

January 12, 1982

LR 199
LB 304, 746, 799, 800

receipts is 10 percent which is the criteria used for calling that meeting. Traditionally up until last year they never added in into the deposit side prior year deposits. Now if they do that, obviously they can always call Board of Equalization meetings because that will always make the difference more than 10 percent. I don't want to get into the details of the particular situation from which this bill arose as I don't think there is any point to that, but I did think it would be helpful for everybody if the statute were clarified so that everybody knew exactly what the criteria being considered were.

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

SENATOR BEUTLER: No, Mr. Speaker, unless there are further questions.

SPEAKER MARVEL: All those in favor of advancing the bill vote aye, opposed vote no. Record the vote.

CLERK: 36 ayes, 0 nays on the motion to advance the bill, Mr. President.

SPEAKER MARVEL: The motion is carried. The bill is advanced. Okay, the Clerk has some items to read in.

CLERK: Mr. President, a couple of items. New bill, LB 799 offered by Senators DeCamp, Wesely, Fowler, Nichol, Haberman. (Read title). (See page 252 of the Journal).

Mr. President, Senator Chambers has an amendment to LR 199 that he would like printed in the Legislative Journal. (See pages 252 and 253 of the Journal).

Mr. President, a reminder that the Public Health and Welfare Committee will meet in Executive Session in Room 1019 upon adjournment. Public Health and Welfare in Room 1019 upon adjournment.

Mr. President, Senator Wesely asks unanimous consent to add his name to 746 as co-introducer.

SPEAKER MARVEL: No objection, so ordered.

CLERK: Mr. President, one new bill, LB 800 offered by Senator Vard Johnson. (Read title). (See page 252 of the Journal.)

Mr. President, I believe there is a Reference Report that will be submitted, will be on file and will be inserted in the Legislative Journal. (See pages 253 and 254 of the Journal).

March 1, 1982

LB 152, 222, 304, 335, 348,
353, 358, 431, 440, 508,
525, 527, 578, 594, 624,
771, 772, 795, 799, 844,
871, 872, 877, 898, 921, 955

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Have you all recorded your presence? Record the presence, Mr. Clerk.

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

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

CLERK: I have no corrections, Mr. President.

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

CLERK: Mr. President, a series of things. Your committee on Banking, Commerce and Insurance whose chairman is Senator DeCamp instructs me to report LB 358 advanced to General File with committee amendments attached. (See pages 881-884 of the Legislative Journal.)

Your committee on Education reports LB 578 advanced to General File with committee amendments attached. That is signed by Senator Koch. (See page 885 of the Legislative Journal.)

Your committee on Government reports 921 advanced to General File; 594 indefinitely postponed; 624 indefinitely postponed; 795 indefinitely postponed; 844 indefinitely postponed; 871 indefinitely postponed; 872 indefinitely postponed. That is all signed by Senator Kahle as Chair, Mr. President.

Your committee on Banking whose chairman is Senator DeCamp reports 799 advanced to General File with committee amendments attached. 877 is advanced to General File from the Public Works Committee. 152 indefinitely postponed; 222 indefinitely postponed; 348 indefinitely postponed; 508 indefinitely postponed; 527 indefinitely postponed; 771 indefinitely postponed; 772 indefinitely postponed; 955 indefinitely postponed, all signed by Senator Kremer as Chair. (See pages 885-886 of the Legislative Journal.)

Mr. President, your Enrolling Clerk reports that she presented to the Governor LB 353, 304 and 431. The Governor has received engrossed LB 440 and signed that bill on February 25, Mr. President. (See page 886 of the Legislative Journal.)

Rules gives notice of a hearing for Tuesday, March 16.

I have a series of Attorney General's opinions, the first addressed to Senator DeCamp regarding LB 898; one to Senator Culllan regarding LB 525; one to Senator Wagner regarding interpretation of Statutory Section 2-1504; one to Senator DeCamp regarding 335. (See pages 887-895 of the Legislative Journal.)

March 8, 1982

LR 244
LB 458, 520, 568, 605, 892,
629, 714, 799, 809, 817, 852

allowed to us by law. I move the advancement of 817.

SENATOR CLARK: The question before the House is the advancement of 817 to E & R. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting no.

SENATOR CLARK: Have you all voted? Have you all voted on the advancement of the bill? Have you all voted, one more time. Record the vote.

CLERK: Mr. President, Senator Cullan requesting record vote. (Read the record vote as found on pages 1049 and 1050 of the Legislative Journal.) 26 ayes, 15 nays, Mr. President.

SENATOR CLARK: The bill is advanced. The next bill is 852. The Clerk wants to read some things in.

CLERK: Mr. President, a series of items to read in. New resolution, LR 244 offered by Senator Chambers. (Read LR 244 as found on page 1050 of the Legislative Journal.) That will be laid over, Mr. President. Mr. President, Senator Fenger would like to print amendments to LB 714; Senator Vard Johnson to print amendments to LB 520; Senator Koch to 629; Senator Koch to 892; Senator Koch to 799; Senator Koch to 605; Senator Haberman to 568; Senator Fowler to 458; Senator Stoney to 809. (See pages 1051 through 1055 of the Legislative Journal.)

Mr. President, LB 852 was a bill introduced by the Public Works Committee and signed by its members. (Read title.) The bill was read on January 18th of this year. It was referred to Public Works for hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending. In addition, I have an amendment to the committee amendments that is offered by Senator Kremer that is found on page 717 of the Legislative Journal.

SENATOR CLARK: Senator Kremer on the committee amendments.

SENATOR KREMER: Thank you, Mr. Chairman and members of the Legislature, I think I should first of all very briefly explain the bill and then you will understand the amendments. This is a bill submitted by the Public Works Committee and brought to us by the rural power people that would provide for joint financing simply because financing as in the past is being discouraged. The need for electrical energy in the rural areas continues to increase greatly and

March 19, 1982

LR 249, 250, 256
LB 480, 571, 602, 609A, 688,
787, 799, 835, 854, 854A, 868, 909

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by the Reverend John Ross, Pastor of Faith Lutheran Church in Seward, Nebraska.

REVEREND JOHN ROSS: Prayer offered.

PRESIDENT: Roll call. 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 will stand as published. Any messages, reports or announcements?

CLERK: Mr. President, LR 249 and 250 are ready for your signature.

PRESIDENT: While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LR 249 and LR 250.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 854 and recommend that same be placed on Select File with E & R amendments; 854A Select File with E & R amendments; 909; 480; 835; 688; 799; 868; 602 and 787, all placed on Select File, Mr. President. (Pages 1227-1280.)

Mr. President, I have a new resolution, LR 256 offered by Senator Nichol and many of the members. (Read LR 256 as found on pages 1280 through 1283 of the Journal.) That will be laid over, Mr. President.

Mr. President, new A bill, LB 609A offered by Senator Marsh. (Read title for the first time.)

Mr. President, I have a report from the Buildings and Grounds Commission on proposed lease renewal for the Department of Correctional Services, and the Nebraska State Highway Commission files their quarterly report.

PRESIDENT: We are ready then to immediately go to Final Reading, agenda item #4 commencing with LB 571. Would the Sergeant at Arms secure the Chamber and make sure that all members are at their desks, and all other unauthorized

March 31, 1982

LB 942, 626, 753, 799

SENATOR CULLAN: Okay, thank you, Senator Higgins.

SENATOR HIGGINS: Okay, Senator.

SENATOR CLARK: The question before the House is the advancement of the bill. No further discussion? All those in favor vote aye, opposed vote nay. While you are voting on that, I would like to tell you what I have kept track of up here. You were fifteen minutes late coming in this noon. You had forty minutes on a Call of the House only which is one hour's time on Call of the House and being late. So if you are going to save time, that is a good way to do it. Record the vote.

CLERK: 26 ayes, 4 nays, Mr. President, on the motion to advance the bill.

SENATOR CLARK: The bill is advanced. Motion on the desk. Yes, read in first.

CLERK: Mr. President, Senator Wesely would like to print amendments to LB 753; Senators DeCamp, Haberman, and Schmit to LB 799.

And, Mr. President, Senator DeCamp, would like to withdraw a motion that he filed this morning on LB 626.

SENATOR CLARK: Motion on the desk.

CLERK: Mr. President, Senator Haberman would move to adjourn until 9:00 a.m.

SENATOR CLARK: Senator Nichol, for what purpose do you arise?

SENATOR NICHOL: Mr. Chairman, I was wondering if Senator Lamb had any instructions as to how long we are going to be going tomorrow night or the rest of the week so we can plan our (interruption) accordingly?

SENATOR CLARK: Senator Lamb, do you have any instructions on how late we are going to go tomorrow night?

SENATOR LAMB: I would suggest about four-thirty.

SENATOR CLARK: Four-thirty tomorrow night. All right. Senator Haberman, you motioned to adjourn? You heard the motion. All those in favor say aye, opposed. We are adjourned until tomorrow morning at nine o'clock.

