

January 13, 1982

SENATOR SCHMIT: Because we know if you include the incorporated area the rural people will be outvoted ten to one most times and we don't like that and so as a result we exclude them. Ladies and gentlemen, it won't work and as Senator DeCamp has said, we will be coming back here next year and try to bail ourselves out quietly, peacefully and piecemeal. Rather than to get ourselves out of a trap, let's stay out of the trap.

SPEAKER MARVEL: I think we need to recess now. Let me indicate the order after the recess. Senator Koch, Senator Lamb, Senator Beutler and Senator Haberman. Do you have something to read in?

CLERK: Mr. President, new bills. (Read by title for the first time, LBs 814-819 as found on pages 266-267 of the Legislative Journal.)

Mr. President, a new resolution, LR 206 by Senator Chambers. (Read as found on pages 267-268 of the Legislative Journal.) That will be laid over, Mr. President.

Mr. President, Senator Richard Peterson would like to print amendments to LB 267. (See page 268 of the Journal.)

And, finally, LR 203, 200 and 197 are ready for your signature.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign LR 203, 200 and 197. Senator Vickers, do you want to recess us until one-thirty, please?

SENATOR VICKERS: Mr. President, I move that we recess until one-thirty this afternoon.

SPEAKER MARVEL: All in favor of that motion say aye, opposed no. The motion is carried. We are recessed until one-thirty.

Edited by L. M. Benischek
L. M. Benischek

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PRESIDENT: The motion carried. The DeCamp amendment is adopted. Any further amendments, Mr. Clerk?

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

PRESIDENT: Senator DeCamp. Alright the motion is to advance the bill. Any further discussion? All those in favor of advancing LB 274 signify by saying aye, opposed nay. LB 274 is advanced to E & R for engrossment. The next bill is 274A, Mr. Clerk. The Clerk will read some matters into the record and then we will take up 274A.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports that they have carefully examined and reviewed LB 692 and recommend that same be placed on Select File with amendments; 628 Select File with amendments; 630 Select File with amendments; 728 Select File with amendments, all signed by Senator Kilgarin. (See pages 564-565 of the Legislative Journal.)

Mr. President, your committee on Education whose chairman is Senator Koch to whom is referred LB 650 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File with amendments; LB 652 General File with amendments and LB 817 from the Urban Affairs Committee advanced to General File; LB 727 indefinitely postponed and LB 820 indefinitely postponed. Those are signed by their respective chairmen. (See pages 567-568 of the Legislative Journal.)

Mr. President, I have on 274A an amendment offered by Senator DeCamp to the bill.

PRESIDENT: Alright, Senator DeCamp, we are ready for your amendment to LB 274A.

SENATOR DeCAMP: Mr. President, the amendment is nothing more than the compliance with the new rules brought to me by the representative from the fiscal office or whoever hauls those things out and I put it up there. So we are going to spend the money that we are going to collect, Senator Warner says. In other words you collect money from them and then you spend it.

PRESIDENT: Any discussion on the DeCamp amendment to LB 274A? If not, the question then is the adoption of the DeCamp amendment to LB 274A. All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

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

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LB 816, 817, 870, 956

aye, opposed vote nay. Have you all voted? Once more, have you all voted? Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman, though I am within striking distance, I am too proud to beg. You can record the vote.

SENATOR CLARK: Record the vote.

CLERK: 20 ayes, 12 nays, Mr. President, on adoption of Senator Chambers' amendment.

SENATOR CLARK: The motion fails. We are back on the original amendment. There is nothing else on the amendment. Senator DeCamp.

SENATOR DeCAMP: Let it rip.

SENATOR CLARK: The question before the House is the adoption of the resolution. All those in favor vote aye, opposed vote nay. A record vote has been requested. Senator Clark voting aye.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: (Read the record vote as found on pages 1045 and 1046 of the Legislative Journal.) 33 ayes, 9 nays, Mr. President, on the motion to adopt the resolution.

SENATOR CLARK: The motion carried and the resolution is adopted. We will now go to item #5. Do you have anything to read in, Mr. Clerk? All right, go ahead.

CLERK: Mr. President, Senator DeCamp would like to print amendments to LB 870. Mr. President, Senator DeCamp would like to print amendments to LB 816. (See pages 1042 through 1044 of the Legislative Journal.) And your committee on Government, Military and Veterans Affairs whose Chairman is Senator Kahle instructs me to report LB 956 advanced to General File with committee amendments attached. (See page 1046 of the Journal.) And, Mr. President, your committee on Public Health gives notice of hearing for gubernatorial appointment hearings. (See page 1046 of the Journal.)

SENATOR CLARK: We will now go to item #5 and we will take up LB 817.

CLERK: Mr. President, LB 817 was a bill introduced by

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Senators Dave Landis and David Newell. (Read title.) The bill was read on January 13th of this year, at that time it was referred to the Urban Affairs Committee for hearing. The bill was advanced to General File, Mr. President. I do have a series of motions on the bill.

SENATOR CLARK: Senator Landis, do you wish to explain the bill before we take up the amendments?

SENATOR LANDIS: Mr. Speaker, my committee book does not indicate that there are committee amendments. Is that right?

SENATOR CLARK: There are no committee amendments.

SENATOR LANDIS: Do I understand that on the desk is an indefinite postponement motion by Senator Vickers?

SENATOR CLARK: I don't know that. We have a series of motions.

SENATOR LANDIS: All right. LB 817 is the Nebraska Development Finance Fund. If you will take a look at the committee statement, it will be clear that the measure is supported by a number of individuals and organizations. It was brought to me by the Department of Economic Development and Senator Newell and I introduced it at their behest. As you can tell, they spoke in favor of the measure, and indicated to us that this is a companion piece to the Nebraska Home Mortgage Finance Act. The bill I guess can be explained in part by what is contained in the pages and also by what is not there. LB 817 is a mechanism for the granting of tax exempt bonds and it creates an advisory group that will be responsible for administering the fund, for approving the projects which will be capitalized or underwritten by the fund and which will be....

SENATOR CLARK: One moment, please. Could we have it just a little quiet? Let's give him a chance. Go ahead, Senator.

SENATOR LANDIS: Thank you, Senator Clark. And the council will also see to it that the bonds are sold and the money funneled to the appropriate development projects. The bill is not an extension of the credit of the state. In this manner it parallels the Nebraska Home Mortgage Finance Act by creating a state agency, but that agency's business does not involve the spending of state tax dollars or the obligation of the state to pay off bonds through any of its revenue sources. The state agency in essence facilitates a private transaction between developers and bond buyers.

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The incentive for the person who is to develop is an access to capital which they might or perhaps most likely would not be able to find in the existing Nebraska private sector. The incentive for the bond buyer is the tax exempt status of these bonds, making them and the income derived from them tax exempt, thereby creating a federal tax advantage for the bond buyer. The purposes of the bill, public policy of the bill are laid out in the early sections and they occur up to pages 4. We then begin some of the definitions of the sections, what the fund is, what a loan shall be, what a lender is, what a project shall be. I suppose a determining factor in your support for the bill occurs on pages 5 and 6 which outlines projects...in other words, those kinds of things to which money could flow through the purchase of these bonds. 6(a) indicates manufacturing industrial research enterprises and they are not limited to those manufacturing industrial research enterprises that occur in blighted or substandard areas, language that you would have become intimately familiar with in the course of the last six or eight days. 6(a) is just generally the application of tax revenue...or, excuse me, tax exempt bonds for commercial purposes. 6(b) on the top of page 7 is the application of taxes and bonds for blighted or substandard areas and this could be for commercial or business enterprises and it could be retail businesses, it could be hotels, motels, recreation facilities, or the like. Frankly, LB 817 is a broad based development bill. It is not narrowly targeted to certain kinds of retail outlets or commercial outlets. It is supposed to be a general incentive for development by the use of these kinds of bonds. This is in recognition of the fact that today we are in a capital tight situation in which states are out actively promoting the development of themselves and are competing in the marketplace for the location of new industries and the expansion of existing industries. Most states in our area have this kind of tax exempt bond power. Nebraska lags to this extent and although this may or may not be wise policy depending on your agreement with the tax exempt bond issue, any objective measurement would place us at a disadvantage with the use of these tools to our surrounding states. In the event tax exempt bonds are not an appropriate mechanism as some people on this body will argue, the place to decide that, the place to initiate controls is at the federal level. Frankly, there is some discussion at the federal level to limit tax exempt bonds, but that should be appropriately a federal decision binding all states equally, otherwise by failing to take advantage of this kind of approach we simply place ourselves at a disadvantage compared to our neighbors to attract new business. One of the distinguishing features of 817 is that this is a state controlled project just as the

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Nebraska Home Mortgage Act is a state controlled project. It is possible that the bonds can be floated without tying them to certain projects or in the alternative bonds can be floated only after enumerating those situations or projects that we financed by the bonds. This is a distinction from the IDA bond situation where those kinds of commercial development bonds can only be placed when you have a knowing given project that is to be specifically underwritten by the bond...one bond, one project. The virtue of 817 is it is a state controlled, and, therefore, legislatively controlled mechanism. In the event we want to change the ground rules, in the event we want to legislate a particular kind of mix of projects, we can do that this year, next year, the year after. Secondly, it allows for bonds to be given for projects jointly, smaller projects joined together under one bond as opposed to the IDA bond situation. The net effect there is to allow small businesses to have access to this kind of approach as opposed to the IDA bond situation now which is locally administered which is generally going for very large projects. LB 817 then is a state controlled project. It is one that can meld various projects of varying sizes together and underwrite them in this mechanism unlike the IDA bond situation and promotes ultimately more flexibility in the use....

