industrial, we can issue tax exempt bonds to help out private enterprise. It doesn't say anything about blighted or substandard areas. For those two purposes it doesn't really matter what kind of an area we are talking about, you can issue the bonds, and the rationale is basically, the justification is that every other state in the union has this kind of provision and that to stay competitive with the other states we, too, must offer the same kind of tax exempt financing. Otherwise industrial or manufacturing enterprises may, for example, go from Omaha to Council Bluffs. That is the justification for allowing the credit of the city and the county to be used to give a tax break to business enterprises. That is the justification for interfering in the private enterprise system. Now what are we doing with this amendment? With this amendment we are going to talk about all enterprises, all enterprises, not just manufacturing and industrial, and what we are going to include are things like office buildings, grocery stores, hardware stores, any kind of enterprise so long as it is built in a blighted or substandard area. Now what has happened in Iowa and what you are going to find happening here is that the big boys, the big businessmen who can afford to pay the bond lawyers \$10,000 to issue the bonds and who can afford to pay the bond brokers another \$20 or \$30 thousand and can issue several hundred thousand dollars worth of bonds, that's what it takes for an industrial development bond to be worthwhile. They are going to come in and they are going to build their big chain grocery store and they are going to build it right next to your friendly grocer and the big boy is going to have the advantage of the tax exempt financing which is an interest point difference of two or three percent and the little businessman is not going to have that advantage and I can tell you and I think you can see clearly what is going to happen. Now remember that in the first place the objective of the Industrial Development Bond Act was to keep us competitive with other states but if you are talking about commercial enterprise or office buildings those things are going to be built in Nebraska regardless of anybody else's Industrial Development Bond Act because they have to deal in Nebraska. The office space is for rent here. The grocery store has to sell here. It is a mistake to extend this kind of provision to enterprises that will be here regardless of the nature of the law in surrounding states. So in a sense when you extend it to these kinds of enterprises it becomes simply a straight subsidization of

business enterprise and serves in my opinion, no good public policy. Not only does it serve no good public policy but it essentially is a tax on the middle class. It taxes them in two different ways. As far as our federal income taxes are concerned when you issue tax exempt bonds those wealthy people who can afford and who prosper by the tax exempt bonds do not pay taxes and when they do not pay taxes somebody else has to make up those taxes. And the people who make up those taxes are the teachers and the small businessmen and everybody else who is contributing their taxes but who does not buy tax exempt bonds. So as you expand this market of tax exempt bonds you are creating and enlarging the tax haven for the rich and shifting the tax burden onto the middle class and in this case you are doing it for absolutely no good reason. Furthermore, when you expand drastically as we have in the last ten years with industrial development bond financing, the supply of bonds, the supply of revenue bonds, those same revenue bonds are competing with the revenue bonds that are issued by your cities and your counties to build roads, to build sewer systems, to build everything that is a legitimate public purpose to build. But now when you issue those road bonds and now when you issue those sewer bonds the interest rate is higher than it should be. It is higher than it should be because the supply is so large and the supply is so large because we sit down here in this Legislature and authorize the additions of more and more and more tax exempt financings. You know in Lincoln this year...

SENATOR LAMB: You have one minute.

SENATOR BEUTLER: ...our property taxes went up nine to ten percent it was announced and nobody can figure out why it is going up nine or ten percent. Why the lid is seven percent we know. The state hasn't put on any, hasn't cut its aid significantly that we know. There are a lot of factors involved but one of the things that is happening is that hidden costs like interest costs are increasing and they are increasing because of tax shifts, tax shifts that are exacerbated by actions like these, like this one that we are about to take today. So I ask you not to do this because in this instance there is no good public policy served. There is no reason that we need be competitive with other states and I think that if you research the issue you would find that other states have drawn back from extending the Industrial Development Bond Act to commercial enterprises. For that reason I would ask you to vote to indefinitely postpone. Thank you, Mr. Speaker, for a little extra time.

SENATOR LAMB: Senator Cope, did you care to address the kill motion?

SENATOR COPE: Yes. Mr. President and members, I would like a question of Senator Newell.

SENATOR LAMB: Senator Newell, would you respond?

SENATOR NEWELL: Senator Cope.

SENATOR COPE: Senator Newell, so I will know how to vote on this and please make it brief, was the amendment what Senator Beutler just repeated? It opened it up a great deal to commercial?

SENATOR NEWELL: This basically authorizes commercial, IDA bonds to be authorized only in blighted and substandard areas and only with the approval of the city council so there will be a public hearing if there is, in fact, the kind of concerns Senator Beutler has about commercial being retail. Now we are talking about commercial generally warehouses, a new hotel would...(interruption.)

SENATOR COPE: That already is covered in the IDA bonds now, warehousing and that part of it.

SENATOR NEWELL: I think that has been a very vigorous debate and I think in some cities they may find it that way. In my city they have a problem with that.

SENATOR COPE: Thank you. This goes to prove that one should listen very carefully to amendments and I didn't I'm sorry to say. I think that this is a very bad amendment. I'm not sure I even like the bill and I would be in absolute support of the kill motion. The original IDA bonds I think were good. I didn't like the additions that we added here several years ago too well and we are doing just exactly what Senator Beutler has been telling you. I'm not going to repeat it. It certainly is going to do away with the local businessman. Just think of it this way and I will repeat what he said. A big operation, a big chain can come in and borrow money two to three percent below the rate. The small businessman generally is paying above the rate so there could be even a four percent spread. Now there isn't any good small businessman that is afraid of competition because you can beat them but you have to beat them at the same level and you can't do it this way. I would ask you to support the kill motion of Senator Beutler's.

SENATOR LAMB: Senator Schmit, did you wish to address the kill motion?

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



I don't know how many of you listened to Senator Beutler but Senator Beutler has been consistent in his opposition to this type of financing and I recall a year ago he opposed it when I extended it to agricultural type financing. I think that there is an interesting situation here that you need to take a look at. If you read the language very carefully it refers to those areas that are determined to be blighted as defined by law and I guess the question that comes to my mind then is, what does constitute a blighted area. Do we have language in the statute that specifically outlines a blighted area and if so I've not read it but I think it is interesting to know that we have an example not too far from here which was declared a blighted area to allow for the utilization of tax increment financing. I'm not saying that it was not a good project or anything of that nature and I think that Senator Beutler has pointed out some of the problems that may develop to this type of financing. If you have the political clout to get your area declared a blighted area you can perhaps avail yourself of the lower rate financing whereas the smaller operation is not going to get that kind of low interest loan. I think that what we have really done here is that we have allowed, if we pass this bill into law and it may be that it should be, I'm not saying that it should not be, but we ought to recognize when we do it, what we are doing. We are saying essentially that the entire State of Nebraska within certain commercial bounds at least will become a blighted area for purposes of construction. Now I don't know how that is going to apply to Section 12 in Butler County, Summit Township. I know that at the time we held the hearings in Omaha Senator Haberman raised the question as to what would happen for agricultural type construction and of course the answer is very obvious. This type of financing will not be available if Senator Kahle or myself want to build some type of industry on our farm or expand our operation. I don't know just where it is going to stop and I have been involved in it as many of us have but I believe that we need to, if the bill moves, at least there needs to be some very direct guidelines, unassailable guidelines as to what constitutes a blighted area. Certainly there are parts of every city where it is beneficial to encourage construction and development but when you can pick an area out of the center of a city not very far from the downtown area and declare it a blighted area for the purposes of taking advantage of the lower interest rates, then I think we want to take a real look at whether or not the idea behind the enterprise zone is going to work or not. I would like to ask Senator Newell a question and if he can't answer it perhaps Senator Beutler can. I don't see Senator Newell at his desk.

SENATOR LAMB: Senator Newell, would you care to respond to Senator Schmit's question?

SENATOR SCHMIT: Senator Newell, is there language in the law as it indicates in this, LB 634, that definitely outlines what is a blighted area?

SENATOR NEWELL: Senator Schmit, the constitutional amendment talks about blighted and substandard areas. The definition of a blighted and substandard area is in the community development section of our laws and they can be changed at any time. They can be changed because we have these sections in the community redevelopment laws that deal with blighted and substandard areas in order to qualify for UDAG grants and for all kinds of other sections.

SENATOR SCHMIT: Let me ask a question. Would you consider the area surrounding the Fontenelle Hotel in Omaha to be a blighted area?

SENATOR NEWELL: Well, Senator, I guess you are asking for a...

SENATOR LAMB: You have thirty seconds, Senator Schmit.

SENATOR NEWELL: ...personal opinion in terms of that.

SENATOR SCHMIT: Well would it qualify by law?

SENATOR NEWELL: I can read to you the section that deals with blighted and substandard areas. I could read to you the section of law that applies to that.

SENATOR SCHMIT: Would the area around the Fontenelle, in your opinion, qualify by law?