Edited by:

Marilyn Zank
Marilyn Zank

April 6, 1982

LR 379
LB 761, 799, 928

respectfully reports they have carefully examined and engrossed LB 761 and find the same correctly engrossed. That is signed by Senator Kilgarin as Chair. (See page 1752 of the Legislative Journal.)

Mr. President, I have a request from Senator Newell to print amendment to LB 799. (See page 1754 of the Legislative Journal.) Senator Vickers, amendments to LB 928. (See page 1754 of the Journal.)

Mr. President, study resolution offered by Senators Warner, Schmit, Dworak, Lamb and DeCamp. (Read LR 379 as found on pages 1752 and 1753 of the Legislative Journal.) That will be referred to the Board, Mr. President.

SENATOR CLARK: Senator Howard Peterson, did you have a motion?

SENATOR H. PETERSON: Mr. Chairman, I would move we adjourn until nine o'clock tomorrow morning.

SENATOR CLARK: All right, that motion is not debatable. I will tell you this that Pat's staff of five girls had to work until 1:30 this morning and it takes them about two and a half hours to clean up here after we are gone to get the Journal out. So we will put it to a vote. We will put it on the board. Those wishing to adjourn will vote aye. Those wishing not to adjourn will vote no.

CLERK: Senator Clark voting yes.

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

CLERK: 16 ayes, 14 nays to adjourn, Mr. President.

SENATOR CLARK: We will adjourn until nine o'clock tomorrow morning.

Edited by:


Mary A. Turner

April 7, 1982

LB 480, 799

SENATOR NICHOL: It takes 25 votes. Please vote. Record, Mr. Clerk.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of Senator Hoagland's amendment.

SENATOR NICHOL: The amendment is adopted. We have nothing else on the bill, Senator Hoagland.

SENATOR HOAGLAND: I would move to advance the bill as amended.

SENATOR NICHOL: The question is the advancement of the bill as amended. All those in favor signify by saying aye. Those opposed say no. The bill is advanced. We will move on to LB 799. Senator DeCamp. Just a minute. Mr. Clerk, do you have anything?

CLERK: No, I don't have anything to read in, Senator. Mr. President, with respect to 799 there are E & R amendments, first of all.

SENATOR NICHOL: Senator Kilgarin, the E & R amendments to 799.

SENATOR KILGARIN: I move we adopt the E & R amendments to LB 799.

SENATOR NICHOL: All those in favor of adopting the E & R amendments please say aye. Opposed nay. They are adopted.

CLERK: Mr. President, the first amendment I have to the bill is by Senators Wesely, Haberman, DeCamp and Schmit. It is Request 2835. You will find it in your bill book, Mr. President.

SENATOR NICHOL: Senator DeCamp, are you going to carry that?

SENATOR DeCAMP: Yes. Mr. President, members of the Legislature, so you know in advance a couple things, one, there is no severance tax and no intended severance tax and no intended severance tax increases involved in any way in this amendment. What occurred in the Banking Committee which handled this bill, actually LB 738 which was the main energy bill, was that in return for putting it out, Senator Clark, Senator....well all the members of the Banking Committee made me pledge on Bibles and everything else that if it went out in this precise and exact form and no other amendments were attempted by me, they would put it out and try to do the main things on energy that we could find agreement on. Those main things are to try to provide some development to the

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solar industry in this state. This is the thing I mentioned I think last night that the homebuilders of the state have worked out and got an agreement from the Governor that he would actually sign it, and I know they have talked to a number of members of the Legislature. That is the main part of this amendment. The other part has to do with the functioning of the geothermal, the other part of the geothermal that we did last night to make it functional, and that is about it. So what we are doing is putting those parts of 738 that had been agreed on in the committee and voted out on this floor with no changes whatsoever, we are putting them into 799 and completing all our energy package in LB 799. I would urge adoption of the amendment. I understand, I think Senator Remmers, is that right, and Senator Newell have some further strippings even over what that is and I guess we have no objections to that if that will accommodate them. We would still be maintaining the very essence of weatherization program, the solar thing I mentioned, the geothermal, and hopefully would get some little progress this year in the energy field.

SENATOR NICHOL: Senator Wesely.

SENATOR WESELY: Mr. President and members of the Legislature, I rise in support of the amendment to LB 799. As Senator DeCamp described it is basically the amended LB 738 which was my priority bill this year. It looks like we are not going to probably get to the bill although it is high on the General File list nevertheless. Since LB 799 is a companion bill on energy we felt that we ought to go ahead and propose it to you at this time. LB 738 as introduced was a massive effort to try and deal with the energy problems that we have in the state. I think that our present energy problems are severe enough that a massive effort was called for. Nevertheless the Banking Committee was concerned about the main component of that legislation which was to increase the severance tax to raise money to further weatherize buildings and provide some different energy programs. So because the Banking Committee did delete those portions of the bill and advance the bill which basically deals with solar tax credits, it was thought that we should stay with that proposal and not try and expand upon it in the amendment before you today. So all we are talking about, and there has been a handout from Senator DeCamp that describes it, is an effort to try and encourage the development of solar energy in the State of Nebraska, renewable domestic energy in the State of Nebraska by providing an income tax credit that we would provide to businesses, home owners and builders to provide for solar energy and other types of energy, renewable energy developments on homes and building. Now we have studied this

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effort for some time. It was initially looked at in 1979 when Senator Schmit and I cosponsored LB 317 which would have provided the same sort of a tax credit. Now that bill was held and studied by the Revenue Committee. I helped direct that study and we did look at the matter and did provide in LB 954 a provision similar to this. It was not adopted by the Legislature and the following year we had similar legislation but that again was not promoted. But what we found was over the years even more evidence than ever before that income tax credits are an effective way to promote the development of solar energy. And in looking at other states and there was a handout I passed out last night, you may not have copies, we will try and get other copies for you, it is very clear from the continuing research we have done that solar income tax credits are effective in promoting the development of renewable energy and solar energy in the states that have adopted them. We are talking about states such as Kansas and California and other states. About half the states have some sort of income tax credit. It is very clear that this is the most effective way, the most cost effective way of promoting renewable domestic energy. I think that with that evidence we can come back to you today and feel very secure in the fact that this amendment will help us deal with part of the problems that we are having with energy. When you talk about the economic problems of this state and the discussions we have had with Senator Warner and the Revenue Committee, a part of that problem, a major part of that problem is the difficulties we are having with energy. Natural gas rates are increasing unbelievably and you will see a doubling and perhaps even a tripling in the near future of natural gas rates. Your gasoline costs have gone up unbelievably in the last few years but we also know that they have dipped a little bit in the last few months. Don't be led to believe that that is going to be anything permanent though. You are going to see gasoline prices go right back up and in the very near future you will be very much back to where we were before and even worse off. You have seen the electricity increase in cost. All utilities are increasing in cost. Clearly it is a serious problem in the State of Nebraska. It leads to the economic problems we have had. We are finding from very detailed research that the portion of your budget, your family income that is going to energy is increasing, that you are not able to keep up with the increase in utility bills that you have to pay, and the situation is bad and getting worse and that you are losing the battle at this point. The state has got to provide some leadership. We have got to do something about the energy problem. LB 738 even in the amended form is going to help that situation with the solar tax credits that we think will be very effective in

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promoting this effort.

SENATOR NICHOL: One minute.

SENATOR WESELY: Thank you, Mr. President. As Senator DeCamp said, the homebuilders have been very supportive of this effort and they have indicated their support in a number of different ways, taken a position very strongly in favor of these credits. Besides the homebuilders you have many citizens across the state, individuals without any particular interest in the effort, any personal gain from the effort, that have understood the problems we have with energy and recognize that these credits are going to help promote renewable domestic energy in the State of Nebraska and that is very, very supportive group of people. And also you know that there is some solar industry in the state, some people that do manufacture solar products, and they are a small fledgling group of industries but they are very much starting to grow and they feel that this effort will promote their industry and develop a very strong industry that will stand on its own feet and be able to provide some equipment in the future and some energy relief that will be very beneficial to the State of Nebraska.

SENATOR NICHOL: Time is up.

SENATOR WESELY: Thank you.

SENATOR NICHOL: Senator Hefner.

SENATOR HEFNER: Mr. President, I would like to ask a question of Senator DeCamp if he is around.

SENATOR NICHOL: Senator DeCamp, please.

SENATOR HEFNER: Senator DeCamp, it looks like what you are doing or proposing to do is add LB 738 to LB 799. Did you hear both of these bills in committee, in the Banking Committee?

SENATOR DeCAMP: Yes, sir.

SENATOR HEFNER: How come you didn't put them together before you advanced them to the floor?

SENATOR DeCAMP: There were mixed feelings on that. We actually started with them all in one bill, then we split them out into two bills because of the bulk and volume and contrasting ideas and because the one had the severance tax in it and we didn't want that to be confused with the other. Now that we have eliminated the severance tax and

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anything to do with it we think it is proper to merge them with no problems and that's it.