SENATOR CLARK: You have one minute.

SENATOR LANDIS: Thank you.....of the tax exempt bond mechanism for financing commercial development. I understand in discussions with Senator Vickers that there is to be a kill motion. That kill motion, I assume, has to be argued on the merits of the tax exempt bond idea, an idea this body has approved of in the past in a number of circumstances including the Nebraska Home Mortgage Finance Act. Following the disposition of that motion, I think it is then our duty to return to the merits of this bill, talk about it and if there are amendments, discuss them at that time. But right now we should be talking about this policy and not necessarily the terms of the bill, and I would hope that this body would defeat the kill motion that is pending and would advance 817. I will close with this one 10 second admonition. I have indicated to those on the floor who I know to be critics of this concept that I am willing to be reasonable and to negotiate on this bill. I have asked them to bring me their amendments and I have already agreed to four of those amendments by Senator Vickers in hopes that we can move this bill.

SENATOR CLARK: Your time is up.

SENATOR LANDIS: Thank you for your attention.

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SENATOR CLARK: Is there any further discussion on the bill? If not, we have a series of motions. All right, read the first motion.

CLERK: Mr. President, the first motion is offered by Senator Vickers and Beutler. They would move to indefinitely postpone the bill.

SENATOR CLARK: Senator Vickers.

SENATOR VICKERS: Mr. President and members, as Senator Landis so aptly described to you the philosophical differences that Senator Landis and I have about the creation of yet another entity to use tax exempt financing, and I will agree with Senator Landis that at this point in time I am not ready to attack the bill on the way that it is drafted but simply argue the philosophical differences. It is true that we have used tax exempt financing for a variety of things, the mortgage finance fund that Senator Landis referred to. A year ago we passed an agricultural finance fund. We have got several constitutional amendments that we have before this body attempting to build in substandard and blighted areas of various things using tax exempt financing. The problem that I have with this entire concept is that the question of who it benefits, and it seems to me that it is pretty clear that the people it would benefit are those that are able to invest in such investments, the tax exempt portion of the tax exempt finances. Obviously, if you are a very wealthy individual and able to invest in these types of things, and enjoy tax exemptions for the revenues derived from the interest then it is a great benefit to you. But I wonder how much of a benefit it is to the recipients. I wonder how much of a benefit it is to the members of private industry that are perhaps in competition to the recipients. First of all, we are going to help people to go in debt and the bill, as Senator Landis described it to you, is open to practically anybody anywhere in the state for any commercial purpose. Well, as somebody that is too far in debt already, I can tell you it is much easier to go in debt than it is to get out of it, and I am not sure it is a good idea to give more people an opportunity to get in debt first of all. Secondly, what we are doing here is creating an unfair advantage to those businesses or those commercial enterprises for whatever nature that are able to tap into this source of revenue as compared to those competitors of theirs who have to get their revenue from the conventional sources. Now, obviously we are not going to be able to provide a source of revenue to every business in the State of Nebraska. So if it is the intention of this Legislature to create own fair advantages for various businesses, then this is a good way to

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do it, while at the same time granting a great advantage to the wealthy individuals in this nation able to invest in these types of funds. I think the whole concept is wrong. I have been opposed to all the rest of them, and as Senator Landis indicated, I have a series of amendments following this one if this fails to get the approval of the body. But the simplest way to deal with this issue it seems to me is to simply dispose of it right here and now, not let it go any further. If it is going to go further, I can assure you I am going to try to work it over so that it doesn't say quite the things or is quite as broad an application as it is at the present time. But for now, it is strictly a philosophical....

SENATOR CLARK: You have one minute.

SENATOR VICKERS:issue and I would hope that we could keep it on that basis at this point in time. Thank you, Mr. President.

SENATOR CLARK: Senator Landis.

SENATOR LANDIS: Mr. Speaker, I will waive my time to Senator Newell.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President, I will be brief since we have gone through these issues on other proposals. I oppose the indefinite postponement motion and the reason I do is very simple. This bill is important to the economic development not only for industrial development bonds for small communities throughout the state and that really was what this bill is. This bill is primarily aimed at the smaller projects. It is aimed at those smaller projects. It is aimed to provide technical assistance to the small communities, and the small...and the smaller areas. That is the primary purpose for this proposal to allow for industrial development bonds which presently only cities and counties can issue. It will also allow for the commercial development bonds for the smaller communities and so forth throughout this state. There are some changes. There are some technical amendments that are being proposed and they are not necessarily purely technical. There are some policy issues here, but I think we can deal with those. We can have a very good bill at the end of that process. I can appreciate Senator Vickers' desire to be very philosophical on this issue. And I could agree with Senator Vickers if, in fact, we had not authorized and no other state had authorized this kind of opportunity for tax exempt bonds. But you know that

has not been the case. Every other state in the Union has authorized numerous proposals based on the tax exempt bond opportunities. We have allowed these for cities for years and years. We have allowed them for counties for years and years. And now we are trying to broaden that to promote the industrial development that this community and this state so desperately needs. If we were the only state to propose these, it would be a different thing. If we were one of the first states to propose these, it would be quite a different thing. But, you know, we are one of the last states to propose these and for that reason the kill motion just doesn't belong at this time. I urge the body to reject Senator Vickers' kill motion.

SENATOR CLARK: Before we get to the next speaker, I would like to announce some guests of Senator Koch. The American Association of University Women, the Omaha Branch, Bonnie Abboud, Rosemary Pagge, Bev Traub and Janet Remington is the President. They are under the south balcony. Would you stand and be recognized, please? Welcome to the Legislature. Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, I would like to encourage you to vote for the kill motion. This just isn't a theoretical philosophic debate. What you do here has very real implications about what happens in Nebraska in the future, and I am telling you if you pass a bill like this, you are making a joke out of the private enterprise system. Because if you pass a bill like this, huge amounts of money are going to be forthcoming from this new authority, this new state authority to fund every enterprise that you can think about, because the definitions in this bill are so broad that there is hardly an enterprise in the State of Nebraska that will not qualify for the funds that will be available and the brokers...the bond brokers and the bond lawyers are going to be hustling these to every private enterprise in the state, and you will soon get to the point where nobody will be financing anything unless they have the advantage of a tax exempt financing. I mean there is no way it is going to happen. If you're a little business man, when you need some money why would you go to the bank when you can go to the boys at the development center and they will...development agency and they will give you the money for a couple points cheaper. And then how are you going to wean private enterprise from this system? To me it is shocking that a Legislature like this which supposedly in so many instances has been defensive of the private enterprise system is allowing government to get a foot in the door with private enterprise. We are going to get to the

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point and we are here now with this kind of financing where businesses will be forced to go to the government for financing because the competitive disadvantage will be so great that they will have no alternative. And then what happens when government begins to insist upon this or that in order to get the financing? Then you are in a situation where private enterprise I think is going to be sorry that they opened the door. Let's talk a little bit about what this bill does. You remember Senator Newell a few days ago had LB 634 and that proposed a constitutional amendment which would have expanded the types of activities that could be financed by cities and counties. That is very important, by cities and counties. And it would have allowed the financing of some commercial and retail type activities by cities and counties under the Industrial Development Bond Act. LB 817, what we are talking about today, does two things. Not only does it expand the type of activities just as 634 did but in addition it creates a whole new instrument for delivering those funds. Before, in terms of industrial development, we relied primarily upon the city and the county to authorize it. If they thought there was blight, if they thought there was substandard housing, if they thought industrial development was needed and that they were willing to give the advantage to have it, the tax advantage to have it, they could do it. But now the city and counties and all the local control is going to go right out the window. There won't be any more local control of this type of development because there will be a state agency there kicking out these funds and another little bureaucracy by the way. We have created a number of little bureaucracies now relating to the issuance of different types of bonds. And, of course, they are going to kick out the funds because they have to justify their existence and because the bond brokers are going to be hustling like crazy. So all the cities and all the counties will no longer have any say...

SENATOR CLARK: You have one minute.

SENATOR BEUTLER:about what is being done. Again, this is not a situation where you can blithely say, ah well, if we were federal congressmen we would take care of this. But we are on the state level and we are competing with other states and so we can't look too carefully at this. This bill doesn't deal just with enterprises where there is competition between states. It deals with your local grocery store, with retail stores, with commercial stores. Those places will be in Nebraska because of the people that are in Nebraska regardless of the types of financing that

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we have. And now the definition is even broader and I want to point out to you when I have a little more time the next time I can talk about this, some of the things that this bill will allow that has nothing to do with competition from other states. All it has to do with is the subsidization of business enterprise by government and increasing the burden on the middle class....

SENATOR CLARK: Your time is up, Senator Beutler.

SENATOR BEUTLER:to finance it. Thank you.

SENATOR CLARK: Senator Kahle.

SENATOR KAHLE: Mr. President and members, I support the kill motion. I think we have in the last number of years whether it be at the national level or at the state level have thought we could give away the kitchen sink and that industry would come roaring in here to Nebraska and build, build, build. Last year we had a bill that took off the sales tax on new equipment. I wonder how many new industries have come into the state since then. Not very many. Not because of the bill but because of the economic climate that we have. I just cannot believe that we cannot get people to do business in Nebraska unless we give them something. I guess we are using the same system that the grocery stores do where they give out coupons to try to get the housewives to come in there and buy their groceries and then give them some money back. This is almost the same thing only backwards. If we cannot get industry to come into Nebraska, we cannot get people to rebuild their businesses, if we cannot get these things done without giving away our tax base, we are in deep trouble, and I think we are in that trouble right now. I think the government is in bad shape because of the tax free bonds that we have had where they do not have to pay income tax on them. We are going to have the same situation in the State of Nebraska. I don't know where people got the idea that you can give things away and come out ahead, and you are unfair as some of the speakers have said. If you are going to do this, why don't we just do this for everybody, do away with the banks completely and set up the situation so that everybody can borrow tax free money. That is the only fair way to do it, and then you will have a lot of fun. You won't have any income from income tax. Thank you.