SENATOR NEWELL: That would be a very tough question. I seriously cannot answer that.

SENATOR SCHMIT: Thank you, Senator Newell. I think we ought to pursue that just a bit. I'm sure that others will and as I said before, I've had my share of this very lucrative kind of financing and I don't like to throw any roadblocks in my good friend Senator Newell's way but I think we ought to call attention to the fact that we could declare the entire state from Scottsbluff to the Missouri River, from Falls City to Chadron a blighted area if we wanted to stretch the rules and if we would...

SENATOR LAMB: Your time is up, Senator.

SENATOR SCHMIT: ...declare the area around the Fontenelle blighted, then we've got a long way to go.

SENATOR LAMB: Senator Vickers, did you wish to address the kill motion? Is Senator Vickers in the legislative space?

SENATOR VICKERS: Mr. President and members, I rise to support Senator Beutler's motion. As you may have noticed in your bill book I was the only member of the committee that voted against advancement of LB 634. It seems to me what we are doing is another attempt to interject government in the affairs of business. Through tax exempt bonds we are going to help finance any business basically, a local barbershop it could be if it happens to locate in a "blighted or substandard area." Now think about what that means. That means that a business that happens to be in a blighted or substandard area or happens to locate in a blighted or substandard area is going to have a definite financial advantage over the business that happens to be on the other side of the street or away from, just out of, but yet in competition with. I cannot believe that this body or that any government body would attempt such blatant help to certain businesses and not to others. It also seems to me that we need to recognize that when we create these types of opportunities to have tax exempt financing, the very term "tax exempt" means somebody else is going to have to pick up the difference. We all recognize the revenue problems that we are having in the State of Nebraska raising funds. Well every time you make an exemption and this is what we are doing, those people that are wealthy enough to invest their funds in tax exempt bonds are going to have an exemption from the income taxes that the average citizen is not going to have which means that they are going to have to pick up the difference or the loss to the government that that tax exemption is made in that other instance. So is it not only unfair to the businesses, businessmen, but it is also unfair to the average taxpayer and I recognize that there are certain areas in the cities where they do have some problems but I certainly don't think that this is a type of a mechanism that we should use to address those types of problems. So I certainly am going to support Senator Beutler in his kill motion.

SENATOR LAMB: Before we continue the debate the Chair would like to recognize the father of Senator Kilgarin, Bradford Kilgarin, sitting under the North balcony. Would you stand and be recognized, sir. Welcome to the Legislature. Senator Newell.

SENATOR NEWELL: Mr. President, members of the Legislature, I'm sure it comes as no surprise that I rise to oppose the kill motion but I think there is a lot of misunderstanding involved in this whole issue and maybe if I could get a little attention or if anybody cares we could maybe shed some light on this proposal. First of all, I don't disagree with Senator Beutler's arguments in terms of the tax loss and the burden that falls on the lower and middle income taxpayers because of the loss of federal...because of the

tax exemption for those well-to-do taxpayers who tend to utilize the tax free financing to avoid taxes. Now frankly those are good arguments and for Senator Beutler who has been fairly consistent and Senator Warner who has been fairly consistent I can appreciate exactly where they are coming from. For many of the other members of the Legislature who have said, I've got mine and I don't want to open this up any further, I want to say that is an interesting argument and I can appreciate that. But you know the bottom line here is simply this, does this have the appropriate social policy purpose to justify this kind of financing mechanism to encourage redevelopment of our older neighborhoods, the communities that are blighted and substandard? We have a community development law that applies for all things. A local city will have to designate an area blighted and substandard and it will have to meet these criteria, Senator Schmit, and the criteria as I read to you before basically is fairly well spelled out. If you don't like the criteria, Senator Schmit, we can change that with legislation at any time. If you want to make it tighter we can do that. Let me say this, that the federal government will create its own criteria and they are in the process of doing that to further define these things and, Senator Cope, the federal government will probably create this criteria for the industrial development bonds. In other words, we are not going to see industrial development bonds issued as they once were if Congress acts as some people are suggesting and that is they will limit them to only blighted and substandard areas or using a federal definition of deteriorated neighborhood or whatever. So frankly this is an opportunity for us to authorize for commercial activity. Now let me say that one of the big bugaboos here is that we are going to authorize retailing, and this is one that Senator Beutler argued, we are going to authorize retailing to compete with other retailers in the neighborhood. Frankly that is not likely to happen and it is not likely to happen for two basic reasons. One, retailing, any retailing proposal will have to go before the city council to be approved. Now I'm sure that if there is a businessman, the small businessman that Senator Beutler is talking about, he is not, in fact, going to say, "Yes, I want competition and I want my competitor to have the advantage of the tax free bonds," a 3% break as Senator Beutler argued. He is not going to say that. He is going to oppose that and the city council is probably going to deny that and that is that argument. But let me say that there are many other commercial enterprises....(interruption.)

SENATOR LAMB: One minute, Senator.

SENATOR NEWELL: ...many other commercial enterprises that can be a benefit to these neighborhoods. The federal government has said, the President of the United States has said

that you must have this mechanism if you are to get designated as an enterprise zone. This legislation and this authorization is essential for Nebraska to qualify as an enterprise zone under what is presently the only urban policy we have. So I want to say today's members of the Legislature for philosophical reasons say that we ought to draw the line here when we haven't drawn the line any place else and no other state has drawn the line either. Frankly the federal government has to protect its own tax base, Senator Beutler. For you your arguments are consistent but to draw the line here one of the few things that we will be able to use this financing mechanism for after the proposals that are being proposed by congressmen go into effect would be a mistake. We will deny ourself the only tool that Congress will allow if we...

SENATOR LAMB: Your time is up, Senator.

SENATOR NEWELL: ...do not authorize this proposal. I oppose the kill motion.

SENATOR LAMB: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman, members of the Legislature, I was upstairs in my office listening to the discussion and some of it revolved around the definition of blighted and substandard so without going into any aspect of what I have heard I would like to read to you from an article in this morning's World Herald. I do read the newspaper quite a bit in order to be informed and it deals with the project being put together by InterNorth and Omaha and I am reading. "InterNorth's plan for \$108 million office complex could lead to transformation of 24th Street into a boulevard between Cuming and Leavenworth Street and so forth. As part of the project the city would widen 24th Street north of Dodge, construct a median and make other public improvements." Dropping further into the article, "The city council approval of the initial phase of the project did not go smoothly, however. It passed with one vote to spare. Councilwoman Connie Findlay was away from the council chambers when the vote was taken. Councilman Walter Kalinge abstained from the voting saying he was not provided enough information on which to vote." Dropping further down, "The City Planning Board conducted hearings on the plan last month and voted unanimously to recommend approval by the Council. City planners, engineers and attorneys have worked on the project for several months and the Planning Department offices have the maps, renderings and documents on the plans." So apparently the city has gotten deeply involved already which is costing taxpayers which is not really the issue. This is, quoting again, "This is a major project that calls for closing

of city streets and use of municipal financing, Kalinger said. This needs more than just a cursory look by the council." Then the final paragraph. "Tuesday's action simply defines the proposed area for the complex as a blighted and substandard area that qualifies for use of governmental community improvement programs including tax increment financing." So very large or huge operations are able to make use of this type of legislation to have an area declared substandard or blighted. If there are people without much money in those areas they don't have the legal wherewithal or the personal knowledge to do anything about opposing those issues. If you live in Omaha and may have tried to go to Legal Aid you have a situation where a mayor who has participated in helping the area resided in by certain black people declared blighted and substandard, you have that mayor trying to stop the city from giving funds to Legal Aid to help people who can't get assistance anywhere else. It was a mean, vindictive, petty, dumb political decision for the mayor to veto that Legal Aid proposition, nevertheless he did. Now there was a concrete instance where Boys Town, a multimillion dollar fund raising operation wanted to take the property of some black people who were not anxious to sell so after harassing them with appraisers who told them that the federal government would put them out of their homes if they didn't sell to Boys Town were finally put in a position of having to move. But only after I intervened and caused Boys Town to give them additional money to that that they intended to offer. But there were people who owned lots in the area too and they didn't want to give up their lots but the city, using its powers of condemnation after declaring it a blighted, substandard area condemned the property of these people who did not want to give it up, who had paid the taxes, who had not let it be overgrown with weeds and took that property. And as a result there is a construction underwritten by Boys Town going on in that area. Now prior to the obtaining of that property there were various programs that the city had put together to allow federal funds to be used by people to rehab their houses. What the city did was got with this neighborhood group called NOCD that gets a lot of federal funding and state funding is channeled to them, got with them to help mark off this area that Boys Town wanted as an area which was ineligible for any funds for rehabbing. So in effect, they were redlined. Since they couldn't get any of the money from these programs to rehab their houses, they continue to deteriorate which helped prove that it is, in fact, a substandard area. So the only thing I will say and whether you pass the amendment or not is not going to be anything for me to have much to do with one way or the other...