SENATOR HEFNER: Senator DeCamp, do you think that the two are compatible now and will cause no problems?

SENATOR DeCAMP: In my opinion, yes.

SENATOR HEFNER: Okay, thank you.

SENATOR NICHOL: Senator Koch.

SENATOR KOCH: Mr. Chairman and members of the body, I rise to support the intent of particularly LB 738. I do this because several years ago, and I think many of you remember it, Senator Mills and myself along with a lot of others had similar legislation where we wanted to provide a tax credit but obviously at that time not too many people thought it was wise because it didn't gain too many votes. In fact, we sent a constitutional amendment to the people of the state to also consider this same consideration, but again the people denied it. But I think it is time that if we do indeed want to supplement our fossil fuels that we have to offer some kind of incentive which is going to promote those kinds of systems which do indeed supplement fossil fuel and help to prevent us from using it at a greater rate than what needs to be. I would offer that sometime in the future if this bill passes that we should emulate Minnesota because Minnesota now has and they have had it in place for several years this same kind of system but they do have sort of an underwriting of all those kinds of systems that have met approval in terms of what they are supposed to provide in terms of energy saving devices and I think that would be an appropriate safeguard to prevent certain kinds of individuals and entrepreneurs from coming into Nebraska and offering us certain kinds of devices that may indeed not perform to the standards that they maintain they would perform to. I support LB 738 and I will have a hand-out coming to you in just a little bit on what I think the merits of the bill could be. Thank you.

SENATOR NICHOL: Senator DeCamp, did you wish to close? The question is the adoption of the DeCamp amendment. All those in favor signify by voting aye, opposed nay.

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Please vote. Record, Mr. Clerk.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of the DeCamp, Wesely, et al amendment.

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SENATOR NICHOL: The amendments are adopted.

CLERK: Mr. President, the next amendment I have is offered by Senator DeCamp, on page 1616 of the Journal.

SENATOR NICHOL: Senator DeCamp.

SENATOR DeCAMP: Yes, I want that amendment. It is technical, revenue, turned over to us by the Revenue Department to clear up some definitions about habitable structures. It is on page 1616.

SENATOR NICHOL: Is that your opening and closing, Senator DeCamp?

SENATOR DeCAMP: Yes, it is some words from the Revenue Department.

SENATOR NICHOL: Okay, the question is the adoption of... excuse me, Senator Beutler you have your light on, I didn't see it.

SENATOR BEUTLER: Senator DeCamp, could you just tell us what the amendment does, please?

SENATOR DeCAMP: It removes the words "residential", "inhabits".

SENATOR BEUTLER: Senator DeCamp, that doesn't tell me anything. What does it do? What is the effect of removing the word "residential"?

SENATOR DeCAMP: Give me about two minutes here. Well, if you will give me one more minute I will write something out and read it.

SENATOR BEUTLER: Senator DeCamp, I understand it now. Thank you.

SENATOR DeCAMP: (Microphone not on)...explanation. Good.

SENATOR NICHOL: Senator DeCamp, did you wish to close?

SENATOR DeCAMP: Yes. The word "residential" was used originally and the legislation applies to commercial too. The tax department said you had to clarify it. This is to clarify it.

SENATOR NICHOL: The question is the adoption of the last DeCamp amendment. All those in favor signify by voting aye, opposed nay.

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CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Please vote. Please vote. Record, Mr. Clerk.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of the second DeCamp amendment.

SENATOR NICHOL: The second DeCamp amendment is adopted.

CLERK: Mr. President, Senator Vickers would now move to amend the bill.

SENATOR NICHOL: Senator Vickers.

SENATOR VICKERS: Mr. President and members, I apologize. The amendment that I have is not printed in the Journal. I sent it around to everybody's desk yesterday and if your desk is anything like mine, why you may or may not have it but I will try to tell you what it does. On the bill, in the green copy on page 5 on line 25 following the period there would be another sentence inserted and the sentence would simply say that, "A publicly owned utility shall not maintain possession of any property which it may acquire pursuant to a lien authorized by this section for a period of time longer than is reasonably necessary to dispose of such property." I believe that this is acceptable to the introducers but I will certainly let them speak for themselves, but my intention is to simply specify that any utility issuing a loan that may have a lien that winds up with some property as a result of that lien would then have to dispose of that property because I don't believe that it is a good policy for all publicly owned utilities to be in the business of owning property either and I am sure that they don't intend to and I don't think the introducers of this legislation intend for them to. This is simply a clarification of that that I am attempting to put in this with this amendment. I urge its adoption.

SENATOR NICHOL: Senator DeCamp, did you wish to speak to this amendment?

SENATOR DeCAMP: Mr. President, I have no objections to the amendment. I would accept this Vickers amendment like I have so many other Vickers amendment on the theory that some day if I accept enough Vickers amendments I will get a vote out of Tom.

SENATOR NICHOL: The question is the adoption of the Vickers amendment. All those in favor signify by voting aye, opposed nay.

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CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Please vote. Please vote. Please vote. Record, Mr. Clerk.

CLERK: 25 ayes, 0 nays on adoption of Senator Vickers' amendment, Mr. President.

SENATOR NICHOL: The Vickers amendment is adopted.

CLERK: Mr. President, Senator Remmers would now move to indefinitely postpone the bill. That would lay it over unless the introducers agree to take it up at this time.

SENATOR NICHOL: Senator Remmers. Do you wish to take it up, Senator DeCamp? Okay, Senator DeCamp. Senator Vickers. Excuse me, Senator Remmers.

SENATOR REMMERS: Mr. Speaker and members of the Legislature, this is not clean-up legislation as was indicated a while ago. It is major legislation. I would like to take you back just a little. We had a big energy bill in committee last year that didn't get out of committee, couldn't get the votes to come out of committee. So the bill was made a uranium bill. Somehow when it got back on the floor the uranium part of it was lost and we got back into the same bill. In that bill last year I think if you go back to review the history of severance tax just a little bit, a number of years ago we committed severance tax to the permanent school fund. Now there was some criticism of the permanent school fund because it wasn't earning any money. Well, I don't think that was the fault of the permanent school fund. I think it was a matter of the Legislature didn't see to it that we invested it in something else. In the debate on that bill last year we came to an agreement. I had suggested that we put all the money then into the state aid fund rather than into the weatherization fund. We made an agreement here, at least we reconsidered. I know the agreement wasn't ironclad but there was an agreement that, okay, we will use it for the weatherization program for two years and then we will return it to the state aid fund. Now the introducers of this bill here today have not mentioned that part but that part has changed. The two-year status of the weatherization program was extended I think for a total of five or six years. This may not be important but I think it is quite an important issue and I think it should have been mentioned. But I guess maybe I am guilty of those same things, I won't talk about some of those things I'd rather not talk about. But it looks to me like this is a little bite at a time till we get to a great big

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program. I speak against this bill for several reasons, one, that philosophically I don't think that the government has an obligation in this particular area. Five years ago, yes, maybe, or ten years ago to convince people that there were some advantages to solar energy, some other things of that type, fine. But I have seen people build their homes underground. In my area there are several houses, new homes that have been built so that they are below ground. I see people who have been insulating their homes, putting in extra insulation. I see these solar units in many homes as I drive down the road. People are already using them. But we say, well, some of these people can't afford it. Under this particular bill the poor aren't going to use this...take advantage of this bill. The unemployed aren't going to take advantage of this bill. The person who has a new home with a big mortgage on it isn't going to add to his mortgage payments with this type of procedure. Those that are going to take advantage of it are those that can afford to pay their own way and are going to do it anyhow. I question very much that you are going to promote much more use of solar energy by this small...to an individual maybe a small amount of tax credit because the individual already has tax credit from the federal government for this type of program. You will have the same thing as we have in the school weatherization program. Those schools that made their weatherization on their own when they knew they should have, when the gasoline prices and the natural gas prices went up they made the corrections they should have, now they don't receive any return out of this, but those that have sat around and waited for the government to do it for them, they are going to get the benefit out of this. I am just opposed to the whole principle of the government trying to do everything for everybody and I was hoping this country was kind of turning in another direction and realize that the government cannot do it for us. But to suggest that the citizen is too stupid to know that it pays to put in solar energy or any other kind of energy saving devices, I think is a little bit ridiculous. I think the citizens are just as intelligent as the members of this Legislature. The citizen today that doesn't know the advantages of solar energy is not going to be buying the solar energy units with the tax credit. This may not cost much money. This bill they say is not going to mean any new taxes but it is taking about \$500,000 from the severance tax that rightfully should go to the school weatherization program or I would say to the school state aid program where I think the agreement we made last year. But we are taking this severance tax money and using it for other purposes. So, no, it is not taking new money it is just taking away from somebody else. As far as not costing anything, I think

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we are going to find that it's going to cost us an awful lot because we are going to lose a lot of tax revenue from the people that ask for the refunds because...we are going to lose it because most of these people would make those corrections themselves anyhow. If they are not, they are pretty stupid and the public is not that stupid. I think this bill has gone far enough and I think it should be indefinitely postponed.