SENATOR CLARK: Senator Vickers, do you wish to close? Wait a minute. Senator DeCamp, do you want to talk? All right. Senator Vickers, do you wish to close?

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SENATOR VICKERS: Mr. Speaker and members, once again I would just like to urge this body to take a good hard look at the decisions that you are making with a bill like LB 817. I think Senator Beutler pointed out to you very clearly, if you believe in private enterprise, if you believe in the method that has made this country great economically, then I don't exactly see how you can support LB 817. It is clearly a bill designed to benefit the wealthy individuals able to invest in such bonds while at the same time setting up a procedure whereby certain businesses, certain industries will have a definite advantage over others through their financing mechanism. I would just urge you to support the kill motion and not make such a philosophical decision. Mr. Speaker, I would like to give the rest of my time in closing to Senator Beutler.

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, I just wanted to comment briefly in closing about how broad, how very broad this bill is. As I mentioned, you can finance all different types of projects, manufacturing, industrial, or research enterprises...that is a new one now, including but not limited to assembling, fabricating, mixing...your local Ready Mix plant now qualifies, is that what you want financed with tax exempt bonds? Processing, warehousing, distributing, transportation, any products of agriculture, forestry, mining, industry and manufacturing, pollution control, research and development, product testing, communication, data processing, administrative facilities, any company that has any administrative...administration, and every company does, can finance that now; facilities incident to the development of industrial sites including land costs, equipment, site improvement, grading of streets. It is the whole ball of wax. Then if you can show that it is blighted or substandard, and we have already been through that once before, they used the old definition that we now have in our law that we have been through a couple times this session, you know how ridiculously broad that is. If you are in a blighted or substandard area, then you can do some more things, such as retail businesses, any retail business; hotels, motels, sports and recreation facilities, office buildings. Let me just ask you, an office building...you know, if there is a market for office space in a particular area, is it going to go to Iowa if it doesn't get tax exempt financing? Well, of course not. The local grocery store, if it doesn't get tax exempt financing, is a Lincoln grocery store going to

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move to Council Bluffs? Of course not. And there are a whole number of items in here that we now...they are now suggesting we finance with tax exempt bonds which have nothing to do with the competition between the states. You know, we talk often about the separation of church and state and the separation of church and state is a principle that we have honored in this country because we want to protect the churches and the state, and the separation, I think, of government and private enterprise is something that we should respect not necessarily for the protection of government perhaps as much for the protection of private enterprise because once private enterprise depends totally on government for cheap financing, and that is exactly what is happening, it is the direction we are going, and this is a giant step in that direction....

SENATOR CLARK: You have one minute, Senator Beutler.

SENATOR BEUTLER:then subsequent to that dependency government can start imposing its conditions and there isn't going to be a thing that private enterprise can do about it because they will depend on the interest break. So I think that the bill goes in a bad direction. It is not just a matter of philosophy and it is not answered by saying, ah, it is a federal problem and the feds should take care of it, meanwhile we will kill the goose who is laying the golden eggs. Thank you.

SENATOR CLARK: The question before the House is to indefinitely postpone the bill, LB 817. All those in favor vote aye, opposed vote nay. Voting aye, Mr. Clerk.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Have you all voted? Senator Landis, I am going to call the votes.

SENATOR LANDIS: Mr. Speaker, I would like to have a Call of the House and a roll call vote on the kill motion.

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

CLERK: 12 ayes, 2 nays to go under Call, Mr. President.

SENATOR CLARK: The House is under Call. All unauthorized personnel will leave the floor. All Senators will take their seats and check in, please. Will everyone please check in. We only have three excused. Senator Schmit,

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Senator Burrows, Senator Hefner, would you check in, please. Senator Dworak, is he here...would you check in, please. Is Senator Labeledz here? Senator Chambers and Senator Stoney. Do want to call the roll now? Senator Chambers....there are two excused. Senator Chambers isn't here but that is the only one, I think. No, there is only one excused. Go ahead and call the roll. Senator Higgins, for what purpose do you rise?

SENATOR HIGGINS: Mr. Speaker, for a point of clarification, what are we voting on, the amendment or the bill?

SENATOR CLARK: He will tell you right now.

SENATOR HIGGINS: Thank you.

CLERK: Mr. President, the motion is to indefinitely postpone LB 817.

SENATOR CLARK: The Clerk will call the roll.

CLERK: (Read the roll call vote as found on page 1047 of the Legislative Journal.) 21 ayes, 23 nays, Mr. President, on the motion to indefinitely postpone.

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

CLERK: Mr. President, the next motion I have is from Senator Beutler. Senator Beutler would move to amend LB 817 by striking subsection (11) of section 17.

SENATOR CLARK: Senator Beutler. Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, there are a couple of amendments that I think are acceptable to Senator Landis. I don't think there is any point in debating. I would withdraw that particular amendment right now and reattach it with Senator Landis' permission on Select File.

SENATOR CLARK: That is withdrawn. What is the next motion, Mr. Clerk?

CLERK: Mr. President, Senator Beutler would move to amend the bill in section 17 by striking subsection (11).

SENATOR CLARK: Senator Beutler.

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

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Section 17 outlines a number of purposes, a number of things that the fund may do such as borrow money and issue bonds, etcetera, etcetera. Another thing it can do is assist cities in the preparation of plans, studies or reports necessary for the local governing body to declare areas to be blighted or substandard as defined in Section 18-2103. It is my opinion that if the cities are concerned, the cities should take up that responsibility themselves. What will happen, in fact, if this section stays in there is that the fund will pay for consultants to go out and declare a particular area as blighted or substandard. We have seen it already in Lincoln and let me point out to you as a practical matter the firm that is going to be employed to do that is going to be very good at finding an area blighted or substandard. I don't see any point in paying them out of fund monies. If the cities and counties or particular areas are interested in doing that sort of study, let them pay for it themselves but don't issue tax exempt bonds for that purpose too. Thank you.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President, I would like to ask Senator Beutler a question.

SENATOR CLARK: Senator Beutler, will you yield?

SENATOR NEWELL: Senator Beutler, your primary interest here is so that we don't see the sales basically running around trying to encourage the use of this mechanism. Is that basically it?

SENATOR BEUTLER: No, if the cities and the counties are going to get involved, I would like them to think about it a little bit and I think they think about it more if they are spending their own money.

SENATOR NEWELL: Okay, now you know one of the purposes for this proposal is to assist in some of the smaller communities, some of the communities that wouldn't have the resources and so forth. Is it your intent to make them also pay their own money in order to be involved in this...to be able to take advantage of this proposal? In other words, you don't care about the size of the community, you just don't want....you want it to be a local initiative.

SENATOR BEUTLER: No, I would treat everybody alike, Senator Newell, everybody who is interested in doing this sort of thing if they can do it, that is fine.

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SENATOR NEWELL: Yes, Senator Landis, you know, I have a problem with this, taking this out, and I know that you don't have near the problem I do. My problem...my concern is the smaller communities not having the kind of assistance and this bill is aimed at trying to assist the smaller communities. How do you feel about that concern? Can you....

SENATOR LANDIS: I am willing to accept this amendment in the spirit of trying to improve it. I think ultimately that a city who wants to utilize this should be able to muster the motivation and desire to be able to go out and find the people necessary to declare an area blighted or substandard. I understand your concern. I think it is possible that there may be a borderline situation that the loss of this language may minimize the utilization of the bill, but generally speaking if a community wants to make use of this bill, even without this language they will be able to do so, and for that reason in the spirit of harmony I will agree to accept the amendment.

SENATOR NEWELL: Okay, I won't oppose this amendment either, but...and the reason I am going to do it is I think that probably we'll see the League of Municipalities providing this kind of assistance and that is a function that they can well provide and in the spirit of trying to get along here I am willing to go along at this time, although....I am willing to go along.

SENATOR CLARK: Senator Beutler, do you wish to close? No closing. All those in favor of the Beutler amendment will vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

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

CLERK: 27 ayes, 0 nays on adoption of Senator Beutler's amendment, Mr. President.

SENATOR CLARK: The amendment is adopted. The next amendment.

CLERK: Mr. President, Senator Beutler would move to amend in LB 817 by deleting the word "fifty" in line 22 on page 20 and inserting the word "thirty".

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: This change, Mr. Speaker and members of the Legislature, has to do with the number of years...the

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maturity date on the bonds. Under the bill the way it is currently they can be up to fifty years. My amendment would reduce that to thirty years which is more in line with the general bond provisions that we have now. I don't know of any provision anywhere in our law that allows a maturity of fifty years. That is beyond the useful life of a great many of the improvements that would be financed, and I think it is entirely too long. So I am suggesting that it be reduced at least to thirty years and probably should be reduced considerably more. Thank you.

SENATOR CLARK: Senator Landis.