SENATOR LAMB: You have thirty seconds, Senator.

SENATOR CHAMBERS: ...but I just want to bring to your attention how this definition of substandard and blighted can be utilized and to show the huge corporations that do take advantage of it successfully.

SENATOR LAMB: Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I rise in opposition of Senator Beutler's motion to kill this bill. Senator Beutler's arguments in the main are arguments that ought to be addressed to Congress and not to the Nebraska Legislature. Senator Beutler says that this kind of private financing because the interest due on this type of financing in effect is tax exempt under laws of Congress and because this kind of financing crowds other borrowings, whether they be other public borrowings or nontax exempt private borrowings, it basically skews the investment market and it skews it in favor of this type of tax exempt financing. Senator Beutler says we ought not to increase opportunities in effect for businesses to be able to engage in this kind of tax exempt financing because we will continue to skew further and further and further investor decision making into this type of financing as opposed to other kind of nontax exempt financing. Now that argument is not without merit but that argument is not really addressable to the Nebraska Legislature nor to Nebraskans in general. The truth of the matter is it has been Congress that has established for us those kinds of financings that will be tax exempt financings. And if Nebraska decides in its purity not to take advantage of the congressional provisions then what will happen very simply is other states will adopt laws to take advantage of those provisions and other businesses in other areas will be able to walk through the congressionally established loopholes and take advantage of those provisions. So all that will happen in Nebraska is in our pristine integrity and purity we will continue to make unavailable to our borrowers monies that could be made available had we decided to take advantage of the congressional tax exempt financing mechanism. Now probably if I were in Congress I might well oppose the IDA bond legislation. I might well oppose the kind of tax exempt status that has come down the pike but I am not in Congress. I am on the floor of the Legislature nor am I a voter. I'm sorry, I am a voter, but I'm not in a position to be able to affect federal decision making. Now it seems to me that inasmuch as Congress has already set the ground rules which could be changed, we at least ought to take advantage of those ground rules for the benefit of our own borrowers and our own communities and that is exactly what this constitutional amendment does. This constitutional amendment does not set new tax policy in effect for the State of Nebraska. That tax policy was already set by Congress.

This constitutional amendment simply makes it available to some kinds of borrowers who wish to do some type of enterprise or development in a blighted or substandard area, a favorable borrowing policy.

SENATOR LAMB: You have one minute.

SENATOR V. JOHNSON: I suggest we go ahead and defeat Senator Beutler's kill motion and then move this bill on.

SENATOR LAMB: Senator Cope.

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

SENATOR LAMB: Do I see five hands? I do. All those in favor of ceasing debate vote aye, those opposed vote nay. Have you all voted? Record the vote. Debate is not ceased. Senator Higgins.

SENATOR HIGGINS: Mr. President, Senators, I only rise to clarify a point here that Senator Chambers tried to make. You recall several weeks ago Senator Chambers said that the mayor of Omaha never discussed the North Freeway with him? And then you recall I got up and stated three different times that the mayor met with him and then you recall Senator Chambers got up and he had total recall of all those meetings. So again I am rising just to tell you that when Senator Chambers speaks it might be with what you call a forked tongue because people have to remind him all the time he conveniently forgets what he wants to. Now I was in my office when I heard him state that the mayor of Omaha vetoed the money for Legal Aid. The reason the mayor of Omaha vetoed the money for Legal Aid Society was this. They are not using the money for the poor whom Senator Chambers is always saying he represents. The money was to be used to fight the North Freeway so what in effect they were doing was saying the taxpayers of Omaha will give the Legal Aid Society the tax dollars to turn around and fight the taxpayers who want the North Freeway. Secondly, Legal Aid Society was really started to help the poor and not causes. We have busing in Omaha today because the Legal Aid Society got involved in busing and the reason I know that is true is I had a young woman that needed a divorce and I called the Legal Aid Society and they said, hey, we're up to our eyeballs in fighting for school busing. We haven't got any more time to take on any other cases. We just don't have the staff. So again, was the Legal Aid money going to help the poor or was it going to help a cause? And that was the mayor's thinking, that if it really went to help individuals that needed legal aid, free legal advice, I don't think he would have vetoed it.



But I know if I'd have been the mayor I would have vetoed it. I don't think you should take taxpayers dollars to use them against those same taxpayers. Now Senator Chambers of course will have the last word again today. We all know that, but I just want to remind you that where Senator Chambers misled you just a couple of weeks ago and then got total recall, he is going to mislead you again today. Thank you, Senators.

SENATOR LAMB: Senator Beutler, closing on his motion to indefinitely postpone LB 634.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, Senator Newell would propose to expand the law to include commercial and basically all types of enterprises. This is what I am arguing is bad policy. He says that we are limiting it to blighted or substandard areas and that this is some kind of a safeguard. I would like to read for you the definition of substandard and blighted which is presently in the community development law and which is the most likely definition to be adopted should we pass legislation on this subject. "Substandard area shall mean an area in which there is a predominance of buildings or improvements whether residential or nonresidential in character, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation or open spaces, high density of population or overcrowding or the existence of conditions which endanger life, property by fire or other causes or any combination of such factors which is conducive to ill health or transmission of disease or infant mortality or juvenile delinquency or crime or is detrimental to the public health or the morals or the welfare or safety," that is substandard. Now blighted is two more paragraphs including "inadequate street layout, faulty lot layout, adequacy, accessibility, usefulness, unsanitary, diversity of ownership, tax or special assessment delinquency," I'm making one point. You have to have noodles for brains if you can't figure out how to define any area in your city is blighted and that is exactly what is going to happen and the definition of blighted or substandard is no safeguard whatsoever. What you are doing, in effect, would be to open up wide open the industrial development bond law to include commercial enterprises, retailing establishments. Let me suggest to you for a moment some of the problems you are going to be posing to your county officials and to your city officials out state if this law is passed. With broad definitions of blighted or substandard in the law as it will be, your county commissioners and your city council people are going to come under enormous pressure to designate areas as blighted or substandard. And I leave it up to your judgment given these broad kinds of definitions with literally dozens of factors to cling to, whether they will be able in any instance to with-

stand the pressure to declare a particular area blighted or substandard if a substantial commercial interest in the community wants it so declared. All you have to do, as the City of Lincoln has already shown, is go out and pay somebody \$36 thousand dollars to come to the proper conclusion and any consulting firm that cannot come to the proper conclusion under those definitions doesn't deserve to be rehired. Next let me suggest to you and I want to argue very strongly that I think Senator Johnson is wrong in this regard, that it is not a problem for Congress. If we were arguing the general manufacturing and industrial development bond law that would be correct but it is not correct in this case because we are not fearful of competition from other states. If Hinky Dinky doesn't build a store with industrial development bonds they will still build it in Omaha because people aren't going to travel to Waterloo, Iowa, or someplace to pick up a package of groceries. So the argument doesn't apply. The argument that it is important is what distinction does it make between the small businessmen and the big businessmen? And by what right do we prejudice the small businessman? Why? Why does the government step into the free enterprise system and say, small businessman, I'm sorry but you can't get the same two or three percent break on borrowing that the big guy can get. God knows, the big guy gets enough of a break by virtue of his credit and by virtue of his political influence and by virtue of his standing in the community. I believe this act would be unjust. Senator Newell says we're interested in warehousing.

SENATOR LAMB: You have thirty seconds, Senator.

SENATOR BEUTLER: That's fine, we have an alternative. Let Senator Newell come in with a bill that adds warehousing onto industrial and manufacturing purposes if that is the intent but I don't think that that is the real intent. The statement has been made that no other states, last point, Mr. Speaker, no other states have drawn the line. If by drawing the line we mean making a distinction between manufacturing and industrial on the one hand and commercial on the other, then that statement is simply not true. A whole number of states have drawn the line. The last time I had a chance to look at it was a couple of years ago and at that point in time more states had drawn the line than had not drawn the line. What we need to do today is to keep the line that we have already drawn because going beyond that would be unfair to some of our citizens. Thank you.

SENATOR LAMB: The motion is the indefinite postponement of LB 634. Those in favor vote aye. Those opposed vote no. This takes a simple majority. A record vote has been called for. Please record the vote.

February 17, 1982

LB 866, 882  
LB 634, 568, 777, 790

CLERK: (Read record vote as found on page 726 of the Legislative Journal.) 12 ayes, 19 nays, Mr. President, on the motion to indefinitely postpone.

SENATOR LAMB: The motion failed. Will the Clerk please read the next amendment. Please read in the material.

CLERK: Mr. President, Senator Goodrich would like to print amendments to LB 866 in the Legislative Journal. (See pages 726-727 of the Legislative Journal.)