SENATOR NICHOL: Senator Wesely.

SENATOR WESELY: Mr. President and members of the Legislature, I do oppose the kill motion by Senator Remmers and I think that I understand where he is coming from but nevertheless I think all of us understand the serious energy crisis that this country still faces. I passed around the clever little cartoon of the Arab waiting to pounce on our unsuspecting car motorists in this country that think that the low gasoline prices are going to continue for some period of time. They are not and the energy increases that you have seen in this last year with the heating bills is going to continue to go up, and the prices you are paying for electricity are going to go up, and everything else you are paying for utilities is going to go up. And this state is going to be just like every other state, in pretty bad shape unless we start to do something about the situation. Now the tax credits which I know some people are concerned about I was concerned about as well but research study investigation finds clearly they are effective and you can do a comparison, a very simple one that will tell you that in a very vivid way by just looking at Kansas. Kansas has a state solar tax credit. Kansas isn't a whole lot different than Nebraska but that is one difference that they have from our state. But in Kansas their solar industry has about a \$50 million activity level while our solar industry is about less than a million dollars in terms of sales. That means they are 50 to 1 greater in terms of what they are able to do in that state versus our state and the difference is clearly the fact that that state showed some leadership on the energy question and adopted some solar tax credits to work with the solar industry to develop that industry so it would provide consumers of that state with more choices to then develop solar energy for their homes and businesses. It seems clear when you look at that situation, when you look at California, you look at the other twenty some states that have adopted some income tax credits that it works and that it works to the benefit of the general public because it increases the independence of our state and our nation on energy resources outside of the state and nation and I think that is important to know when you look at Nebraska's situation where 96 percent

or something of our energy is imported. We need to develop independent renewable resources to meet our energy needs. I think that when Senator Remmers talks about his concerns about the severance tax not going back to the schools, keep in mind the fact that our original intent back two years ago when we passed the legislation which... or I should say last year when we passed the legislation to divert some of the severance tax to school weatherization our intent was to increase the severance tax and then just use the increased income from that increase in severance tax for the energy weatherization programs we are talking about. We didn't want to touch the school program at all but it was Senators like Senator Remmers and others who opposed an increase to that degree in the severance tax who kept us from being able to raise the revenues we felt were necessary. So in lieu of that we decided to compromise and just went with a period of time in which the revenues to the school fund would be diverted to the school weatherization fund and in 1986 you will see that money go back into the fund and go back doing the job that it was doing in the past and at a higher rate than it was in the past to benefit the schools. And so when there was concern about the schools' impact I think that is inaccurate because the schools are getting the money through the weatherization program and they are being encouraged and helped to do something about their energy problems and at the same time they will be getting that money as part of their foundation tax support in just a matter of years after we are able to do something about the energy problems that we have. Now keep in mind this is really basically a temporary energy policy energy program to try and redirect our state in a direction that it needs to follow in terms of independence of energy and development of new energy resources. The school weatherization program that we are talking about, again 1986 is the last that we will be talking using that money for school weatherization and geothermal under this bill. And, number two, these tax credits have a sunset. They have five years in which they will be in effect.

SENATOR NICHOL: One minute.

SENATOR WESELY: Five years....thank you. They will be decreased in terms of what will be allowed, from 30 percent the first year to 25 percent tax credit the second year, to 20 percent the third, to 15 the fourth, and then down to 10 percent the fifth and then no more, they're done, and we think the job will be done. What we think will happen is in that five years you will stimulate activity in solar industry. You will develop an industry that will have at least a minimum number of production units and then

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they will be able to naturally through the marketplace lower their cost and you won't have to have the subsidy question that we are talking about here, but we need to break the Catch 22 cycle we now have where the price is high because people are not buying and people won't buy because the price is high. You have got to be able to bring the price down through these credits to then start having people buy those units which will then naturally through the marketplace lower the cost and you won't need tax credits. We think it will work. We have seen it work in other states. We ask for your support. We ask you to oppose the kill motion from Senator Remmers.

SENATOR NICHOL: Senator Wagner isn't here today. You can thank Senator Lowell Johnson for the popcorn. Senator DeCamp, then Senator Clark.

SENATOR DeCAMP: Mr. President, just real briefly. I never claimed that the two amendments are not major. I think they are major. I think development of geothermal is a major, major, major thing for the state. Now that is involved. This is the second half of putting the geothermal thing together and I have acknowledged that. The original bill had primarily technical things. I repeat, 738 had the geothermal aspect and a number of other things. One of the other major things is the solar thing. The homebuilders, the architects and the solar industry are the ones supporting it. That is a major thing, no question about it. For whatever reasons the Governor and the homebuilders and the architects have all agreed he will sign it. That is all we are attempting of the other major energy bill, 738, the geothermal and the solar aspect. Now, I fully understand Senator Remmers' complete philosophical disagreement. Maybe he is right. Maybe he is wrong. I don't know, but I certainly appreciate he philosophically disagrees. Fine. If you believe...if you believe the homebuilders are right in wanting this, if you believe the architects are right, if you believe that we will maybe get some houses built and some solar developed, then I would encourage you to support it. I would hope you would vote against the kill motion. I might just suggest that of all the things we have done this session this is one of maybe the very, very few that is something other than just finding somebody to tax. This actually says, hey, here is something where we think we can develop some additional construction, develop some industry, get something going, develop our own native resources in the geothermal. That is what this bill says, attempts to do. Will it succeed? Well, I suppose God only knows. We try these things on the theory that it will accomplish something. It certainly has

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worked in other industries. On that basis, I would urge you not to kill the bill and to advance it. It may, as I say, be one of the few things you can say we actually did something other than just threw another tax on somebody.

SENATOR NICHOL: Senator Clark.

SENATOR CLARK: Mr. President and members, I certainly agree with Senator Remmers. You talk about the prices of gasoline going up. They are coming down. Why? There is a glut on the market of gasoline. They are shutting down refineries because they can't sell what they are producing. The schools are to get the severance tax originally because all the students and all the people could enjoy a depleting resource. That is exactly what the severance tax is for. It certainly was never to put in geothermal or anything else. Geothermal, if it is really good, certainly can be supported by those that are going to use it. If they can't do that, they shouldn't use it in the first place. I had a gas regulatory bill in 1972 and I missed by one vote of getting it passed. If you really wanted to control the industry, you should have bought that bill at that time. Who killed it? The only ones that killed that was the League of Municipalities, the ones that really need it now. They killed that bill. The Oil and Gas Commission was going to regulate that because they had the expertise to regulate it. But they killed the bill because they wanted the gas companies to go to every 155 city councils out in the western part of the state with the Kansas-Nebraska Gas Company and have to bargain for a rate. City councils know nothing of regulation on gas. They are just ordinary people like you and me. There is nothing there that they know anything about. They don't even know the terminology and I am not kicking them down. There is a lot of technical things that people don't know unless they study it. But because of that I tried to put that regulation in and we failed it by one vote, and I am sorry we did because it would have created a lot of animosity, it has created animosity so far with the gas companies and the people out there that are on the city councils. This bill should be killed. I was never in favor of the bill when it came out before. By a subterfuge they had they took the amendment out of committee and then when they got on the floor they did not take the committee amendments and put the bill back in its original form and put it through. I was not in favor of it then. I am not in favor of it now, and I don't know why they attack the severance tax all the time when that should go to the permanent school fund. Thank you.

SENATOR NICHOL: Senator Howard Peterson.

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SENATOR H. PETERSON: Mr. Chairman, I would call the question.

SENATOR NICHOL: Do I see five hands? Four...do I see five hands? I see five counting one reporter. There I see five. The question is, shall debate cease? All those in favor signify by voting aye, opposed nay.

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Record, Mr. Clerk.

CLERK: 25 ayes, 0 nays to cease debate, Mr. President.

SENATOR NICHOL: Debate has ceased. Senator Remmers, do you wish to close?

SENATOR REMMERS: Mr. Speaker and members of the Legislature, just a few points. It does cost. You are suggesting taking \$500,000 of the severance money in this program. As far as statistics you can prove most anything by statistics. But I say again solar energy has proven itself. The citizens are not that stupid. Those that have occasion to use this type of energy in their building programs or in their homes they are going to do it. This tax credit isn't going to make a difference. And just finally I guess I just don't think the government needs to be a nursemaid for us all the way through. I think we can run our own lives. I think we can make our own decisions and I thought this country more or less had come to that conclusion that most everything that is done by the government is not...has not been very successful. You can't point to very many things that the government has done in a successful manner and I think this is definitely going to be one of them. I urge you to vote against this... vote in support of the kill motion.

SENATOR NICHOL: The question is the kill motion on LB 799. All those in favor vote aye, opposed nay.

CLERK: Senator Nichol voting no.

SENATOR NICHOL: Have you all voted? Please vote, if you would like. Senator Remmers. Record the vote, Mr. Clerk.