SENATOR LANDIS: Mr. Speaker and members of the Legislature, this too is an amendment that I will agree to. I am not attempting to create a bill that is exorbitant, that is wildly exaggerative of common sense, and in a spirit of cooperation I will accept this amendment at this stage. To my knowledge, there is one more amendment offered by Senator Beutler and four offered by Senator Vickers. I will accept the second Beutler amendment. I await his disposition of the third one which I do have objections to, and I am willing to accept the four Vickers amendments as well. But I am willing to make these changes on General File. Noting to the critics of the bill that in the event they wish to place their amendments in the Journal so that we all might be able to see them, perhaps the more appropriate point beyond these six agreed to amendments is the Select File issue. But I will support this particular amendment.

SENATOR CLARK: Senator Koch.

SENATOR KOCH: A question of Senator Landis if he would yield. Senator Landis, presently under the IDA bond what is the amount of time that is provided under existing statutes?

SENATOR LANDIS: I had to consult with Senator Newell but the answer is 15 years I was told.

SENATOR KOCH: Fifteen years? Yes, that is correct. Now why is it we even want to compromise at 20 when the present law...I think if you look at IDA bonds it has been appropriate. I have seen another bill before us, they wanted to take one I passed several years ago from 15 to 50 and there is no reason for it. I agree with Senator Beutler, if we are going to allow these things then by that time the life of the building probably is not worth much or the facility, and whatever you generate from it in terms of tax that we think we might gain, I think it has been lost. Does

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the bond company want 50 years or 30 years? Who are we passing the law....the bond companies or to encourage business to get here? I just believe in the present law we have, 15 years, and IDA bonds have been around a while, why not keep 15 years? Although Senator Beutler may be willing to go to 20.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President and members of the Legislature, I think Senator Beutler brought forth an amendment here that is a reasonable amendment. You know, practical common sense will tell you that you can't sell bonds if they go beyond the life of whatever you are selling the bond for. I mean, that is...I mean, I am not a bond agent although I understand it is a very lucrative business, I would like to get into it myself, but the fact of the matter is that you can't sell those bonds with those extended periods of time and so, frankly, we are going to see bonds being sold at 15 years, maybe 17 years, maybe 10 years, it will depend on the individual issue, what is wrapped up around it and so forth. So I think where Senator Beutler did do us a service is that we did have that option to go much longer than was necessary. I think his amendment is a good amendment, one that we should have had drafted differently in the first place, and so I would urge this body to accept the amendment.

SENATOR CLARK: Senator Beutler, do you wish to close? No closing. All those in favor of the Beutler amendment vote aye, opposed vote nay. Have you all voted? Record the vote.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of the amendment.

SENATOR CLARK: The motion is adopted. The next motion.

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

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, this is a more important amendment, and basically the amendment eliminates subsection (b) which you will find on page 7 of the bill. On page 6 and page 7 of the bill are described the types of projects that can be built and in subsection (a) on page 6 it describes what you can do generally speaking, and then in subsection (b) it describes

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the additional things you can do if you have a finding that the area is blighted or substandard. So what I am doing is striking the section that has to do with blighted or substandard for a number of reasons which I have reiterated to you before, but basically because the items that are allowed under that subsection are to me the most objectionable items. It is under that subsection, for example, that you can finance retail businesses and that you can finance office buildings and recreational facilities and motels, and those types of things. You know, the definition of substandard...do you realize, I guess, that we always are going to have something that is substandard because every time you improve the standard there is always, I suppose, half of what you have is below the standard and so there is always something that is substandard. Some of the language in the beginning of the bill, page 2 of the bill, gives you an idea of how they are thinking in terms of substandard. It says there are existent cities of all classes and villages in this state, areas that have deteriorated and become substandard and blighted. Well, I suggest to you that it is going to be many thousands of years into the future before our villages and cities don't have some areas that are below the standard. We continually upgrade the standard so that there is always a substantial portion that is substandard. The only reason I am going through this is that this is the....this substandard is the criteria that we use to finance in order to be able to finance retail businesses, hotels, office buildings, these types of things. I am saying it is really no standard at all and you are really authorizing after causing them a little paper work, that is the paper work of going through the process of getting a consulting firm to declare something substandard, you are really authorizing the subsidization of financing for retail businesses, office buildings, and those types of things. So I am suggesting to you that really what makes the most sense is to simply strike subsection (b) so that we don't get into the business of retail businesses. Thank you.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: I am going to give my time to Senator Landis and he is going to give his time back so I can acquaint myself with what just happened.

SENATOR CLARK: Senator Landis.

SENATOR LANDIS: Thank you, Senator Clark. Well, this one is the one that wears out my patience. I have been offered

seven amendments today and I have agreed to six of them, but this is the one that breaks the camel's back. It is the one that attempts to gut the bill and it is the one I am not going to lay down for. Now, I understand Senator Beutler's philosophical troubles with a variety of tools all aimed at helping blighted or substandard areas. I don't find that remarkable. It is easy to hold those philosophies when you don't represent blighted or substandard areas with the exception of one fringe of the Malone neighborhood. I don't doubt that Senator Beutler and I will have radically differing views on how hard the state should strive to assist blighted and substandard areas since, in fact, a good portion of those areas in this community I represent and Senator Beutler does not. It is true that we have 6(b) in this language that provides some special breadth with respect to blighted and substandard areas and with good reason. The idea there is to make those areas more liveable, more habitable and, yes, we are talking retail businesses, we are talking the return of neighborhood grocery stores and the return of neighborhood businesses, the return of revitalization to neighborhoods that are not doing well. They are dying. Now, perhaps many of you don't have firsthand knowledge of those. Perhaps you haven't done anything but drive through them. Perhaps you haven't been going door to door through those areas. But I find that they need all the help they can get, and I have made a serious effort to try to find an acceptable method to do that. I brought in business enterprise zones. It didn't make it off General File. I brought in a tax credit for neighborhoods. It didn't make it out of Revenue Committee. This is a palatable idea that came out of the Urban Affairs Committee six-zip with the support of developers, with the support of the City of Lincoln, with the support of the Omaha Chamber of Commerce, with the Omaha Office of Economic Development, with the Nebraska Industrial Development Association and the Department of Economic Development. Now I don't doubt that sometimes philosophically we offend the timid. It seems to me, however, that attempts have to be made some place towards this end, and if the other mechanisms are not satisfactory, I would suggest serious examination of this one. In the event it is satisfactory in the 6(a) situation, then I think it should be a possibility for application with 6(b). This bill comes from the Department of Economic Development's desire to flow money when possible into those areas that the free market system has not been kind to. Now, yes, ultimately the free market system might provide relief for a blighted substandard area after the place begins to look like Dresden. At that point the beneficent hand of Adam Smith will come in when families have been run out, when the land values have dried up, when they

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can't get anything for the return on their housing, where there are no buyers and ultimately they will be bulldozed down, and will find some way of taking those older ethnic neighborhoods and translating them into some probable venture that will simply wipe the neighborhood off the face of the earth. Perhaps this is the kind of approach that Senator.....

SENATOR CLARK: You have one minute left.

SENATOR LANDIS:Beutler approves of, I don't. I approve of a repair mechanism that goes in with seed money and tries to revitalize on a piecemeal basis by making those neighborhoods habitable and liveable by bringing businesses and jobs and industry close to people. That is why I object to this amendment. It is the only one of the seven that I know of that I do object to, but it eats at the heart of the bill and I intend to vote against it.

SENATOR CLARK: Senator Vickers.

SENATOR VICKERS: Mr. Speaker and members, I rise to support Senator Beutler's amendment, and Senator Landis is exactly right, I think it does get to the heart of the matter, it gets down to what 817 is all about. I wonder how many of you took the trouble to look up what section 18-2103 says, but the language that Senator Beutler is attempting to take out of the bill defines blighted or substandard under 18-2103. 18-2103 is very, very broad and I can tell you that I represent an area that does have some...a number of areas that could qualify as blighted or substandard under 18-2103. You do not have to represent an urban area in this state with so-called slums in them to qualify under 18-2103. Many small towns in rural Nebraska, many, many of them, have empty buildings up and down main street where there used to be businesses. In my own home town there used to be, since I can remember, a grocery store, a drug store, another bank, a couple of cafes, a barber shop, two or three real estate agencies...Senator Koch says several taverns, well, there are still several there, as a matter of fact, but there...yes, there is two or three more, but a whole host of businesses that are not there now and empty and deteriorating business buildings sit there instead. Now I can assure you that we can throw as much money as we want to at that area and it is still going to be deteriorated and blighted if you want to call it that. I don't think the people in my home town necessarily think that is a blighted area. They understand the situation. The simple fact of the matter is the highways are better, people travel further to get these services, there is not as many people in the area as there

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used to be so for obvious economic reasons those businesses couldn't exist. Now if there is an economic reason that a business can't exist, I suggest to you that we can throw any amount of money we want to from the government at it and it is still not going to be able to economically exist. So I think Senator Beutler's amendment is right on even though it does get to the heart of the matter and I will admit that Senator Landis has been very easy to get along with on some of these other amendments that have simply taken out some of the flowery language of the bill, but this one does get down to the heart of the matter and it separates those people that are in favor of this concept as to those people that are opposed to it. So I certainly do support the Beutler amendment.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President and members of the body, I misunderstood the Beutler amendment. I did not realize that Senator Beutler was, in fact, trying to gut the bill but that is exactly what this amendment does. Now I think that we have already had the kill motion on General File. It came closer than I thought it would, but this is a reconsideration of that kill motion. This is an attempt to kill the bill. This, in fact, will kill the bill. Now Senator Beutler has had the best of this argument and I mean he has had the best of this argument. He talks about, look at what we are doing. In (a) we are restating all the same things that we have in the language that authorized the industrial development bonds because that intended to provide that option also. But in (b) we are talking about what can be done in blighted and substandard areas. That is the guts, the heart, the basis of this proposal. Now, frankly, that is where the need arises. That is where this incentive is probably more critical. (a) allows for smaller communities who would not normally be able to float a bond issue large enough and that is what that does. It basically says that under the Industrial Development Act a large city can float a bond issue to promote the industrial development. A large county can do that also. That is (a). But smaller counties and cities cannot do that and that is why it is in this particular proposal because it allows the state to merge some of these proposals together, but in (b) Senator Beutler is saying, look, we don't need (b), we will make this...we will make this bill nothing. We will not provide any incentives to redevelop the older blighted and substandard areas of our communities throughout the country, throughout the state. Let me remind you that that information, that we provided this information on numerous occasions

and that there are some hundred cities and which qualify for these provisions. Senator Beutler has tried this kill motion, this is a sneaky underhanded way of doing it again. I urge this body to oppose it.