Mr. President, your committee on Judiciary reports LB 568 advance to General File with committee amendments attached, signed by Senator Nichol; your committee on Government reports 790 advance to General File with committee amendments and 882 advance to General File with committee amendments, both signed by Senator Kahle as chairman; your committee on Banking reports LB 777 indefinitely postponed. That is signed by Senator DeCamp. (See pages 727-728 of the Legislative Journal.)

Mr. President, the next amendment I have to LB 634 is offered by Senator Beutler. Senator Beutler would move to amend to delete the words "or substandard" in line 18, page 2 and to delete the words "substandard or" in line 20, page 3.

SENATOR LAMB: Before we continue the debate I would like to introduce some former legislators. Under the South balcony we have Senator Rudolph Kokes, Senator Don Thompson and former Senator Arnold Ruhnke. Also I think I saw Jim Cook from Keyapaha County which happens to be in my legislative district. Would you gentlemen stand and be recognized. Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, if this bill must pass then I hope that at least we can make a few small changes to it that I think will help it make more sense. Right now we would be authorizing the issuance of bonds for blighted or substandard areas. Looking at the definitions in law a blighted area would appear to be a more deteriorated area than a substandard area. What my amendment does is eliminate the word substandard so that all that remains in the bill is the word blighted. So that the effect of the amendment would be to limit the issuance of the bonds to blighted areas and not blighted or substandard areas. The amendment is designed to tighten the criteria to make it a little more difficult to declare a particular area blighted. I don't really pretend that it is going to have an enormous effect. The ingenuity of those that draft statutes is limitless and I

am sure that they will figure out a more expanded definition of blighted eventually if we're not diligent. At any rate I think it will make it more difficult and make the law more reasonable if we strike from the law the words, "or substandard" and limit the authority to blighted areas. Thank you.

SENATOR LAMB: Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I voted against the kill motion but I don't think that Senator Newell will have any objection to the amendment offered by Senator Beutler. I agree with Senator Beutler the language is excessively broad. I think you can still perhaps drive the entire Union Pacific Railroad through that present description of what the blighted area would be but it does define a little more distinctly those areas which would be acceptable for the free enterprise zone financing and I think it is a step in the right direction. I think if we do not do this we have as he has said earlier, placed the entire state in a position where the type of financing we are referring to will be available at least to those who are proficient enough to utilize the exemptions we have provided for us. So I would support the amendment and I think that it would definitely be an improvement in the bill.

SENATOR LAMB: Senator Newell.

SENATOR NEWELL: Mr. President, members of the Legislature, I would like to ask Senator Beutler a question if I could. Senator Beutler, is it your intention by striking the word... which one are you striking, blighted or substandard?

SENATOR BEUTLER: Substandard.

SENATOR NEWELL: Okay, is it your intention if substandard is stricken from the bill, will you support the bill at that point?

SENATOR BEUTLER: I most certainly will not.

SENATOR NEWELL: Senator Beutler, let me ask you a question. If this gets adopted will you offer your other amendment which strikes the other part of this proposal?

SENATOR BEUTLER: Senator Newell, either you can't read or you are trying to mislead somebody because I have no other amendment to strike blighted if that is what you are insinuating.

SENATOR NEWELL: Well you have two amendments up there,

Senator Beutler. I was wondering...you won't support the proposal but you want to strike that one part, right? You just want to strike...

SENATOR BEUTLER: I have two amendments, Senator Newell. Only one of them deals with the question of blighted versus substandard.

SENATOR NEWELL: Let me ask you one other question. Why did you choose substandard instead of blighted?

SENATOR BEUTLER: I chose substandard because I consider that to be the lower standard and I wanted to eliminate the lower standard.

SENATOR NEWELL: Okay, thank you, Senator. Mr. President and members of the body, I rise to oppose the Beutler amendment and frankly maybe what we ought to do, Senator Beutler, if you are worried about the definitions in the present law, maybe we ought to come up with a brand new standard so we have to have a brand new law so you won't have to be worried about it. We can do that. We can say we are going to call it depressed areas. We can call it areas of high unemployment. We can add anything we want to to the definition, I mean to this basic bill because we come along later if it is passed and only if it is passed by the people of the state, we come along later and define them. So I want to say that I don't think this is necessary to strike that. Senator Beutler, if you've had problems with these areas we ought to define them differently. If you have a proposal that you really think will help make this bill better, one that you could support if it got on, Senator Beutler, one that you could support the bill if that sort of criteria got on, that general criteria, I would be more than happy to work with you. But I suspect, Senator Beutler, that you are a philosophical man who probably can recognize that this has more social policy reasons than some of the other proposals that you have very valiantly and very honestly opposed but because you are a philosophical man you're probably unprepared to be less than philosophical on this matter and look at it in a practical sense. I oppose the Beutler amendment. I don't think it is necessary. The definitions can be and will be clarified to the extent that this Legislature would want them later. The concerns that Senator Beutler brings forth are really very legitimate concerns and I have argued them myself on the floor of this Legislature. But the overriding reason for this proposal and the overriding reason for using blighted and substandard is simply because they are definitions that we would have some understanding of. They can be changed. I

urge this Legislature to consider the social policy reasons and the rationale behind this proposal and not consider the whole question of tax exempt bonds because that is, in fact, not the issue here. That issue, that line has been breached so many times it is like a sieve. There is no philosophical justification for what...

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: You have thirty seconds.

SENATOR NEWELL: ...we have done and there at least is some philosophical justification for this proposal.

SPEAKER MARVEL: The Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I support Senator Beutler's amendment for the reasons that he gave and I also have to deal with an issue that was raised by somebody a few minutes ago. I have told you before that Senator Higgins provides me with comic relief and she does. Now if my brother had a dumb son-in-law who got a public office and made dumb decisions I wouldn't feel the necessity of trying to defend him but, Senator Higgins, while talking about people not hearing and so forth, let me read you from the transcript of the debate of LB 364 which she referred to. This is Chambers speaking. "And have Mayor Boyle who won't talk to me about this bill or answer any questions." The bill, LB 364 was being discussed. On the eleventh page of the transcript here is what Senator Higgins heard me say. "Senator Chambers made the statement that Mayor Mike Boyle has never discussed the North Freeway with him." Now Boyle would not talk about that bill with me and what I said is true and I stand by it. So since she raises these silly side issues and put them in the record then I have to say something in the record in response to it. For example, one of the kind of things that I'm glad never got into the record was the summer or fall she was having a squabble with the ombudsman and she sent letters to the wives and spouses of senators and fortunately I don't have a spouse any more because if anything like that had come to my house I would have some very strong things to say to somebody who is trying to inject silliness of the Legislature into my domestic situation. So there has been comic relief this morning. Much of the discussion was serious but I just thought I would call that to your attention and any of you who would like copies of the transcript to see what actually was said you can get it. But in many times on the floor of the Legislature a matter left unmet will be considered true even though people know it is not. So now

the record is complete. Thank you, and I do support Senator Beutler's amendment by the way which is what I got up mainly to speak on.

SPEAKER MARVEL: The Chair recognizes Senator Vickers.

SENATOR VICKERS: Mr. President and members, I also rise to support Senator Beutler's amendment. I think it is appropriate that we take the word "substandard" out because how do we know what standard is. Until somebody can define standard it seems to me that we are going to have a little difficulty in defining substandard. That is almost like saying that somebody is not quite normal. I don't exactly know what normal is. Now Senator Newell is also correct, however. There are some serious philosophical differences with this issue and he is correct in his statement that certain people, and I am certainly one of those, will never vote for this bill or never vote for this type of proposition, I don't care what the language is. But in case there is enough members of this Legislature that don't share my philosophical belief then it seems to me that we definitely need to have the language that we can at least live with if this bill does pass. So I certainly do support Senator Beutler's amendment.

SPEAKER MARVEL: Senator Higgins, do you wish to speak? Your light came on.

SENATOR HIGGINS: I merely want to respond to Senator Chambers and tell him that I'm so happy that you got your comic relief this morning, Senator, you're always so serious. Now put your light on so you can have the last word again because we all know that is your style. It's just like the little childish mentality, always having the last word so I will stop now. Turn on your light and you can provide the serious part of the drama.

SPEAKER MARVEL: The Chair recognizes Senator Beutler to close.

SENATOR BEUTLER: Mr. Speaker, once again so that everybody understands the issue. The amendment deletes the word, "substandard" from the amendment which would leave the bill so that it authorized the bonds only in blighted areas, only in blighted areas and I wanted to read to you the definition of blighted so that you can clearly understand we're not exactly crowding them very much. The definition of blighted itself is so expansive as to be ridiculous. "Blighted area shall mean an area which by reason of the presence of substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty

lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions that endanger a life or property by fire or other causes or any combinations of the factors, etc., etc., etc." You have a very broad law even if you eliminate substandard. And as for compromise, Senator Newell, I will compromise on anything that has some redeeming social value. This bill, however, does not.