CLERK: 15 ayes, 17 nays, Mr. President, on the motion to indefinitely postpone the bill.

SENATOR NICHOL: The motion lost.

CLERK: Mr. President, the next motion I have is offered by

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Senators Newell and Vickers. It is on page 1754.

SENATOR NICHOL: Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I have had some concerns about various incentives that have been provided to encourage this industry or that industry or whatever industry and I have listened to the arguments that Senator Decamp and Senator Wesely have made in regards to what a great thing it would be if we had these solar credits. Frankly, what we have now on the book is supposed to be a great incentive when they first came across the board and those incentives were, first, the property tax. You remember we had a bill in this Legislature which granted exemption from property tax for solar improvements. I argued at that time that I doubted very much that those property tax exemptions would be any great incentive. And you know what, the industry comes in and they say they have not been any great incentive. So I say, let's take them away. Sponsors of the bill say, well, okay, they are no great incentive, we have to have these credits. And I say, that may be the case but let's take away the property tax exemption. We also provided a sales tax exemption. You remember, I don't know if you remember but we said on the floor of the Legislature that with this sales tax exemption we are going to create a tremendous incentive to use alternative energy sources. Well, we passed that legislation and it wasn't all that much of an incentive. The introducers of the bill came in and they say, you know, we need another incentive, credits will work, not these other things. Well, I have had doubts about all the various gimmicks that will work. But I did talk to Senator De Camp. I did talk to Senator Wesely and I said, you know, I can appreciate your arguments that a phasing out of credits will give the industry a chance to move. I can appreciate those points. But, you know, we don't need the credits if we keep the other incentives that we provided on the books and they basically agreed with me that we could take those other incentives off the books because they weren't incentives. Now, frankly, I can support this bill, 799, if these exemptions come out because exemptions are never reviewed, they are never analyzed, they are never looked at, they are never thought about after they granted. They are just there. And the public doesn't know about them unless somebody tells them. So I think exemptions are the wrong, absolutely the wrong way to go, and if we are going to provide incentives we need to take these exemptions out, the sales tax exemption, the property tax exemption and go with the credits only. I would hope that Senator DeCamp and Senator Wesely would see the merits of that and support this proposal.

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SENATOR NICHOL: Senator Warner is up next, however Senator Warner may I please introduce a couple of people who are guests of Senator Goll under the north balcony, Mr. and Mrs. William Larsen. Would you please stand so we can see where you are? Thank you for visiting your Legislature. Senator Warner doesn't wish to speak. Senator DeCamp, you are next, and Senator Wesely.

SENATOR DeCAMP: Mr. President, just to say very briefly the inspirational talk of Senator Newell and my vote count indicated that I should accept this amendment as a reasonable amendment even though it takes something out of the bill. It still leaves the main thing, the homebuilders and the architects want it which is the solar credits and so I have no objections to the amendment.

SENATOR NICHOL: Senator Wesely, did you wish to speak?

SENATOR WESELY: Mr. President and members of the Legislature, we feel that the credits would be much more effective in dealing with the energy problem. Research that we have spent a lot of time on indicates that. The exemptions and the tax rebate were peripheral basically in terms of the real impact. We think the credits are better and we do accept the amendment that Senator Newell is proposing.

SENATOR NICHOL: Senator Newell, did you wish to close?

SENATOR NEWELL: I shouldn't really have to if everybody agrees to it. Thank you.

SENATOR NICHOL: The question is the adoption of the Newell amendment. All those in favor please vote aye, opposed nay.

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Record, Mr. Clerk.

CLERK: 31 ayes, 0 nays, Mr. President, on adoption of the Newell-Vickers amendment.

SENATOR NICHOL: The amendment is adopted.

CLERK: Mr. President, the next item I have is the unanimous consent request from Senator Newell to add his name as co-introducer of the bill.

SENATOR NICHOL: Are there any objections? So ordered.

CLERK: Mr. President, Senator Koch would now move to amend the bill.

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SENATOR NICHOL: Senator Koch.

SENATOR KOCH: Mr. O'Donnell, would you please read the amendment? I have got so much paper on my desk I couldn't find it now.

CLERK: (Read the Koch amendment as found on page 1778 of the Legislative Journal.)

SENATOR KOCH: Okay, what this gets to is the discussion I had earlier when I was questioning Senator DeCamp and Senator Wesely in their opening remarks, and a year ago I remember very distinctly when we were allocating the \$500,000 that we distinctly said that \$100,000 of this would go to the University of Nebraska. And I remind you that in our role and mission we designate the University of Nebraska as our major research arm and I have yet to have anybody tell me how much research the Gasohol Committee has developed except that their primary purpose as I understand it is to promote gasohol in the State of Nebraska. We are talking about research in the area of energy, I doubt that that qualifies to a very high degree. So the only way I am going to maintain my position of support on this piece of legislation is put the money back where we gave it or allocated it a year ago because if the University of Nebraska doesn't do research I wonder who does outside of maybe the Cancer Research at Eppley and a few other places. So my motion is to return the \$100,000 to the University of Nebraska. Now if they need the Gasohol Committee for advice and consultation on how to carry out primary research, then so be it. But I doubt that they have very great capabilities in primary research. So, therefore, I ask for the adoption of this amendment.

SENATOR NICHOL: Senator DeCamp.

SENATOR DeCAMP: Mr. President, Senator Schmit was the one that was particularly interested in this and I see that Senator Koch by his amendment is attempting to accomplish the same thing but I wonder why he is concerned about Senator Schmit's method of doing it. Since Senator Schmit has now arrived on the scene, I will let him speak and take the balance of my time and any time he wants on this very important thing.

SENATOR NICHOL: Senator Schmit.

SENATOR SCHMIT: Thank you, Senator DeCamp. I appreciate Senator Koch's interest in gasohol and alcohol fuels. I appreciate the work that has been done by the University

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of Nebraska. I also do not appreciate the...I guess the antagonism that has come from some of the people at the University of Nebraska relative to alcohol fuels. I think it is very plain to all of us, Senator Koch, and especially to yourself who comes from the educational fraternity that bias is just as present in the educational institutions as it is in agriculture or in this body or any other area that you can think of. The reason for channeling the funds through the Gasohol Committee is because that is the group which is charged with the responsibility by this Legislature, I might add, since 1971 with organizing, monitoring, conducting and assisting the research on alcohol fuels and the promotion thereof. Now there are all kinds of people who are fair-weather friends and about a year or two ago there were so darn many politicians jumping on the alcohol fuels bandwagon, I might just mention that I couldn't hardly... I was hardly even mentioned as one of the original introducers of the legislation...everyone from presidents on down to county officials and city councilmen. Well, as you know you have a little glut now due to a number of reasons. One of the reasons, Senator Koch, is the country is so darn hard up no one can afford to get in his flivver and drive anywhere. Farmers are trying to do everything they can to cut down the utilization of energy as a result of the temporary, and I say temporary glut of motor fuels. I think that if you are going to be sincere about developing alternate energy, and we have already set up a program designed to do that, the Gasohol Committee. It has been in place since 1971. I might add three or four years before they ever discovered there was an oil shortage this body took that into account and said because of the impending shortage of fossil fuels we ought to have an alcohol fuel research center. I might add, Senator Koch, that there was one hell of a lot of people at the University at that time that said there will never be a shortage, there will never be a shortage of fossil fuels. Well, all the fossils aren't under ground. I just want to say that as far as I am concerned...as far as I am concerned I have complete confidence in the University and I have expressed it many times by my votes on this body but I also am going to fight with everything I have to retain the oversight authority of the Gasohol Committee as to what is good research and what is not. I can tell you very frankly, Senator Koch, there are people in the University of Nebraska who can write in advance adverse comments about a research program designed to prove that alcohol fuels will work. I have in my hand a report by the Omaha Chamber of Commerce commissioned through the University of Nebraska at Omaha that points out the \$3.4 billion dollar impact of agriculture upon Omaha, how many jobs in Omaha are directly impacted by agriculture. But it is amazing to me then that at every step of

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the turn, and I really can't quite understand your doing it because you have generally always supported agriculture, that we find those persons who want to do those things which are detrimental to the agricultural industry. As I said before, the Nebraska Gasohol Committee was the first in the nation and there are those who are now saying we don't need alcohol fuels, we are going to do something else, we have got too much petroleum. I would just like to suggest that if you take a look at the states around us you will find that the energy producing states are becoming richer and richer. The food producing states are becoming poorer and poorer, Senator Koch. One reason is because we have not developed those additional markets that we ought to develop for those agricultural products that we produce here. Now you can make up your mind if you want to do those things that enhance and enrich the petroleum industry and the petroleum producing states, or if you want to continue to invest a small amount of funds in the area of research that might possibly find a new source, a new use for an agricultural product. If we do succeed in that area, every single person in this state and in this nation is going to benefit. In fact, every person in the world will benefit. It has been my firm conviction for many years that very likely that when research is adequately completed that the alcohol could be the byproduct and the protein food could be the prime subject of that process. I think we ought to remember that. I think that when we are critical of what the Gasohol Committee has done, I want to reinforce your memory once more that with the exception of the original \$40,000 appropriation of the Legislature back in 1971 all of the funds that have ever gone into that committee have been the funds that have been contributed by farmers themselves who have voluntarily surrendered a portion of their gas...off highway gas tax refund for that research. It seems to me that it makes sense that we further enhance that research and that we find new uses for our primary and principal production, starch, which is produced in the form of foreign wheat, milo and etcetera. I would hope, Senator Koch, that you would not vigorously promote your amendment. I think it is not going to...the manner in which the amendment reads now is not going to in any way damage the research at the University of Nebraska. It may very well enhance it. And if your amendment were adopted, it could have a bad effect upon the program. Mr. President and members of the Legislature, I oppose the Koch amendment.