SENATOR CLARK: Senator Beutler, do you wish to close?

SENATOR BEUTLER: Mr. Speaker, to say that this amendment guts the bill only proves one thing that Senator Newell doesn't know what all is in his own bill. There is considerably more in this bill than subsection (b). That is not to say that subsection (b) isn't a substantial portion of it, subsection (b) which I am striking, but it is not nearly the entire bill. What remains in the bill would still dramatically increase or expand the language that is currently in our Industrial Development Bond Act, so that essentially the state agency that is issuing these bonds will be able to do more than the city or the county that is operating under the industrial development statutes. It is very easy for Senator Landis to be magnanimous about the little amendments, to take five little amendments and then say, oh, I am tired of this game, what are you doing to me, when the important one comes up. But this is an important one. Senator Landis creates a little scenario about the neighborhood and the terrible deterioration in this little neighborhood, and then he comes up with a bill that is going to correct this by issuing tax exempt bonds to finance motels. Does your neighborhood need a motel, Senator Landis? Does it need a hotel? Does it need an office building? Would that make your neighbors happy? Does it need a convention center? I don't think that subsection (b) is really designed to upgrade the poor little neighborhood. It is designed to do much more than that. But keep in mind that we already have this monster called tax increment financing that can be used in blighted or substandard areas, and that is another mechanism, another subsidization that is there and available for these particular areas. So I would argue with you in addition that this is not even necessary because you already have a government finance mechanism for helping these areas. But beyond all that, I really expect that the day is going to come when the great liberal reforms or the great liberal assistance programs represented by tax increment financing and different tax mechanisms of one type or another are going to be shown in the end to have done nothing at all or very little, perhaps only to have delayed the irresistible forces of economics. I think basically that we are wasting our time and that we are wasting our money and that the best use of money is when and where private enterprise looking at the marketplace would choose to build or not to

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build. I think we are distorting the true factors that should be considered and we are distorting it at the expense of an additional tax burden on the middle class. I think we are wasting everybody's money by continuing to pursue these inefficient methods of development. I hope you will vote to strike the section that has to do with blighted or substandard and the financing of retail businesses, office buildings and those types of things. Thank you.

SENATOR CLARK: The question before the House is the adoption of the Beutler amendment. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Have you all voted? Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, I guess it is close enough, I would like to ask for a Call of the House and a roll call vote.

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

CLERK: 13 ayes, 0 nays to go under Call, Mr. President.

SENATOR CLARK: The House is under Call, and Howard will leave the floor, please. Will everyone check in, please? There is no one excused. We expect 49 votes up here. Will you all check in, please? Senator Wiitala, Senator Burrows, thank you. Senator Goll. Senator Fowler, Senator Goodrich, Senator Nichol, Senator Chambers, Senator Stoney and Senator Higgins. Senator Labedz is checked in. Everyone is to be in their seats, please. Sergeant at Arms, tie him in. We are looking for Senator Stoney, Senator Chambers. Senator Pirsch has checked in but I don't see her. Senator Higgins and Senator Wiitala. Sergeant at Arms, can you keep them in their seats? We will tie you in. Senator Beutler, do you want to go ahead? We are short five of them. Senator Wiitala, Senator Nichol, Senator Stoney, Senator Chambers, Senator Higgins. They may be here by the time we start calling. Here is Senator Higgins. Senator Beutler, did you want to wait for the other four? I mean the other three, we have got one of them right here.

SENATOR BEUTLER: I guess you just as well go ahead, Mr. Speaker.

SENATOR CLARK: The Clerk will call the roll.

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CLERK: Senator Apking.

SENATOR CLARK: If we can keep quiet, please, so we can hear the response.

CLERK: (Read the roll call vote as found on page 1048 of the Legislative Journal.)

SENATOR CLARK: There is Senator Stoney if he wants to vote. Senator Wiitala also.

CLERK: 18 ayes....

SENATOR CLARK: Senator Wiitala and Senator Stoney, did you want to vote? We are voting on the Beutler amendment.

CLERK: Senator Wiitala voting yes. Senator Stoney voting yes.

SENATOR CLARK: Senator Chambers.

CLERK: Senator Chambers voting yes. 21 ayes, 22 nays, Mr. President.

SENATOR CLARK: The motion lost. The next motion.

CLERK: The next motion is by Senator Vickers.

SENATOR CLARK: Senator Vickers.

SENATOR VICKERS: Mr. President and members of the Legislature, this amendment, you should all have copies of it on your desk, and it amends some of the language from the intent language, definition language on pages 2 and 3 and 4 of the bill. I think Senator Landis has agreed to this amendment and will probably speak to it, but the language that I am attempting to take out is language that it seems to me would be a little hard to prove. The first language that it strikes is on line 6...or line 5 rather of page 2 it strikes the language "due to lack of productive private sector jobs". I am not sure that we can say that that is the reason totally for lack of...or for unemployment and underemployment in this state and use that as an example of the need for this type of legislation. Also on the same page, lines 15 and 16, where the language says, "such conditions have resulted and will continue to result", I would like to change that to "such conditions may result and may continue to result" instead of making the determination that it is a matter of fact. On page 3, lines 23 through 24, strike the language "are focal centers of disease to promote juvenile delinquency and".

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I think that is very broad when we are talking about some of the blighted and substandard areas due to lack of economic development. And then strike on page 4 at the top of the page, lines 2 through 6, all of subsection (4)... "Such conditions are beyond remedy and control solely by regulatory process and exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided in this act". I suggest again that that language is far too broad and should be stricken from LB 817. I would urge the body's adoption of this amendment.

SENATOR CLARK: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members, originally this was a list of four separate amendments and I suggested to Senator Vickers that he draw them into one. He agreed to do so. In return I agreed to accept the amendment. This has to do with the policy language of the bill. I wish to signal to the body and to the critics of this concept that I am negotiable and willing to draw a bill the parameters of which does not frighten the body and towards that end I am accepting these four amendments. I would also urge the body in the event that there are to be additional changes in this bill that they appear in the Journal. I would like to have a chance to see these amendments and to react to them on less than 15 minutes notice, and personally I would suggest that we adopt these four amendments, move the bill to Select File, if there are objections that they be printed, give us a chance to discuss them and where they are reasonable as these four are reasonable, I think you will find me a willing and reasonable man and capable of drawing this bill in a way that is satisfactory, at least to a majority. I assume that nothing short of dynamite or a threat of harm to the family could provoke Senator Beutler and Senator Vickers to support the bill, but those who remain reasonable on the issue I am prepared to discuss it with them between now and Select File. I would adopt the amendments and I support them and hope that they will be approved.

SENATOR CLARK: Senator Newell. The question before the House is the adoption of the Vickers amendment. Would you like to close, Senator Vickers?

SENATOR VICKERS: Thank you, Mr. President. First, I would like to say that Senator Landis is correct in indicating that he has been very receptive to some of these language changes. He suggests that further amendments may be printed in the Journal and I would apologize to the body that these

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amendments weren't printed in the Journal but I did have copies available for you. Partly because of the speed that we operate in here and partly because of the fact that perhaps I am just too slow in getting some of these things done in advance, I apologize for not having them in the Journal for Senator Landis and others to look at earlier. I would disagree with Senator Landis in one statement that he made in his remarks. I would urge the body to adopt this amendment and then I would certainly urge the body to not advance the bill to Select File so that no further amendments would be necessary. That, of course, would be my recommendation as far as LB 817 is concerned. Thank you, Mr. President.

SENATOR CLARK: The question is the adoption of the Vickers amendment. All those in favor vote aye, opposed vote nay. Record the vote.

CLERK: Senator Clark voting yes. 29 ayes, 0 nays, Mr. President, on adoption of Senator Vickers' amendment.

SENATOR CLARK: The amendment is adopted. The next amendment.

CLERK: Mr. President, Senator Beutler would move to amend by changing the word "four" to "five" in line 15 on page 9.

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, this bill came out of Urban Affairs Committee...did it? Yes, Senator Landis' Committee, and I guess we are supposed to assume by that that it was reasonable in every respect when it came out of committee even though it opened the barn door wide open to all kinds of financing, even though the term of the bonds was 50 years, and even though you don't even have to have a majority vote in order to issue bonds. And that is what I am getting at with this particular amendment. Right now, under the bill four of the nine members can vote to issue bonds and they can issue bonds, or they can vote to do anything else. The powers of the fund are vested in the members of the board, five members constitute a quorum but the affirmative vote of four members shall be necessary for any action to be taken by the fund. So here is an institution that is going to be issuing tens of millions and hundreds of millions of dollars worth of bonds and it only takes a minority of the membership to authorize the issuance of the bonds. So this suggestion is the modest proposal that we at least require that a majority of the board vote in favor of action taken by the

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board especially action that would result in the issuance of the bonds. That is all it does, increases from four to five the number of votes necessary to take action and that is a majority of the board. Thank you.