SPEAKER MARVEL: The motion is the adoption of the Beutler amendment. All those in favor of that amendment vote aye, opposed vote no. Have you all voted? Have you all voted? Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, I need to have a Call of the House and a roll call vote.

SPEAKER MARVEL: Shall the House go under Call? All those in favor of that motion vote aye, opposed vote no. Record.

CLERK: 15 ayes, 0 nays to go under Call, Mr. President.

SPEAKER MARVEL: The Legislature is under Call. All legislators please return to your seats and record your presence. Unauthorized personnel please leave the floor. And record your presence. While we are gathering the clan the Chair will recognize Senator Lowell Johnson for a comment.

SENATOR L. JOHNSON: Mr. Speaker and members of the Legislature, this is an announcement after the fact actually since we have placed a bag of popcorn on your desk along with a pamphlet prepared by the Department of Agriculture. And under the North and South balconies we have been serving delicious popcorn from Popcorn Village in North Bend, Nebraska. Senator Carsten has his apple day and Senator Nichol had his sugar day and let's count this as our popcorn day in Nebraska. I am doing it for two reasons really. Number one is, yesterday it was announced that Nebraska again was the number one producer of popcorn in the United States and I am sure in the entire world. The amount of pounds in Nebraska, just for your information, was three hundred and eight million, if you can imagine how much that would be popped. The dollar value would be well over thirty million dollars so you can see it is one of our major income producing products for agriculture in Nebraska. And number two, I would yield to Senator Schmit to tell us of an event this afternoon which will affect popcorn in Nebraska.



SENATOR SCHMIT: Thank you, Senators Johnson and Wagner, I am pleased to participate with you in this event. I believe that all of us recognize the importance of a new industry to Nebraska. We do have scheduled at five o'clock this afternoon in the conference room in my office a gathering of individuals who are interested in the production and promotion of popcorn as a new crop. Senator DeCamp had indicated that he didn't want to encourage any new production, Senator Johnson, because we produce popcorn and we would just like to encourage the utilization of it and sort of keep the corner on the production end of it but as it stands now, we think there is a new industry there. We think that we have an opportunity to expand this production tremendously. I think once again Nebraska is in the leadership position and hopefully we will keep it. It is an area which may not be quite as glamorous as some of our other number one positions but it may be more beneficial economically. In view of some of the other dark economic predictions we see around this capitol and across the State of Nebraska I think it is fine to have one bright economic spot in the State of Nebraska, that is that those individuals who are engaged in the production of popcorn last year showed a substantial profit as a direct contrast to those who are engaged in the production of commercial corn and livestock.

SPEAKER MARVEL: Senator Wagner, do you wish to be recognized? We're still speaking on a point of personal privilege.

SENATOR WAGNER: Right on, Mr. Speaker. I will make it short. I would encourage anybody that has the interest in popcorn or popcorn production here in the State of Nebraska in our foreign markets to attend that meeting this afternoon but I would like to let you know that Senator Johnson and I through the summer, we took the better kernels of popcorn from his area, my area, we crossbred them and we have come up with just a real wonderful popcorn sample this year and so instead of doing a little battle we have come together and joined forces and so this is what we have here today. Enjoy the popcorn.

SPEAKER MARVEL: We are seeking Senator Lamb and Senator Koch and while we are having people move in so we can complete the assignment, it is my privilege to introduce Dorothy Beutler, Senator Beutler's mother, Jack Beutler, father, grandmother, Marie Beutler, cousin, John Heinrman. Are you folks underneath the North balcony? Would you stand. There you are. We welcome you to the Unicameral. Mr. Sergeant at Arms, we're looking for Senator Koch and Senator Lamb. Senator Beutler, do you want to proceed with the roll call? The motion is the adoption of the Beutler amendment to LB 634.

CLERK: (Read roll call vote as found on pages 728-729 of the Legislative Journal.) (Read verification of vote.) 21 ayes, 19 nays, Mr. President.

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LR 211  
LB 634

that the contributions of women in the lives of the churches and other religious centers can be gratefully acknowledged." I think that expresses as well as I could express the purposes and intent of this resolution, Mr. Chairman. Thank you.

PRESIDENT: The Chair recognizes Senator Marsh.

SENATOR MARSH: Thank you, Mr. President. Nebraska wants to be in the column with the leadership at our federal level and at our state level as we acknowledge the needs of boys and girls to be aware of the contribution of women in history. I am pleased to be able to support LR 211 as the State of Nebraska acknowledges the contribution of our women.

PRESIDENT: Any further discussion on LR 211? If not, Senator Beutler, do you wish to close? Closing is waived. The question before the House is the adoption of LR 211. All those in favor vote aye, opposed nay. Record the vote.

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

PRESIDENT: The motion carries. LR 211 is adopted. Next item of business is agenda item #5, General File Special Order, the continuation of LB 634, constitutional amendment. Mr. Clerk, will you bring us up to date where we were.

CLERK: Mr. President, LB 634 was offered by Senator Newell. (Read title.) The bill was considered yesterday by the Legislature. At that time committee amendments were adopted. There was a motion to indefinitely postpone that was offered. I now have pending, Mr. President, a motion by Senator Beutler to amend the bill. Senator Beutler would move to amend 634...(read the Beutler amendment as found on page 745 of the Legislative Journal.)

PRESIDENT: Before I call on you, Senator Beutler, I would like to take the opportunity to introduce some guests of Senator Richard Peterson up here in the north balcony, 10 students, Senior students from Norfolk Senior High with Jim Kubik, their sponsor. They are up here in the north balcony. Good morning to Norfolk. Welcome to your Unicameral. Now the Chair recognizes Senator Beutler on the Beutler amendment.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature,

this is the last of my amendments...or attempted amendments on this bill. To refresh your memory again, this is the bill that would expand the use of industrial development bonds to commercial and retail type interests, and it is a proposed constitutional amendment so we are asking the people to vote on it. And this amendment has to do with the language that the people will see on the ballot when they go to vote. I think it is important that they understand a little better exactly what it is that they are voting on. Under the bill the way it is right now, the proposition would read to them as follows: Constitutional amendment to authorize the use of revenue bonds to develop substandard or blighted property. I don't think that that gives them clearly the idea that the public entities that the cities and counties are not dealing directly in this matter, it does not give them the correct impression which is that the money is going to be given primarily to private enterprises and public corporations, and that they will be the ones actually developing the blighted property. So what my amendment does is change that language to read as follows: Constitutional amendment to authorize the use of revenue bonds to assist private enterprises and public enterprises in developing blighted property. I simply think that that more fairly states the question and gives them a better impression of what they are voting on, and I would ask you to adopt this clarifying amendment. Thank you.

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I rise to oppose the amendment by my good friend, Senator Beutler. In fact, I can appreciate his high purpose for proposing this, but again, I have to say that if I thought at any time that Senator Beutler was anxiously trying to assist me with this legislation, I would look more fondly towards his proposals. I think Senator Beutler has been very sincere and very honest that he is not trying to assist me with this legislation, and the clarification that he proposes is one that really ought to be done when we have the authorizing legislation if this constitutional amendment passes. Now the thing of it is is that it's if you propose it so tight in clarifying and so forth that I haven't had time to think about just what all this will do or how more limited this will make the proposal, but those kinds of limiting proposals really ought to be in the authorizing legislation. They should not be in the constitutional amendment, and for that reason I oppose it. Senator Beutler

has had his opportunity to kill the bill. He now wants to try to make it...at least change it so I won't know it as well as I know it now, and I am not particularly fond or appreciative of those efforts. I would urge this body to respect the need to move this on, to finish this debate and move it to Select File, and if there is some tightening that Senator Beutler wants, I think the authorizing legislation, if it passes, is the place to do that. This is only a constitutional proposal to be presented to the people. Senator Beutler's fears will not be a problem if it does not pass. I urge the body to reject the Beutler motion.

PRESIDENT: The Chair recognizes Senator Vickers.

SENATOR VICKERS: Mr. President and members, I rise to support the Beutler motion, and as Senator Newell indicated, I think I am doing it for a little different reason perhaps than Senator Newell seems to be using in his opposition to it. Senator Newell indicated that Senator Beutler...and I will have to admit I am not one of this piece of legislation's greatest fans either, but remember Senator Newell says this is only a constitutional amendment. Constitutional amendments are not only constitutional amendments. Constitutional amendments are serious business. The Constitution of this state is something that should be considered...any changes on that should be considered as very major. The language that Senator Beutler is attempting to amend is the language that will be on the ballot for the people of this state to make their decision on, and Senator Beutler is simply attempting to clarify how that development is going to take place. It is going to be taking place by the public and by the private entities, and to clarify that to the voters or the people of this state when they are making a decision as to whether or not to change a document as important as the Constitution is certainly not something to be taken lightly. It seems to me that to make it as clear as possible to those voters is important, and I think that is exactly what Senator Beutler is doing, is making it clear to the people exactly what they are voting on, and I don't see how anybody could oppose doing that. I certainly support the Beutler proposal.