SENATOR NICHOL: Senator Rumery.

SENATOR RUMERY: Mr. President and members of the Legislature, I would like to second what Senator Schmit just said. One thing I would like to have all of us remember in here is

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the small amount of money that goes into research work is real small compared to the results that have been obtained, and the more support we give research work I am sure the better off we are going to be. And Senator Schmit enumerated a number of things that have already shown up on the plus side and I think we ought to keep that in mind and whenever we get a chance to support research I think we ought to do it.

SENATOR NICHOL: Senator Koch, did you wish to close, please.

SENATOR KOCH: Mr. Chairman, I knew that Senator Schmit would be somewhat sensitive about this but he never did talk about research. Now I am going to read to you from the dictionary what research is about. It is not to promote, but the dictionary says and this is a dictionary I requested to buy the first year I came here because when I came here they had elementary dictionaries on the desks. It says: "A search or investigation directed to discover some fact by careful consideration of study of a subject. A course of critical or scientific inquiry." Now what Senator Schmit just gave to me they also define as "knee jerk" research, and the quote here is "Knee jerk. Requiring special means to elicit it". Now I voted for the gasohol every time, and by the way driving down here just this last week, Governor Ray over in Iowa took away all dollars for the promotion of gasohol. He said it's high time free enterprise gets in and carries the burden. Now if Senator Schmit can prove to me that the Gasohol Committee has a research arm, I might condescend to that. But they do not have a research arm. Their role was to promote gasohol. That is what their role is, and if they need money to promote it, they ought to go to the Economic Development Department of the State of Nebraska to help them. We have had how many pictures in the newspapers. Some guy came in here from around Crofton and he was going to buy a million acres. He was going to take all the corn in that part of the country and put it into gasohol, but we knew that was a farce because it is not there. Even the county commissioners rezoned something for him to do it, feedlots, etcetera, etcetera. We are talking about as I read this bill and if I am mistaken, Senator Schmit, I apologize, but we are talking about research, geothermal and energy, and we are talking about tax credits for builders and others who are getting into the solar energy bit. So that is why I oppose, and by role and mission, and I say to you the University in this state is significantly the only arm of research there is. Now if the Gasohol Committee can help them in some condition, then the University can contract with the Gasohol Committee for the purpose of whatever help they may provide. I ask for the adoption of the amendment.

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SENATOR NICHOL: The question is the adoption of the Koch amendment. All those in favor signify by voting aye, opposed nay.

CLERK: Senator Nichol voting no.

SENATOR NICHOL: Please vote. Senator Koch.

SENATOR KOCH: Mr. Chairman, I request a Call of the House and a roll call vote.

SENATOR NICHOL: Call of the House has been requested. All those in favor signify by voting aye, opposed nay. Record, Mr. Clerk.

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

SENATOR NICHOL: We are under Call. Please register your presence. Unauthorized personnel please leave the floor. Sergeant at Arms, would you please locate those who are not here? Please register your presence.

SENATOR NICHOL: Senator Lamb, did you want to tell us what we are going to do this evening?

SENATOR LAMB: Well, I thought that since we wanted to work last night we will work tonight. Recess from 6:00 to 7:00 and then work, as how late, into the vicinity of 9:00.

SENATOR NICHOL: Okay, thank you. Senator Marsh.

SENATOR MARSH: A point of inquiry to Senator Lamb. Are we going to continue down the page as it is or are we going to finally get to General File with some of the priority bills that won't have a chance if they don't get some action today.

SENATOR LAMB: Senator Marsh, we have to continue on down Select File and then as soon as we finish Select File we will hopefully pick up some of those other bills.

SENATOR NICHOL: Those of you who are here please poke your green button. Senator Beutler, for what reason do you rise?

SENATOR BEUTLER: To make further inquiry to Senator Lamb as to the process tonight, if I may.

SENATOR NICHOL: Senator Lamb.

SENATOR BEUTLER: Senator Lamb, will be using the pass over process that we used last night or will we. . . .

SENATOR LAMB: Yes.

SENATOR BEUTLER: . . .as they come up?

SENATOR LAMB: Yes, we will, hopefully we will take them all but, I think we had better use that pass over so the bills do retain their position in case there. . . .

SENATOR BEUTLER: Okay, so the introducer can chose to pass over or not to pass over?

SENATOR LAMB: Yes.

SENATOR BEUTLER: Thank you.

SENATOR NICHOL: Okay, we are all here. RollSenator Wiitala.

SENATOR WIITALA: Yes, I would like to rise for a point of personal privilege to ask Senator Lamb one more question if I may.

SENATOR NICHOL: Senator Lamb.

SENATOR LAMB: Yes.

SENATOR WIITALA: Senator Lamb, could you tell me if we are going to follow through with all of Select File for those bills that failed on Select File, are we going to return to them before we go on to Senators' priority bills on General File?

SENATOR LAMB: No.

SENATOR WIITALA: Thank you.

SENATOR NICHOL: Okay, go ahead with the roll call vote, Mr. Clerk.

CLERK: (Commenced roll call vote as found on pages 1778 and 1779 of the Legislative Journal.)

SENATOR NICHOL: Senator Koch.

SENATOR KOCH: We had recess too long. We want to know what they are voting on. I see notes floating around here.

SENATOR NICHOL: If you will all take your seats, please, we will ask the Clerk to mention what we are voting about. So please take your seats. Thank you. Mr. Clerk.

CLERK: Mr. President, Senator Koch's amendment would read as follows: (Read the Koch amendment as found on page 1778 of the Legislative Journal.) (Read the roll call vote as found on pages 1778 and 1779 of the Legislative Journal.) 20 ayes, 21 nays, Mr. President.

SENATOR NICHOL: The motion failed. The Call is raised. Anything else on the bill, Mr. Clerk?

CLERK: Nothing further on the bill, Mr. President.

SENATOR NICHOL: Senator DeCamp, did you wish to close?

SENATOR DeCAMP: Yes. Mr. President, all the bill has now...

SENATOR NICHOL: Just a minute. Excuse me. You may talk but it is not your closing because other lights came on immediately.

SENATOR DeCAMP: I will wait until the closing.

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SENATOR NICHOL: Senator Koch.

SENATOR KOCH: Question of Senator Schmit.

SENATOR NICHOL: Senator Schmit, would you respond, please.

SENATOR SCHMIT: I certainly will.

SENATOR KOCH: Senator Schmit, what research capacities does the Gasohol Committee have?

SENATOR SCHMIT: Senator Koch, the...(interruption).

SENATOR KOCH: How many staff members do they have doing research?

SENATOR SCHMIT: The Gasohol Committee has no one doing research. They contract with the University as they have done for more than ten years.

SENATOR KOCH: They have a contract with the University?

SENATOR SCHMIT: That's right.

SENATOR KOCH: So the University does their....they do their research for them?

SENATOR SCHMIT: That is exactly right. The University...

SENATOR KOCH: Then what....

SENATOR SCHMIT:contracts with the Gasohol Committee.

SENATOR KOCH: And you say....

SENATOR SCHMIT: As do many other institutions.

SENATOR KOCH: You stated a moment ago the University has given some negative rhetoric in writing in terms of what the Gasohol Committee has been doing.

SENATOR SCHMIT: The University, there are individuals at the University, Senator Koch, who have been negative toward the alcohol fuels program.

SENATOR KOCH: Is this the reason that you are desirous of keeping the Gasohol Committee involved in this business? Or can't they raise money anymore?

SENATOR SCHMIT: The Gasohol Committee is funded, as I told

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you earlier, we have a bill floating around here somewhere which we probably will never get to that will increase the farmer contributions to the Gasohol Committee, but this money here will transfer through the Gasohol Committee to the University of Nebraska.

SENATOR KOCH: So the University of Nebraska then becomes a subcontractor at the wishes of the Gasohol Committee.

SENATOR SCHMIT: The Gasohol Committee has contracted with the University in the past and they will do so again in the future.

SENATOR KOCH: Then the final question, Senator Schmit, why wouldn't it be appropriate to put the money in the University of Nebraska in the first place and let them determine who the subcontractor is going to be in terms of research?