SENATOR CLARK: Senator Landis.

SENATOR LANDIS: Mr. Speaker and members of the Legislature, I have no objection to this amendment. I would point out to the board that if you read that language which I have, you will find out that a quorum of the board is five. The majority of those voting from five is three and that is why the language is in there. The language is that it takes a majority of four. In other words, a super majority indicates that you have a bare quorum to act. Secondly, I would point out that this language is a parallel to the Nebraska Home Mortgage Finance Act which is where the language comes from and is existing law in that respect. However, I understand the concern in this case and even though a full group may not be there and in the event that only six or seven of the members of the board is there, that a five tabulation of affirmative votes is a super majority. I will accept the principle of the super majority in those cases where less than the full board is present to act and accept this amendment and yet again another attempt to make this language palatable to those who have no taste for it anyway.

SENATOR CLARK: Senator Beutler, do you have any closing?

SENATOR BEUTLER: No, Mr. Speaker, except to point out that changing it to a simple majority of the board makes it conform to what is the general principle for most political subdivisions in this state. It is unusual that a minority of the board can never succeed in any political subdivision in passing an ordinance or resolution or whatever. So what I am asking for is not the extraordinary but the ordinary. Thank you.

SENATOR CLARK: 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: 26 ayes, 0 nays, Mr. President, on adoption of Senator Beutler's amendment.

SENATOR CLARK: The motion passed. The next motion.

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

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SENATOR LANDIS: Do you realize this is the first bill of the day? Now if we don't pass this bill, we will have done nothing today.

SENATOR CLARK: I am glad you said that instead of me.

SENATOR LANDIS: This is the first chance we have had for some positive action here today. We have been on this a long time and I hope the body can tell that my attempt here is to be reasonable, it is an attempt to draw a reasonable utilization of a tool for a public purpose, a governmental purpose. This is not done at the state's cost. It is not done at state expense and it is simply a tool to be utilized to provide capital in this state that would not otherwise be there. One of the facts I want to reiterate is that the tax exempt bond mechanism proves to be in this state a capital magnet and brings to Nebraska money that otherwise would not be here. In the Home Mortgage Finance Act ninety percent of the money...ninety percent of the money attracted to this state to provide mortgages for homeowners in this state came from outside of the State of Nebraska. We are not a capital rich state and yet because of our agricultural needs, our industrial needs, we have need for capital far in excess of our ability to generate it because of our savings in our local financial institutions. We have to look at the rest of the country to provide us with the capital to carry on our business and this is one of those mechanisms that becomes a magnet for money from other parts of the country to come into Nebraska to rejuvenate our neighborhoods, to develop our businesses and to keep our economy strong. I would move the advancement of LB 817.

SENATOR CLARK: We have Senator Beutler next, on the advancement.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, doing nothing is not so good but doing one bad thing is worse than doing nothing. Let me ask Senator Landis a question if I may. Senator Landis, assuming that we can get around the substandard or blighted obstacle, and you and I both know that we can without too much trouble, why in Nebraska in the future would any business of any type go anywhere for money except to this fund and to this agency? Let me preface that with another question. Isn't it true that tax exempt financing will always be two or so percentage points cheaper than private money? Isn't that the case?

SENATOR LANDIS: Let me answer both questions. To my

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knowledge tax exempt bonds have been cheaper by a couple of points than other kinds of bonds as a rule. In answer to the first question, why would anybody go to any other form of capitalization? I answer with the phenomenon of what we have now. We have a Home Mortgage Finance Act that provides mortgages at a reduced rate and yet we have people going to savings and loans. We have them asking for home loans and they can't get them, and the availability of a portion of financing has not meant the end of demand. I guess the answer to your question is for you to explain to me the current situation which has this form of financing which has not brought to an end the demand for house mortgages from savings and loans and banks and yet has been able to only provide satisfaction for a portion of the demand which would otherwise have gone unmet in these troubled times. Perhaps you can disprove the virtue of the Home Mortgage Act and in so doing you will find the answer to your question.

SENATOR BEUTLER: Senator Landis, I don't know all the answers either, none of us do, but it seems to me logical that if money is cheaper in one place, that is where you will go to get it. In these bad times it may be that there is not money available for certain things at any price and I think that is the situation with the savings and loan associations. But when the economic times turn, what is going to stop this agency from continuing to issue bonds and why will not the incentive be there for the retailers and the other businesses to continue to go to the agency for the money. It will always be cheaper. As long as it is tax exempt it will always be cheaper and it seems to me that we are creating a monster and I hope that you will not vote to advance the bill. Thank you.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Mr. President and members of the Legislature, I think this issue has been discussed fairly well but I think I can add just a couple more points that I think are very important. First of all, you know, we can't look at this in a vacuum and I think that even the opponents of the bill have to recognize that we do have IDA bonds now, cities and counties can authorize IDA bonds. If the projects are big enough, if the enterprises are large enough, we can and do authorize those, and the reason we have section (a) in this bill is for those small communities, those small communities who will not authorize them themselves can utilize that provision of the bill. Section (b) deals with a public purpose, a positive public purpose and that public purpose is to encourage development, a redevelopment in blighted and substandard areas. Now we've basically done this.

We have provided this mechanism for industrial activities anywhere in the state that can get...that are large enough, if the thing is large enough and get the financing. This would provide that opportunity for some smaller enterprises, some smaller businesses. This provides that opportunity and also gives an additional incentive to redevelop our older areas in all kinds of cities and villages across this state. I want to just very briefly go through the As, not the Bs, not the Cs, the Ds, etcetera, but just the As which indicate which communities would qualify for this kind of provisions: Abie, Adams, Albion, Alexandria, Alma, Amherst, Anselmo... we've got Anselmo, Ansley, Arcadia, Arnold, Arthur, Ashton, Atlanta, Auburn, Avoca, and Ayr...whatever that is, Ayr. These are the As. These are all cities, small villages that would qualify as either blighted or substandard according to the federal register and according to the way we administer block grant funds and other title, whatever UDAG grants. Now these are just some of the communities that would qualify. This bill is for the smaller enterprises and also has the very positive social purpose of trying to help redevelopment. Frankly, we have this provision, for large enterprises we have this provision presently. For that reason this bill is a companion piece of legislation. It has not authorized all this brand new stuff. It basically is an addition and it is a complement to what we presently authorize. It allows small businesses to get into business also.

SENATOR CLARK: Senator Vickers.

SENATOR VICKERS: Mr. Speaker and members, I am going to be very brief. I think this issue has been discussed very much today, but Senator Landis pointed out that this is the first bill that we have dealt with and that we should do something positive today. I just want to point out to this body that any good basketball team depends on defense, and they slow the game down so they can play defense. And it seems to me that sometimes defensive maneuvers are just as important as offense. I think this is an issue and point. Whether or not we pass any bills today is not necessarily a reflection on this body...it is the quality of the type of the bills that we do advance. Now if we are here to advance bills that might be of questionable quality just in order to have certain numbers done, then I suggest you vote green all the time. But it seems to me that once in a while a point comes where it might be best to say, no, and I suggest this is that point in time.

SENATOR CLARK: Senator DeCamp. The question has been called for. Do I see five hands? I do. Shall debate now cease?

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LB 817

All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: 26 ayes, 0 nays to cease debate, Mr. President.

SENATOR CLARK: Debate has ceased. Senator Landis, on the advancement of the bill.

SENATOR LANDIS: Mr. Speaker and members of the Legislature, Senator Vickers talked about there being a point in time when decisions should be made. I would suggest to Senator Vickers that that point in time was his kill motion which was about 45 minutes ago that this body debated fully and made a choice at that time as to whether or not they were going to kill this bill. It seems to me then we should put the bill into a shape that it is supposed to be in and then send it on. With respect to Senator Beutler's considerations about the unlimited use of tax exempt bond status, there is an end to the market for these kinds of things, but I would suggest to him that if there was a fear in the financial community, that these bonds were going to be replacing the kinds of loans that are now being done by our state institutions where capital would be available and would go begging because banks and savings and loans couldn't find takers for their money, then I would suggest the banks and savings and loans would have opposed the bill, and they don't. They weren't in opposition of the bill. The reason is, there is more need for money in this state than our banks and our savings and loans can take care of. We have people lining up who want mortgages, who want financing for their homes, who want to borrow money, who want to undertake renovations, and this state has traditionally been capital poor, unable within its own resources to feed its need for capital. That is why the tax exempt bond idea has particular applicability here, where we do not have a self-sufficient amount of capital to take care of our own needs either in agriculture, as Senator Schmit argued last year with respect to young farmers, or with respect to development, which is why LB 817 is here. Hardly the spectator can be given much credibility when those who apparently would be unfavorably disadvantaged by the passage of this bill failed to testify in opposition to it. And I would move the advancement of LB 817 because ultimately it provides a magnet for capital to come to this state to rejuvenate neighborhoods, to promote development and to keep our cities and our smaller communities strong, and if anything during these economic times we need all the mechanisms to do that that we can which are

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 11, 1982

LR 231, 233, 234, 237, 238, 239
LB 571, 687, 817, 841, 852

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by Pastor Leland Oswald,
First Mennonite Church here in Lincoln.