PRESIDENT: All right, Senator Beutler, you may close on your amendment.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature,

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once again just to be sure everybody understands the amendment, it is designed not to destroy the bill at all but simply to help clarify to the voters, to make perfectly clear to the voters what it is that they are being asked to vote upon. And I am doing this by adding about eight words to the ballot question language so that it would read as follows: Constitutional amendment to authorize the use of revenue bonds to assist private enterprises or public enterprises in developing substandard or blighted property. That, I think clearly states what they are being asked to vote upon and that is the amendment that I am asking you to adopt. The Constitution is important. The people should have the best opportunity possible to understand how they are effecting our Constitution, and I think this will assist them. Thank you.

PRESIDENT: The question before the House is the adoption of the Beutler amendment to LB 634. All those in favor vote aye, opposed nay. There are 12 excused, Senator Beutler, just for your information.

SENATOR BEUTLER: Twelve?

PRESIDENT: Twelve, yes. What do you wish to do? What do you want to do, Senator Beutler?

SENATOR BEUTLER: Well, Mr. Speaker, if there are 12 excused, I guess we don't have too many alternative except to vote real quick on the bill.

PRESIDENT: All right, so we will call the vote then. Go ahead, record the vote.

CLERK: 17 ayes, 13 nays, Mr. President, on adoption of the Beutler amendment.

PRESIDENT: Motion fails. Any other amendments, Mr. Clerk?

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

PRESIDENT: All right, I guess we are ready then to move the bill, Senator Newell.

SENATOR NEWELL: Mr. President and members of the Legislature, LB 634 is a constitutional amendment that would authorize the use of revenue bonds to develop blighted and substandard areas. The proposal that is offered here

is a constitutional amendment to be put on the ballot so that the people may broaden what is presently in the Constitution regarding IDA bonds so that we can use this mechanism in commercial areas. The proposal is a needed proposal. Last night in the Omaha World Herald and I believe in today's sections, this morning's section there was an article about housing finance in the downtown area, a project that the Chamber of Commerce has been pushing, a project that the City of Omaha has been pushing, to try to encourage residential uses and other sorts of commercial activities in the downtown area. Now, frankly, some of the area may be considered blighted and substandard and some of that area may not. This...if this mechanism was on the books, it could be, it might be used, at least in the area north of Dodge Street where that designation is more likely to be designated. That would help encourage this kind of redevelopment in these older communities. Presently we have the use of these revenue bonds and so many proposals that this Legislature has approved that I just want to briefly try to tick off those that I remember. Last year for Senator Schmit we dealt with ag bonds, a very meritorious proposal. The year before we dealt with private colleges. The year before that we dealt with a number of these kinds of revenue proposals with much less merits I think than this proposal would be. I would urge this Legislature consider this proposal, to accept it and to allow the people of the State of Nebraska to have an opportunity to implement the President's new proposal, the cornerstone of the urban policy and that cornerstone is the enterprise zone concept bringing business back into the distressed, blighted and substandard areas of our cities. This proposal will authorize that mechanism. The President's proposal on enterprise zones indicates that without this mechanism Nebraska has no chance of being designated an enterprise zone. We will not have an opportunity. This is one of the mandatory requirements...one of the mandatory requirements in his enterprise zone policy that he has sent to Congress. So I urge this Legislature to provide this opportunity to the people of the state and to redevelop our blighted and substandard areas throughout the state. Thank you.

PRESIDENT: All right, Senator Newell, I guess that was your opening and your closing on the motion to advance because no one else wants to speak. So do you have anything else to add on closing then?

SENATOR NEWELL: Well, I would like to...before I close

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I would like to have a Call of the House if I could to bring some people in.

PRESIDENT: You may do that, in fact, do you want to do it right now then?

SENATOR NEWELL: I would like to have a Call of the House right now and then I would like to close just briefly.

PRESIDENT: All right, okay. Mr. Clerk, the motion is to Call the House. Shall there be a Call of the House? All those in favor vote aye, opposed nay. Record the vote.

CLERK: 17 ayes, 0 nays to go under Call, Mr. President.

PRESIDENT: All right, the House is under Call. All members will return to the Chamber. All members will return to your desks and register your presence at once. The House is under Call. All unauthorized personnel will leave the floor and all members return to your desks. As soon as all members are at their desks, Senator Newell will close on this matter and we will have a final vote. Senator Hoagland, Senator Haberman, would you please register your presence so we know who is here? Here is Senator Carsten, he is here. Senator Newell, Speaker Marvel will be here so why don't you just go ahead and close then. I think that is all because we have 9...Mr. Clerk, is that right, 9 are excused now?

CLERK: I think it is 8, Senator.

PRESIDENT: Eight, okay.

CLERK: Eight, Mr. President, I am sorry.

PRESIDENT: Senator Sieck. Senator Sieck, will you register your presence too and then we will have it down to....all right, now we are down to the.....Speaker Marvel....Sergeant at Arms, Speaker Marvel is not here yet, but Senator Newell, you may...let's begin. We will try to get some attention and then we will....go ahead.

SENATOR NEWELL: Mr. President, members of the Legislature, LB 634 is a proposal, a constitutional amendment to authorize the use of revenue bonds in commercial areas for commercial purposes in blighted and substandard areas. If this proposal goes to the people and if they choose to implement it, we will come back for authorizing legislation, and that authorizing legislation can be as tight

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LB 259, 634, 652, 863

as this body should choose. The purpose here is to help provide some assistance to redevelop the older communities in our cities. As I said earlier, there are two housing projects that have been shelved in downtown Omaha because there has been no...because of the high interest rates and because of lack of opportunity to find financing for these projects. These are very critical to the hopes and the dreams of redeveloping downtown Omaha. As I said also we need to promote industrial development, some commercial development, warehousing, etcetera, and other parts of the city. This proposal is to authorize that. It is a cornerstone. It is an absolute requirement in the Reagan policy for enterprise zones. We will not have an opportunity at all if this proposal or a proposal similar to this is not authorized. And this is an important project not only for Omaha but for Lincoln, for Columbus, for Grand Island, etcetera, etcetera, throughout the city (sic). I would urge this Legislature to advance this proposal.

PRESIDENT: Senator Newell, did you want just a regular vote on the board or did you want a roll call vote? Senator Newell, which did you...did you want a regular vote on the board or did you want a...all right, all those then in favor of advancing LB 634 vote aye, opposed nay. Have you all voted? Seven are excused now, so.... The House, I remind everyone you should be at your desks, the House is under Call. Record the vote.

CLERK: 25 ayes, 15 nays, Mr. President.

PRESIDENT: Motion carries and LB 634 is advanced to E & R Initial. Do you want to read some matters in? Go ahead.

CLERK: Mr. President, I have a Business and Labor report on a gubernatorial appointment confirmation hearing. (See page 745 of the Legislative Journal.)

Mr. President, Senator Haberman would like to print amendments to LB 259; Senator DeCamp to print amendments to LB 652. (See pages 745-748 of the Legislative Journal.)

Mr. President, your Committee on Public Health reports LB 863 advanced to General File with committee amendments attached. (See pages 748-751 of the Legislative Journal.)

PRESIDENT: Senator Nichol had asked that the Call be



LR 211, 224  
LB 131, 192, 198, 211, 224, 231,  
239, 263, 270, 274, 274A, 287,  
314, 402, 440, 448, 450, 454,  
465, 511, 547, 589, 592, 634,  
646, 649, 669A, 672, 827

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SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The prayer will be delivered by the Reverend Palmer.

REVEREND PALMER: Prayer offered.

SPEAKER MARVEL: Record your presence, please. While we are waiting for a quorum, underneath the South balcony from Scottsbluff, Nebraska, Audrey Towater is the guest of Senator Nichol. She is the one that has that large object there she is working on. I suggest that at your convenience you take a look at it. It is very interesting. Record, Mr. Clerk.

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

SPEAKER MARVEL: The Clerk has got some items to read into the Journal.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined and reviewed LB 634 and recommend that same be placed on Select File with amendments; 672 Select File with amendments and LB 827 Select File and 669A Select File, all signed by Senator Kilgarin. (See pages 790-791 of the Journal.)

Your Enrolling Clerk respectfully reports that she has presented to the Governor on February 19 at two-fifty, bills passed on Final Reading that day. (Re: LB 131, 274, 274A, 287, 314, 402, 440, 454 and 589.)