SENATOR SCHMIT: I suppose you might think that since the Legislature established the Gasohol Committee for the purpose of developing, promoting utilization of alcohol fuels, the development includes the research, Senator, but we did not provide them the facilities to do the research so they contract with other groups. The University is one with which they have contracted. Bill Scheller who was a former Chairman of the Chemical Engineering Department has been their technical advisor since the group was originated. They have an excellent relationship with a number of those many people at the University as do I, but I think that there is some justification and obviously other people will agree with me for some sort of central point for alcohol fuels research. And that is what the committee was established for, that is what they have been doing and there ought to be a single clearing house and a single contractual agency, otherwise you will wind up with what the federal government have, a bunch of beltline bandits that have sucked billions of dollars out of the federal government over the past four or five years and they got absolutely nothing for it.

SENATOR KOCH: Thank you, Senator Schmit, I appreciate your comments.

SENATOR SCHMIT: Thank you.

SENATOR KOCH: But I also realize that we all have certain pets around here we perpetuate and I am going to come back with an amendment again to see if we can't get it appropriately

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LB 799, 799A

where it belongs at the Nebraska University where they do have the research capabilities. I can't believe during that recess we lost that many votes, but obviously there are some people here who have got other bills pending today and are real worried about the conditions of those bills, so I will stick around and wait awhile.

SENATOR NICHOL: Senator Newell, did you wish to speak to this?

SENATOR NEWELL: Are there many more lights? I am it? Then I don't want to speak.

SENATOR NICHOL: Senator DeCamp, do you wish to close?

SENATOR DeCAMP: Mr. President, for all practical purposes other than technical things the bill now has strictly the homebuilders' solar thing we talked about and the geothermal. I would urge you advance it.

SENATOR NICHOL: The question is, shall the bill advance? All those in favor say aye. Opposed nay. The bill is advanced. 799A.

CLERK: Mr. President, on the A bill I have no E & R amendments. I do have an amendment from Senator Koch to the A bill, Mr. President.

SENATOR NICHOL: Senator Koch, do you have an amendment on 799A?

SENATOR KOCH: Same amendment, Senator Nichol, and I know you have got a deep interest in this bill as well, but I can come back with some other amendments.

SENATOR NICHOL: Pardon me.

SENATOR KOCH: Particularly I said, I know you have a deep interest in this bill but I think we might as well get the amendments over with right away and see whether or not 799 can survive the test. But the amendment I am offering is the same one in the A bill which transfers the money from the Gasohol Committee to the University of Nebraska at Lincoln for the purpose of research in energy. And there are all kinds of researches that can be carried out in terms of energy and how we supplement fossil fuels. I am very strong for any kind of research that provides us with a system that can supplement the fossil fuels. And I agree with Senator Schmit on one thing that not all fossils are underground because I have observed them many

April 13, 1982

LB 602, 602A, 520, 759,
799, 799A, 868, 605,
755, 756, 807, 970, 970A

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by Senator Kremer.

SENATOR KREMER: Prayer offered.

PRESIDENT: Thank you, Senator Kremer. Roll call. While we're waiting for everyone to check in showing their presence, the Chair would like to announce that Senator Lamb has announced that on agenda item #6 there will be a fifteen minute limit on the motions today, fifteen minute limit on agenda #6. And Senator Lamb also wished me to announce that his plan calls for a recess from six to seven o'clock. Senator Sieck, would you do us the honor of allowing us to get started. If you would just push that little button why we can get started. Record the presence, Mr. Clerk.

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

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

CLERK: (Read Journal corrections as found on page 1844 of the Legislative Journal.)

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

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined and engrossed LB 868 and find the same correctly engrossed; 799, 799A correctly engrossed; 602, 602A correctly engrossed; and LB 520 and 759 all correctly engrossed. Those are signed by Senator Kilgarin as Chair.

Mr. President, I have a couple of letters from the Governor addressed to the Clerk. (Read messages from the Governor Re: LB 605, 755, 756, 807, 970 and 970A. See page 1847 of the Legislative Journal.)

Mr. President, I have a unanimous consent request from Senator Vickers to add his name to LR 275 as cointroducer.

PRESIDENT: Any objection? If not, so ordered.

CLERK: I have nothing further on the desk at this time, Mr. President.

PRESIDENT: The Sergeant at Arms would then clear the Chamber for Final Reading and see that all members are at their desks,

SENATOR HEFNER: Thank you.

SENATOR CLARK: If we can get a little more order in here we will continue if you'd like. It doesn't make a bit of difference to me. I'm happy, content, never had more fun in my life. We will now take up 799 for the third time.

CLERK: Mr. President, the motion I have on 799 is a motion to return the bill for a specific amendment. That is offered by Senator Koch.

SENATOR CLARK: Senator Koch.

SENATOR KOCH: Thank you, Mr. Chairman, members of the body, what this amendment proposes to do is it takes \$100,000 from the Revenue Department and places it at the University of Nebraska, Lincoln, for research in energy. You remember a few days ago we talked about \$100,000 in the Gasohol Committee and I'm committed to the fact that that committee will use it for whatever purposes but if we are going to say that the University of Nebraska, Lincoln, is the major research arm of the State of Nebraska, then I think it is time we acknowledge that with \$100,000 to that department for the purpose of energy research. Now they can tell me the Revenue Department needs \$100,000 to implement this bill if they want to but I submit to you if that is what it takes, the bill will not see action for ninety days. Then we've got too many inefficient agencies in the State of Nebraska because they can piggyback on the federal dollars and do it, and I think with somewhere around \$75,000. Now there are all kinds of rumors floating around out here about vetoes and all that and in Mr. Bare's credit, he said that that is rumor. He has not heard that and I submit to you that we should adopt this amendment but obviously there are not too many people interested in this but I am for the record going to say, before we adjourn on Friday I want to see the Revenue Department's, the fiscal figures on what it is going to cost them to administer LB 799 and any dollars it is not using in administering LB 799. I want an audit on it by the time we meet here next January and all that money is going to be returned to its appropriate place which will be...Mr. Chairman,

SENATOR CLARK: (Gavel.) Could we have quiet please. Senator Koch cannot hear himself mumble.

SENATOR KOCH: Mr. Chairman, I wasn't mumbling, I was speaking rather eloquently.

SENATOR CLARK: I didn't think so.

SENATOR KOCH: But for the record, and I'm going to state one

more time, if it takes the Revenue Department \$200,000 to administer this bill after its official inception which will be ninety days from next Friday, then that agency is absolutely incompetent. And so I will withdraw my amendment on one condition, that as of January 1 they will report to Senator Warner's Appropriations Committee on how much money they have actually used to implement 799 and any dollars they do not use will be placed in the University budget for research in energy and we'll take away any other dollars we will appropriate to them next year. I'll withdraw the amendment with those conditions.

SENATOR CLARK: The amendment is withdrawn. 799A. You had no more motions on 799? All right, 799A.

CLERK: Senator Koch.

SENATOR CLARK: That is withdrawn. 757 by David Newell. Yes, Senator Nichol. Senator Nichol, for what purpose do you arise?

SENATOR NICHOL: Mr. Chairman, Senator Koch wanted some demands met and that is on the record and I was wondering how those demands can be met.

SENATOR CLARK: I'm sure they can't be met.

SENATOR NICHOL: Okay, just so somebody agreed to them but I didn't understand since the motion was withdrawn how those things could be handled. Okay, thank you.

SENATOR CLARK: He just withdrew the motion as far as I know. 757.

CLERK: Mr. President, the motion I have is to return 757 to Select File for specific amendment. It is offered by Senators Vard Johnson, Landis, Labeledz, Beutler, DeCamp, Wesely, Kilgarin, Wiitala, Newell and Fowler.

SENATOR CLARK: Senator DeCamp.

SENATOR DeCAMP: Mr. President, I've had a heavy conversation with some of the people that are involved in this amendment which repeals the food-sales tax and we have decided to withdraw it in the interest of saving time. I might just also add that all these problems that you are experiencing tonight are the result of punishing the Christians earlier probably.

SENATOR CLARK: All right, they are withdrawn. Senator Newell.

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LB 212, 212A, 255, 255A, 522,
759, 787E, 799, 816A

SENATOR LAMB: Have you all voted? Record.

CLERK: (Read the record vote as found on page 1991 of the Legislative Journal.) 40 ayes, 7 nays, 2 excused and not voting, Mr. President.

SENATOR LAMB: LB 759 passes on Final Reading. The next bill is LB 787E.

ASSISTANT CLERK: (Read LB 787E on Final Reading.)

SENATOR LAMB: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass with the emergency clause attached? All those in support vote yes, all those opposed vote no. It requires 33 votes.

CLERK: Senator Lamb voting yes.

SENATOR LAMB: Have you all voted? Record.

CLERK: (Read the record vote as found on page 1992 of the Legislative Journal.) 46 ayes, 0 nays, 2 excused and not voting, 1 present and not voting, Mr. President.