PASTOR LELAND OSWALD: (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: A quorum being present, Mr. Clerk, are there
any corrections to the Journal?

CLERK: I have no corrections this morning, Mr. President.

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

CLERK: Mr. President, your committee on Enrollment and
Review respectfully reports we have carefully examined
LB 817 and recommend that same be placed on Select File with
E & R amendments; and LB 852 with E & R amendments.

Mr. President, your committee on Miscellaneous Subjects
whose Chairman is Senator Hefner instructs me to report
LB 687 advanced to General File with committee amendments
attached; and LB 841 advanced to General File with committee
amendments attached.

Mr. President, LR 231, 233, 234, 237, 238, and 239 are ready
for your signature.

PRESIDENT: While the Legislature is in session and capable
of doing business, I propose to sign and I do sign LR 231,
LR 233, LR 234, LR 237, LR 238, and LR 239.

CLERK: Mr. President, Senator Clark would like to print
amendments to LB 571 in the Legislative Journal.

PRESIDENT: All right, Mr. Clerk. While we are waiting to get
started I think that we should recognize that Senator Kil-
garin is going to have...she is really getting old, she is
going to have a birthday tomorrow, I think all of 24, is
that right? I think we should all wish her a happy birthday,
particularly since she is supplying cookies this morning.
Happy Birthday. Senator Labeledz, we probably ought to con-
sider whether you want to go with LB 824 on motions.

March 19, 1982

LB 36, 817

to advance LB 36. All those in favor vote aye, opposed nay. We will go to the board. Have you all voted? Technically, the House is still under Call, Senator Schmit. I just thought I had better bring that to your attention. I don't know whether they are all here, but technically the House is still under Call. So whatever you want to do. What do you wish to do? It looks like you are a little ways away from the votes to advance. The Sergeant at Arms will see that all members are here because the House is still under Call. Senator Schmit, what do you wish to do? Do you want to have....?

SENATOR SCHMIT: Could you have them report in, Mr. President?

PRESIDENT: All right.

SENATOR SCHMIT: Let's take call in votes.

PRESIDENT: Let's do that and then we will take in call in votes. Would all of you register since we have had people coming in and going out and we still are under Call, would you register your presence so that we can see if all are here as they should be. Barrett, Burrows, Haberman. Senator Fowler, are you there? Senator Wesely and Senator Fowler. Senator Hefner. Hefner and Fowler, Sergeant at Arms. Senators Hefner and Fowler. Senator Schmit, you are accepting call ins at this time. So the Chair will be able to accept call ins at this time.

CLERK: Senator Hefner voting yes.

PRESIDENT: Roll call vote has been requested. Are we all here now? I think we are all here. Senator Fowler is not here. That is the only one. Senator Fowler. Do you want to wait until Senator Fowler gets here? Senator Cullan. Senator Schmit, Senator Fowler is the only one not here. All right, proceed with the roll call on the advance of LB 36. Proceed, Mr. Clerk.

CLERK: (Read the roll call vote as found on page 1307 of the Legislative Journal.) 24 ayes, 18 nays, Mr. President, on the motion to advance the bill.

PRESIDENT: The motion fails and the bill is not advanced. And, Senator Schmit, as I understand the rules, that means that the bill is indefinitely postponed pursuant to Rule 6, Section 5(1). So LB 36 is indefinitely postponed. Proceed then to the next bill on Select File, LB 817, Mr. Clerk.

March 19, 1982

LB 817

CLERK: Mr. President, LB 817 does have E & R amendments pending.

PRESIDENT: The Chair recognizes Senator Kilgarin.

SENATOR KILGARIN: I move the E & R amendments to LB 817.

PRESIDENT: The motion is to adopt the E & R amendments on LB 817. Any discussion? All those in favor of adopting the E & R amendments on LB 817 signify by saying aye. Opposed nay. The E & R amendments are adopted.

CLERK: Mr. President, Senators Landis, Newell and Beutler now move to amend the bill.

PRESIDENT: The Chair recognizes Senator Landis.

SENATOR LANDIS: Mr. Speaker and members of the Legislature, placed on your desk right now in the last few minutes is a listing of the amendments. I am going to ask Senator Beutler since he and I worked these out in conjunction with Senator Newell, Senators Pirsch and Koch, to tell you what it is that they do. If you recall at the end of General File debate we indicated that we would make a good faith attempt to meet the objections of those who had some qualms with the list of functions that this bill could apply to. We have had conversations with Senators Koch, Pirsch and Beutler and there has been an agreement that this would be a fair retrenching of the application of these tax exempt bonds to the limited purposes that would be left. This is satisfactory with us and I would just indicate to you that we have met the good faith offer that we made on General File and have accepted these suggestions and are willing to stand by this amendment and then 817. And I would yield the remainder of my time to Senator Beutler who will go through the green copy of the bill with you in your book and explain exactly what our amendments do in limiting the purposes of 817. Senator Beutler.

PRESIDENT: All right, before...I would just say that Senator Lowell Johnson asked to have the Call raised. The Call is raised and, Senator Beutler, the Chair recognizes you for further explanation. Senator Beutler.

SENATOR BEUTLER: Mr. President and members of the Legislature, as Senator Landis has indicated it is a compromise. Nobody is entirely happy with it one way or the other, but I think it does, in effect, narrow the scope of the bill somewhat and let me tell you specifically how it does that. If you are interested in following in the bill itself, the

changes are all on pages 6 and 7 of the bill. And basically on those pages there is a description of what the allowable projects are and the types of enterprises to which the provisions of the bill will be applicable. And it basically divides those enterprises into two areas, that is certain types of projects you can do wherever you are in the state, and then there are other types of projects you can do, retail businesses, for example, if you are in a blighted or substandard area. Now the first thing the amendment does is eliminate the substandard area, so that if you are talking about issuing tax exempt bonds for developmental purposes and you are talking about doing it for retail businesses or hotels or motels, these types of activities where you are competing with other private enterprise in the city, then you can only do that in a blighted area, not in a blighted or substandard area. We are upping the standard on that. Now, switching over to the other part with regard to those enterprises that you can assist regardless of where you are in the state even if you are not in a blighted area, we have the traditional definitions of manufacturing and industrial which are the definitions already in our industrial development bond act, and then they have added research enterprises, and they have added some things like research and development, product testing, communication, data processing, administrative facilities, a very broad term. So the second thing basically that the amendments do are to eliminate those new areas. It eliminates research enterprises, administrative facilities and all those items that I just named, so that if you are talking about areas that are not blighted, then basically the types of enterprises that you can engage in are a broadly defined...are the broadly defined areas of manufacturing and industrial. That is the sum and substance of the amendments, and I would move for their adoption.

PRESIDENT: The Chair recognizes Senator Pirsch.

SENATOR PIRSCH: I just wanted....thank you, Mr. President and members of the body, these were presented to me during Final Reading when my mind was on other things so I do not want to give the impression that I....I did know about these and I do approve or disapprove of them, because I have just heard about them recently, and I wanted to clarify that, that I did not make any kind of an agreement beforehand because I have just looked at these myself now for the first time. Senator Beutler, if I could clarify with you, it says in the amendments to strike beginning with the comma in line 2 on page 7 through line 3? Oh, okay, on line 6 strike beginning with the second comma in line 17 which comma is after "manufacturing". Is that correct? Through the first comma in line 19. Does that mean you are striking "industrial"?

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LB 817

SENATOR BEUTLER: No, "industrial" is being...it is simply a matter of the technique that the bill drafter used. He did strike "industrial" but then you will see down a little later in the amendment it says, "or industrial enterprises including". So he struck it and then added it back in, the result of which is "industrial" is still in there. He just chose to do it that way as a drafting technique.

SENATOR PIRSCH: Okay, and then strike the "and" in line 22. So all you are really striking is "research and development, product testing, communication"....

SENATOR BEUTLER: Yes, basically just the research and development related items. We are striking the language on 22 beginning....

SENATOR PIRSCH: In other words, all of line 23 and that line of 24 until the end of "administrative facilities". Is that correct?

SENATOR BEUTLER: That is exactly correct.

SENATOR PIRSCH: Okay. I have not had an opportunity to really look at that, but thank you for clarifying that.

PRESIDENT: All right, Senator Landis, do you wish to just make an explanation really in the nature of a closing on the advance.

SENATOR LANDIS: All right. 817 is the tax exempt bond proposal that was the companion piece of the Nebraska Home Mortgage Finance Act, and I am sorry if I indicated that an agreement had been reached when, in fact, they had not seen the language that in fact was a last minute piece that was asked of the bill drafter's staff and they just got it up to the floor to take a look at it. The terms, however, of what we had intended to do I had made explicit to the parties that had shown interest in the breadth of the bill and indicated that these were willing lines to which we would retrench. My understanding was that that retrenchment was amenable to the parties. I would move for the adoption.... I am sorry, I would move for the adoption of the amendment which we have not yet voted on and following that....

PRESIDENT: We have not voted on it.

SENATOR LANDIS:the advancement of 817. This puts the bill consistent with what we have done in other areas this session. We have been dropping substandard. We do that again in this. This bill also had some additional language

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LB 817

as far as research. We are retrenching on that. We are going back to the manufacturing or industrial standards which are used in the IDA bond situation, and, in other words, there is nothing new in LB 817 any more following the adoption of this amendment. I move for its adoption.