Mr. President, I have communications from the Governor. The first is addressed to the Clerk. (Read communication re: LB 239 as found on page 791 of the Legislative Journal.) The second communication is addressed to the Clerk. (Read re: LB 192, 198, 231, 263, 270, 448, 450, 465, 511, 592, 131, 274, 274A, 287, 314, 402, 454 and 589.)

Mr. President, your committee on Urban Affairs whose chairman is Senator Landis reports LB 904 as indefinitely postponed. That is signed by Senator Landis as Chair.

Senator Schmit would like to print amendments to LB 547 in the Legislative Journal. (See page 792 of the Journal.)

Mr. President, LR 211, 224 and LB 646 and 649 are ready for your signatures.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business I am about to sign and do sign LR 211, LR 224, engrossed LB 646, LB 649. (See page

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LB 782, 634

SENATOR NICHOL: Thank you very much.

SPEAKER MARVEL: Senator Kilgarin, do you wish to close?

SENATOR KILGARIN: Thank you, Mr. Speaker. Essentially what this amendment does, it does change the composition of Douglas County's Merit Commission and deletes the member who is representing the division of corrections and replaces that member with another deputy sheriff elected by those deputy sheriffs, as the division of corrections is not presently under the Merit system right now. The policemen and the sheriff's office felt that this would be more appropriate to have another deputy sheriff as opposed to a member of the division of corrections. It does only affect the Douglas County office and does not affect the rest of the bill or the counties that have populations from 25,000 to 300,000. So I would ask the adoption of this amendment.

SPEAKER MARVEL: The motion before the House is the adoption of the Kilgarin amendment to 782. All those in favor of the motion of the bill vote aye, opposed vote no.

SENATOR CLARK PRESIDING

SENATOR CLARK: Have you all voted? It is the Kilgarin amendment on 782. Have you all voted? Senator Kilgarin. You are in about the same position I was in.

SENATOR KILGARIN: Record the vote.

SENATOR CLARK: All right, record the vote.

CLERK: 8 ayes, 11 nays, Mr. President, on the adoption of the Kilgarin amendment.

SENATOR CLARK: The amendment lost. Do you have anything further on the bill?

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

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: I move we advance LB 782.

SENATOR CLARK: You heard the motion. All those in favor say aye, opposed. The bill is advanced. 634 CA, constitutional amendment.

CLERK: Mr. President, there are E & R, Senator.

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LB 634

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: I move the E & R amendments to LB 634.

SENATOR CLARK: You heard the motion. All those in favor say aye, opposed. The amendments are adopted.

CLERK: Mr. President, I have an amendment from Senator Beutler. Mr. President, Senator Beutler would move to amend the bill: (Read Beutler amendment found on page 1000, Legislative Journal.)

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, it looked like we moved right along this afternoon while the Public Works Committee was talking about bid rigging. As you all may recall, this is the bill that expands or would let the voters vote to expand the Industrial Development Bond Act to basically include enterprises, including now commercial enterprises, so that you are getting into the situation where big business who is able to use industrial development bonds will be financing at lower rates of interest enterprises that will compete with other business in the same area, perhaps smaller businesses who cannot afford the industrial development bond tax exempt financing and, thereby, create an unfair competitive situation. Now there are other arguments against this bill, as you all are aware. I am very much opposed to this kind of financing, particularly or at least in instances where there is no strong argument that competition with other states is a factor involved. So my amendment to 634 is simply an attempt to limit the damage from my point of view, to make the bill not applicable to Lancaster County or to any place in the state other than Douglas County, a city of the metropolitan class, so that if Senator Newell and those from Omaha would like to push this kind of proposition off onto their own people, that is fine but don't subject my small businessmen to this kind of competition. So the amendment does just that. It would eliminate it. It would make the proposition apply only to a city of the metropolitan class. Thank you.

SENATOR CLARK: Senator Howard Peterson.

SENATOR HOWARD PETERSON: Mr. Chairman, members of the Legislature, I would take it that Mr. Beutler would say there are no blighted areas in Lincoln from what he is saying and I can tell him there are blighted areas in Grand Island, that we would like to have this bill and I would particularly like to have the whole State of Nebraska have the opportunity to vote

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on it. I think if we are going to have a bill of this nature, there is no reason why the public shouldn't make that decision. It appears to me that our committee voted it out on that basis. I have in my hands a letter from the City of Grand Island Community Development Agency telling me there are a number of places in Grand Island where we could use this bill to an advantage and I would just say, Chris, that I believe that we ought to have the right to do this in a first class city just as well as in the metropolitan area, and if we have such a situation as Lincoln, if you want to try and take Lincoln out, I think that might be possible, but I would question the constitutionality of taking Lincoln out.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President, members of the Legislature, you know I am in kind of a bind. I am going to oppose Senator Beutler's amendment because I don't think it helps my bill one little bit. In fact I think it could have a very adverse effect on it but I do want to say one thing to Senator Beutler and I want to ask Senator Beutler this question because I think this gets to the nub or the hub or the central issue. If Senator Beutler would respond, Chris, if you would....

SENATOR CLARK: Senator Beutler. Senator Beutler.

SENATOR NEWELL: Senator Beutler, if you would respond, I have a question and I held up asking the question after I got your attention so the question is simply this. If your amendment carried, would you then support 634?

SENATOR BEUTLER: No, I would not because I think it represents bad policy.

SENATOR NEWELL: Thank you. Thank you. That is all I needed. I now have decided that I no longer even have the slightest of dilemmas. I am absolutely unequivocally opposed to Senator Beutler's amendment. It does not add anything to the bill. It will not even save me the important role and desires that we have to try to redevelop the areas of our communities across the state and I might have been a little less opposed to Senator Beutler's amendment if in fact it would buy one modicum of support. The proposal here is intended to kill this bill. For that reason I want to urge my colleagues to oppose this. We need, especially with the absence of federal assistance, we need to have private enterprise help redevelop the older neighborhoods, those areas that need jobs and need redevelopment. Private enterprise is the only game in town anymore and for that reason we do not need...we need this bill very desperately. Senator Beutler's proposal is aimed

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at killing this proposal. So for that reason I strongly, vehemently and most aggressively would urge you to vote no.

SENATOR CLARK: I would like to introduce two guests under the South balcony, Ardy Dahl from Scottsbluff and Kathy Webster from the great 47th District at Bridgeport. Welcome to the Legislature. Senator Landis.

SENATOR LANDIS: Mr. President, members of the Legislature, those of you who have had experience serving on the Urban Affairs Committee know what a headache it is to be whipsawed by the various classifications of cities, metropolitan, primary, first class, second class, and villages. Now I suppose it is necessary because communities are different in size and scope and for our statutes it probably is a wise choice to make distinctions although it provides a lot of headaches when you are trying to write laws. The Constitution, however, is a different matter. The Constitution is organic law and should hopefully be the law of all of the people in this state. With the Beutler amendment, LB 634 puts into the Constitution this principle of classification. Now I suppose it served us well in statutes because we can change them year by year. The constitutional changes, once they find their way into the Constitution, are very difficult to change. We have to set up a separate committee in this body with which to weigh the various advantages of different ideas in different classifications of cities. Aren't we really allowing ourselves a headache when we start saying in our Constitution which can only be changed by a vote of the people that we are going to promote classifications between communities and sizes of counties? It seems to me that we don't want to apportion powers of government in the Constitution based on population classifications along the lines of the Beutler amendment. The Beutler amendment is not intended to be sympathetic to the theory or policy of 634. It is basically a cut your losses, scorch the earth policy. If you don't like the concept of LB 634, vote against it but don't limit it in this fashion and think you are doing the people of this state a favor by hoking up our Constitution with a classification system that we all know provides us plenty of headaches as a legislative body, let alone the organic law of this state.

SENATOR CLARK: Senator Vickers.

SENATOR VICKERS: Mr. Speaker and members, I rise to support Senator Beutler's amendment. As a member of the Constitutional Revision Committee that heard this bill, I recognize the implications that it is going to have to

many areas of the State of Nebraska, and as Senator Beutler so aptly pointed out in his opening, it does create a system whereby private industry can have unfair competition from other private industry that is able to get funding from the sale of these bonds, a help from the government, if you will. Now I think there is a lot of problems with that. I also think there is a lot of problems with when you look at smaller areas of the State of Nebraska, the smaller cities, smaller villages, it would be very, very difficult to put those businesses in a situation but what they would be in competition. Perhaps in the metropolitan area they would be far enough apart that the competition wouldn't be quite so great. So it seems to me that Senator Beutler's amendment is a good amendment and should be adopted if this bill is to advance any further. So I urge the body's adoption of Senator Beutler's amendment.

SENATOR CLARK: Senator Beutler, would you like to close?