SENATOR LAMB: LB 787 passes with the emergency clause attached. LB 799.

CLERK: Mr. President, if I may right before that read some items in. I have a lobby report for the week of April 8 through April 15. (See page 1993 of the Journal.) Your Enrolling Clerk has presented to the Governor the initial bills that were read on Final Reading this morning. (See page 1993 regarding LBs 522, 212, 212A, 255 and 255A in the Journal.)

Mr. President, I have two Attorney General's Opinions, one to Senator Warner and one to Senator DeCamp. (See pages 1993-97 of the Legislative Journal.)

Mr. President, I have a reference report referring a gubernatorial appointment.

SENATOR LAMB: Please read the bill.

CLERK: Mr. President, I have a motion on the bill. Senator Remmers would move to return LB 799 to Select File for a specific amendment, that amendment being to strike the enacting clause.

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LB 799

SENATOR LAMB: Senator Remmers.

SENATOR REMMERS: Mr. President and members of the Legislature, I'm beginning to sound like a broken record I suppose on this bill, but I still feel very strongly about it. There are one or two minor parts of the bill that I wish could be saved but I think the rest of it should be killed. I can appreciate the amount that is set aside for geothermal and also for gasohol but beyond that I really feel that there isn't anything there that I could support or that the rest of you should support. This is a combination of 738 and 799. As you know this indicates that it's not going to cost much money but I believe the bill states that \$200,000 is to be transferred from the energy fund to cover administrative cost and I have got some figures here, a handout that indicates that maybe the tax credits would only amount to about \$240,000 the first year. That would be a rather expensive administration but seeing how most government programs are run it doesn't surprise me. I think we find that most government programs cost us more money than we get out of it. I said before that the savings in this bill will not be realized by the poor or the unemployed. I can't see the need for it to stimulate solar energy development. There is already a federal tax credit of \$4000, 40 percent of the cost of a solar or of a secondary energy type structure. So on top of that we want to put another 30 percent credit. I think we forget that a lot of people have already made these energy saving devices, have put them in their homes, have spent their money for it. As I say, the poor are not going to take advantage of it, so we want to give somebody another 30 percent tax credit on top of the 40 that they already have. It seems to me that if the 40 percent won't generate the business....

SENATOR LAMB: One second, Senator Remmers.

SENATOR REMMERS: Yes.

SENATOR LAMB: (Gavel). Could we have it quiet in here? It is very noisy, very hard to hear Senator Remmers. Please continue.

SENATOR REMMERS: If the 40 percent federal tax credit hasn't generated the business, I can't see that another 30 percent is going to do the job. Again as I say, there are many people that have done this on their own expense. This is also tied to 738, the school weatherization program. No, it doesn't cost extra tax money but it does take money from the severance tax funds which originally had

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LB 799

been intended for schools and where I think they should have staid. I think this money should have staid in the permanent school fund where it was before last year. At least I think it should be transferred to the...if nothing else to the school aid so that all schools can benefit by it. Now we are taking some of these funds to finance this program here. The handout that came out just a few moments ago indicated maybe a tax credit of a quarter of a million but I think that the program was written with the intent that it would save approximately a million dollars a year in tax exemptions. That is tax loss to the government and somebody else has to pay the taxes. I think we are getting carried away with tax exemptions. Somebody has to pay the taxes. So if you exempt me if I put in solar energy, somebody else is going to have to pick up the bill. I think the loss to the treasury is going to be considerable, and if we look at the bill that was introduced, the estimates that were put along with it, a million dollars a year if the program is as good as they say it is, that would be a million dollars a year loss to general....to the general fund revenue. I think it is a type of thing that most of us have been agreeing the last couple years that we have had enough of government trying to tell us what to do, people are not that stupid. I think they can make these decisions on their own and they will pay for them and as I repeated and as I repeat again it does not help the poor because they are not going to be doing these things. And I feel this bill should be defeated. I wish to withdraw my amendment and hope that we will vote against the bill.

SENATOR LAMB: The motion is withdrawn. At this time I would like to introduce Senator Bob Murphy, former Senator Murphy, from South Sioux City who is under the north balcony. Senator Murphy. Please read the bill.

ASSISTANT CLERK: (Read LB 799 on Final Reading.)

SENATOR LAMB: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? All those in support vote yes, those opposed vote no.

ASSISTANT CLERK: Senator Lamb voting no.

SENATOR LAMB: Have you all voted? Record.

ASSISTANT CLERK: (Read the record vote as found on page 1998 of the Legislative Journal.) The vote is 33 ayes, 14 nays, 2 excused and not voting, Mr. President.

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LB 799, 799A

SENATOR LAMB: LB 799 passes on Final Reading. LB 799A.

CLERK: (Read LB 799A on Final Reading.)

SENATOR LAMB: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass with the emergency clause attached? Those in support vote yes, those opposed vote no. 33 votes are required.

CLERK: Senator Lamb voting no.

SENATOR LAMB: Have you all voted? Have you all voted? Record. Senator DeCamp.

SENATOR DeCAMP: Mr. President, could I have a roll call?

SENATOR LAMB: Roll call vote has been requested. Please call the roll, Mr. Clerk.

CLERK: (Read the roll call vote as found on pages 1998 and 1999 of the Legislative Journal.) 30 ayes, 17 nays, Mr. President.

SENATOR LAMB: The bill fails on Final Reading with the emergency clause attached. We will now vote on the bill without the emergency clause. All those in support vote yes, those opposed vote no.

CLERK: Senator Lamb voting no.

SENATOR LAMB: Have you all voted? Record.

CLERK: (Read the record vote as found on page 1999 of the Legislative Journal.) 30 ayes, 16 nays, 2 excused and not voting, 1 present and not voting, Mr. President.

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LB 404, 404A, 488, 574,
816, 602, 602A, 759, 787,
799, 816A

SENATOR LAMB: LB 799A passes on Final Reading without the emergency clause. LB 816.

CLERK: Mr. President, the bills that have been read on Final Reading thus far are now ready for your signature.

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: While the Legislature is in session and capable of transacting business I propose to sign and I do sign LBs...engrossed LBs 404, 404A, 488, 574, 602, 602A, 759, 787 799. So let's proceed then, Mr. Clerk, with LB 816.

CLERK: (Read LB 816 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 816 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: (Read the record vote as found on page 2000 and 2001 of the Legislative Journal.) 29 ayes, 17 nays, 2 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: The bill fails to receive the number of votes constitutionally required to pass the bill with the emergency clause, so the question now is, shall LB 816 pass without the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Senator Carsten, do you want me to record the vote? Record the vote.

CLERK: (Read the record vote as found on page 2001 of the Legislative Journal.) 29 ayes, 17 nays, 2 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 816 passes without the emergency clause attached. We are now ready, Mr. Clerk, for LB 816A, if you will read.

CLERK: (Read LB 816A on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 816A pass with the emergency clause attached? All those in favor vote aye, opposed nay. Record the vote.

ASSISTANT CLERK: (Read the record vote as found on page 2002 of the Legislative Journal.) The vote is 30 ayes, 16 nays, 2 excused and not voting, 1 present and not voting, Mr. President.

April 16, 1982

404, 404A, 488, 547, 602,
602A, 868, 761, 787, 799,
816, 816A, 799A, 412, 933

PRESIDENT: Go ahead Mr. Clerk.

CLERK: Mr. President, I would like to read a couple of items in if I may.

PRESIDENT: All right, go ahead and read some matters in.

CLERK: Senator Hefner offers explanation of vote.
(Regarding LB 868, see page 2017 of the Legislative Journal).

I have two notices of bills having been presented to the Governor. (Regarding LB 761 and 787. See page 2017 of the Legislative Journal).

Mr. President, Senator Fowler would move that the Legislature would override the line-item reduction that reduces the appropriation from the Highway Cash Fund to the Department of Roads Operation Cash Fund.

PRESIDENT: Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President, if I could have some attention I'll briefly explain with the issue is in the veto here.

PRESIDENT: (GAVEL)...either they are all out or they are all paying attention so go ahead.

SENATOR FOWLER: Among the vetoes was three and a half million dollars in highway funds. Now, if there is anything I think that has been a priority in the Legislature, it has been and something that many people from outstate Nebraska said is a growing need is money for roads. Now the level of appropriation that we established is based on the Department of Roads request for what they felt was necessary and I think they cut that back from what they really feel is needed to build a good highway system in Nebraska. Now the Governor for reasons that I can not quite understand vetoed three and a half million dollars in highway funds. The only rationale that I can determine is that it is to maintain the gas tax at the current level. Now three and a half million dollars is a 3.2% cut in the state funds for the road construction program. The reason it was does is that revenues in the highway fund as revenues in all other funds in the state are low. What I do not understand is when we have raised every other conceivable tax and fee to make up for a lack of revenue suddenly when we get to the roads program and the gas tax and the variable gas tax that