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, the amendment is certainly not designed to kill the bill. My preference would be to kill the bill, obviously, but it is not a trash amendment. It is an amendment designed to limit the applicability of what I consider to be bad policy. Senator Peterson suggests that we may have constitutional problems. Let me remind you that we are amending the Constitution and, therefore, we cannot have a constitutional problem. The question of blight versus no blight, I am sure there are blighted areas in many towns in the state but the question is how you deal with those blighted areas. I haven't noticed much blight in Lincoln and I think most of our communities are fairly absent of blight. But if Senator Newell believes that Omaha is particularly blighted, of course, he sees the city as he sees it, and if he needs this bill, fine. But let's at least limit the bill to the City of Omaha and I might just comment in passing another irony I see in this whole situation, and this has been true of a number of bills, not just this one, but at a time when the federal reserve is increasing interest rates and the federal government is taking all kinds of actions with regard to the federal budget in an effort to bring us into some kind of fiscally responsible position, and that effort is geared in part to slowing down the economy, that is the reason for the high interest rates, at the same time that we have that as a national policy, we are coming into the Nebraska Legislature and contradicting that national policy by passing bills such as this one which are designed to facilitate credit, designed to facilitate credit at a time when the federal government is making credit, intentionally making credit more expensive, and the facilitation of credit

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is in part the facilitation of public credit, the issuance of tax exempt bonds. So at the same time that the price of credit is being driven up by the national government, the state government is calling upon the local governments to bear a share, an ever increasing share of the cost of that credit through the issuance of tax exempt bonds. So it just doesn't make sense what we are doing any way you look at it. It just doesn't make sense so I hope you will vote for the amendment and at least limit this whole business to the City of Omaha. Thank you.

SENATOR CLARK: The question before the House is the Beutler amendment to 634. All those in favor vote aye, opposed vote nay. Have you all voted? Once more, have you all voted? Record the vote. Senator Beutler.

SENATOR BEUTLER: Could I have a Call of the House and a roll call vote?

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

CLERK: 9 ayes, 0 nays to go under Call, Mr. President.

SENATOR CLARK: The House is under Call. All unauthorized personnel will leave the floor please. All unauthorized personnel must leave the floor. Senators will return to their seats and check in please. Senator Newell, will you check in please? Senator Kremer. Senator Lamb. Senator DeCamp, will you check in? Senator Wagner. Senator Kremer and Senator Chambers. Senator Beutler, are you ready to call the roll? Senator Chambers is the only one out.

SENATOR BEUTLER: Yes, go ahead.

SENATOR CLARK: The Clerk will call the roll, if we could just keep it quiet enough that he could hear the response, please. All Senators are to be in their seats. Go ahead.

CLERK: (Roll call vote taken. See page 1000, Legislative Journal.) 12 ayes, 29 nays, Mr. President, on adoption of Senator Beutler's amendment.

SENATOR CLARK: What was the vote?

CLERK: 12 ayes, 29 noes.

SENATOR CLARK: Motion failed. Senator Howard Peterson, would you like to adjourn us until tomorrow morning at nine o'clock after we read in a few things here? One thing we could do, we



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could take 827 if there is no objection. I do have to skip over two bills to do that. All right, Senator Newell, you can stay there. We have two more amendments that are agreed upon supposedly. I have went through this before.

SENATOR NEWELL: One, only one amendment that is agreed upon and I agreed to this amendment, the amendment to strike "substandard", because it is late in the day and I would like to move the bill.

SENATOR CLARK: Senator Beutler, do you have the amendment?

SENATOR BEUTLER: I have two amendments. I wish to withdraw one amendment and the amendment I wish to stand is the one that strikes the word "substandard" so that it would allow the use of the bonds for the improvement of only blighted property and not blighted or substandard property and that is the effect of the amendment which Senator Newell agrees with and I agreed to pull my other amendment if he agreed with this, and so if you are in agreement, we will end the discussion on this lousy bill.

SENATOR CLARK: Senator Schmit.

SENATOR SCHMIT: I support the amendment and I also want to say that I cannot support the bill and I think the bill should be defeated and I know that the time will come when most of you will agree with me.

SENATOR CLARK: Are you ready to vote on it? The question before the House is the adoption of the Beutler amendment. All those in favor vote aye, opposed vote nay. Record the vote.

CLERK: 27 ayes, 3 nays, Mr. President, on the adoption of Senator Beutler's amendment.

SENATOR CLARK: The amendment is adopted. Is there anything further on the bill?

CLERK: Nothing further on the bill.

SENATOR CLARK: Senator Kilgarin, do you want to move the bill? All right, make the motion.

SENATOR KILGARIN: I move we advance LB 634.

SENATOR CLARK: You heard the motion. All those in favor vote aye, all those opposed vote nay. Have you all voted? Record the vote.



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LB 634, 827, 449

CLERK: 25 ayes, 16 nays, Mr. President.

SENATOR CLARK: The bill is advanced. We have one more bill. It has no amendments on it. LB 827. We will take that up now.

CLERK: I have nothing on the bill, Senator.

SENATOR KILGARIN: Thank you, Mr. Speaker. I move we advance LB 827.

SENATOR CLARK: You heard the motion. All those in favor say aye, opposed. All those in favor vote aye, opposed vote no. Record the vote. You usually do that on Friday afternoons.

CLERK: 29 ayes, 1 nay, Mr. President.

SENATOR CLARK: The bill is advanced. Senator Duda, would you care to adjourn us until tomorrow morning at nine o'clock after he reads something in here? He also wants to announce what we are going to do tomorrow.

CLERK: Mr. President, Senator Wesely would move to reconsider the vote on the motion to return LB 449 to Select File for specific amendment.

Mr. President, Senator Wesely offers a Rules Committee report. Both will be laid over.

SENATOR CLARK: The Clerk will tell you what the agenda is tomorrow morning.

CLERK: Mr. President, as I understand it, the Speaker's agenda calls for Final Reading for an hour, from about nine to ten o'clock tomorrow morning, followed by the consent calendar. Copies have been distributed. They are available through my office if you want to see them. We will have hopefully a revised consent calendar for you showing the bills that have been struck pursuant to the three member rule. So if you need copies of that we will have that available for you probably first thing in the morning.

SENATOR CLARK: Senator Duda.

SENATOR DUDA: Mr. President, I move that we adjourn until nine o'clock tomorrow morning.

SENATOR CLARK: You heard the motion, all those in favor say aye, opposed. We are adjourned until nine o'clock tomorrow morning in spite of Senator Chambers.

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LR 251  
LB 961, 962  
LB 839, 868, 877, 931, 941, 951,  
LB 378, 435, 577, 601, 609, 634,  
LB 651, 697, 716, 774, 784, 792

CLERK: Mr. President, very quickly, Senator Landis would like to print amendments to LB 868.

A new resolution, LR 251, offered by Senator Wesely. (Read.) (See paged 1176, Legislative Journal.) That will be laid over, Mr. President.

Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined engrossed LB 378 and find the same correctly engrossed, 609, 634, 435, 577, 601, 651, 697, 774, 716, 784, 792, 839, 877, 931, 941, 951, and 961, and 962 all correctly engrossed. And that is all that I have, Mr. President.

SENATOR CLARK: Senator Stoney.

SENATOR STONEY: Mr. President, I would move that we adjourn until 9:00 a.m., March 16th, 1982.

SENATOR CLARK: You heard the motion. All those in favor say aye, opposed. We are adjourned until nine o'clock tomorrow morning.

Edited by Arleen McCrory  
Arleen McCrory

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LB 601, 623, 634

having been complied with, the question is, shall the bill pass? All those in favor vote aye, opposed vote nay. Have you all voted? Record the vote.

CLERK: (Read the record vote as found on pages 1285 and 1286 of the Legislative Journal.) 42 ayes, 0 nays, 7 excused and not voting, Mr. President.

SENATOR CLARK: The bill is declared passed on Final Reading. We cannot read the next bill as there has been an A bill introduced. 623 will be next.

CLERK: (Read LB 623 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. Voting aye.

CLERK: Senator Clark voting yes.

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

CLERK: (Read the record vote as found on pages 1286 and 1287 of the Legislative Journal.) 41 ayes, 2 nays, 6 excused and not voting, Mr. President.

SENATOR CLARK: The bill is declared passed on Final Reading. The Clerk will now read 634, constitutional amendment.

ASSISTANT CLERK: (Read LB 634 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. It requires 30 votes.

ASSISTANT CLERK: Senator Clark voting no.

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

ASSISTANT CLERK: (Read the record vote as found on pages 1288 and 1289 of the Legislative Journal.) The vote is 31 ayes, 11 nays, 6 excused and not voting, Mr. President.

SENATOR CLARK: The bill is declared passed. I would like to introduce Janice Garrett, Donna LeMars and Lynn Fossinger. They are in the WIFE organization. They are guests of Senator Kahle. They are in the north balcony. Will you stand and be recognized, please? I wish their names were

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.

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