PRESIDENT: Motion then is the adoption of the Landis amendment to LB 817. All those in favor vote aye, opposed nay. Better get some people out here voting or else we will have to have another Call of the House. Okay, have you all voted? Record the vote.

CLERK: 26 ayes, 3 nays, Mr. President, on adoption of Senator Landis' amendment.

PRESIDENT: The motion carries. The Landis amendment is adopted. Senator Landis, do you wish to move the bill to advance?

SENATOR LANDIS: I do.

PRESIDENT: Any further discussion? Senator Pirsch, did you have your light on from the last time? Senator Pirsch, did you wish to speak any further or just...he is closing, yes. He is going to close. Yes, he has closed right now. So the motion is the advance of LB 817 to E & R for En-grossment. All those in favor signify by saying aye, opposed nay. LB 817...well, all right, I haven't called it yet, so machine vote. All those in favor vote aye, opposed nay. Go to the board. Have you all voted? Motion is the advance of LB 817. Senator Landis, what do you wish to do? Senator Landis, do you want to bring them back in? Okay, motion is... what's on the board, motion is, shall the House go under Call? All those in favor of a Call of the House vote aye, opposed nay. And you will take call in votes, Senator Landis, did you say? All right. Have you all voted on the motion to... Call of the House. Record the vote.

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

PRESIDENT: The House is under Call. Sergeant at Arms will see that all members are at their desks. All other persons leave the floor. The House is under Call, and register your presence, please. Everyone register your presence. Senator Landis has said he will accept call in votes so the Chair may receive call in votes.

CLERK: Senator Fowler voting yes. Senator Wesely voting yes.

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LB 817

PRESIDENT: Voting, for those coming in, on the advance of LB 817 and we can receive call in votes as you come in to register your presence.

CLERK: Senator Wesely changing from yes to no.

PRESIDENT: Let's get those who are here...Senator Lowell Johnson, will you show us your green? Senator Schmit, do you want to show us you are here? Senator Warner, will you push that button? Senator Higgins, how about a little bit of that Irish spirit? Senator Pirsch, do you like Big Red? Senator Pirsch, do you want to push the button? Push the button.

CLERK: Senator Rumery voting yes. Senator Richard Peterson voting no. Senator Stoney voting no. Senator Lamb voting no. Senator Marsh voting yes.

PRESIDENT: Still looking for Senators Haberman and DeCamp. I believe that is it.

CLERK: Senator Hefner voting yes.

PRESIDENT: Sergeant at Arms, we are looking for Senators Haberman and DeCamp. Here is Senator DeCamp. Senator Chambers. Register your presence as we know who is here and who isn't. So I guess Senator Haberman is the only one.

CLERK: Senator Vard Johnson voting yes. Senator DeCamp voting yes.

PRESIDENT: Record the vote.

CLERK: 26 ayes, 18 nays, Mr. President.

March 23, 1982

LB 966, 522, 817, 852

SENATOR WARNER: Mr. President, I would move the bill be advanced and, again, the bulk of this bill is for the purpose of reducing the impact of the General Fund, to have some of these costs partially shared by fees, and again if there are some aspect of it that you feel may not be workable or is not fair or equitable, why we can look at those amendments on Select File.

SENATOR KAHLE: Okay, we are voting on the Warner amendments to LB 966. This takes 25 votes. Please vote. We need to move along. I know a number of you are going to be leaving in a bit and perhaps we can get this bill out of the way. Record the vote.

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

SENATOR KAHLE: The committee amendments are adopted. Is there anything else on the bill?

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

SENATOR KAHLE: Senator Warner, would you like to close?

SENATOR WARNER: Mr. President, I move the bill be advanced.

SENATOR KAHLE: Okay, the issue before us is the advancement of LB 966 as amended.

CLERK: Senator Kahle voting yes.

SENATOR KAHLE: Senator Burrows, did you have something you wanted to tell us?

SENATOR BURROWS: Yes, I would like to explain that I oppose the bill because I think every portion of this is a general revenue function.

SENATOR KAHLE: Senator Warner has closed. Record, Mr. Clerk.

CLERK: 27 ayes, 1 nay, Mr. President, on the motion to advance LB 966.

SENATOR KAHLE: The bill is advanced. The Clerk has something to read into the record.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 522 and find the same correctly engrossed; LB 817 and LB 852 all correctly engrossed.

March 31, 1982

LB 766, 790, 817, 852

CLERK: (Read LB 766 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass. All those in favor vote aye, opposed nay. Record the vote.

CLERK: (Read record vote as found on pages 1515-1516 of the Legislative Journal.) 32 ayes, 12 nays, 4 excused and not voting, 1 present and not voting, Mr. President.

PRESIDENT: LB 766 having received the constitutional majority necessary for constitutional amendment passes. The next bill on Final Reading is LB 790.

ASSISTANT CLERK: (Read LB 790 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 790 pass with the emergency clause attached. All those in favor vote aye, opposed nay. Record the vote, Mr. Clerk.

ASSISTANT CLERK: (Read record vote as found on page 1516 of the Legislative Journal.) The vote is 39 ayes, 7 nays, 3 excused and not voting, Mr. President.

PRESIDENT: LB 790 passes with the emergency clause attached. Before we go on to the next bill the Chair would like to introduce some guests of Senator Labeledz, some 8 students, 5 adults from St. Francis of Assissi. They are up here in the North balcony with Leanne Jarvis and Zita Maly, their teachers. Would they just indicate where they are and we welcome you to your Unicameral Legislature. The next bill on Final Reading, Mr. Clerk, is LB 817.

ASSISTANT CLERK: (Read LB 817 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 817 pass. All those in favor vote aye, opposed nay. Record the vote.

ASSISTANT CLERK: (Read record vote as found on page 1517 of the Legislative Journal.) The vote is 28 ayes, 18 nays, 3 excused and not voting, Mr. President.

PRESIDENT: LB 817 passes. The next bill on Final Reading is LB 852.

CLERK: (Read LB 852 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 852 pass

April 1, 1982

LB 761, 790, 817, 852, 869
875, 892, 751, 766, 807,
573, 633, 668, 739,

SENATOR CLARK: The motion carried. Yes, Senator Warner.

SENATOR WARNER: Well, I was wondering if it was too late to change a vote.

SENATOR CLARK: Yes, it is now. He has announced the vote.

SENATOR WARNER: I was just going to vote no for purposes of reconsideration.

SENATOR CLARK: You did vote no, I think.

SENATOR WARNER: I mean yes so I could move.

CLERK: Mr. President, while we are waiting your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 807 and find the same correctly engrossed.

Mr. President, the bills read on Final Reading yesterday 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 573, 633, 668, 739, 751, 766, 790, 817, 852, 869, 875 and 892. Did I hear somebody raise the Call? The motion is to raise the Call. The Call is raised.

SENATOR NICHOL PRESIDING

SENATOR NICHOL: Mr. Clerk.

CLERK: Mr. President, I have a motion. Senator Wesely would move to reconsider the vote just taken on adoption of Senator Koch's amendment.

SENATOR NICHOL: Senator Wesely.

SENATOR WESELY: Thank you, Mr. President. I would like to yield my time to Senator Warner. He didn't get much of a chance to discuss the situation with that amendment. Although I support the concept, I understand there is an alternative perhaps we ought to take a look at, and so I am asking you to reconsider that vote and I will yield the rest of my time to Senator Warner, please.

SENATOR WARNER: Thank you, Senator Wesely. Mr. President and members of the Legislature, if the body wishes to increase

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LB 875, 892, 893
LB 127, 573, 633, 668, 739, 751,
761, 766, 790, 816, 817, 852, 869

and nail him then and we can go on with the proceedings so that we can proceed with the business.. Would that be okay with you?

SENATOR HIGGINS: I don't know whether I want to vote to stay here or not because I don't know if it is going to do any good, because I don't know what might be on special order tomorrow and the next day.

SENATOR NICHOL: Well, I don't know that we are going to resolve that by debating that and I would really strongly suggest that we stick to the procedure that we are in right now. If you don't get a.....

SENATOR HIGGINS: I wish we would have stuck with the procedure we voted on two weeks ago.

SENATOR NICHOL: Let's get in our seats, please, so we can continue with the roll call vote and we will get going here. You have been very patient and I appreciate it but let's try to hang on there a little bit longer. Maybe we can get this bill passed or on its way. Proceed with the roll call, please. Please go to your seats.

CLERK: (Read the roll call vote as found on pages 1592 and 1593 of the Legislative Journal.) 23 ayes, 15 nays, Mr. President, on adoption of the amendment.

SENATOR NICHOL: The amendment is not adopted. Shall we move on to the next one, Pat? Do you want to read something in first?

CLERK: Very quickly, Mr. President. I have an Attorney General's Opinion addressed to Senator DeCamp, one to Senator Sieck and one addressed to Senator Warner. (See pages 1593 through 1597 regarding LBs 816, 127 and 893 in the Legislative Journal.)

Your Enrolling Clerk has presented to the Governor the bills that were read on Final Reading yesterday, Mr. President. (Regarding LBs 633, 790, 573, 668, 739, 751, 766, 817, 852, 869, 875 and 892.)

Mr. President, the next amendment I have is one offered by Senator Burrows.

SENATOR NICHOL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman and members of the Legislature, this amendment simply strikes the language that

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SENATOR CLARK: The motion is to advance LB 488A. All those in favor say aye...all right, a machine vote has been requested...vote aye, those opposed vote nay.

CLERK: Senator Clark voting yes.

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

CLERK: Mr. President, Senator Cullan requests a record vote. (Read record vote as found on page 1633 of the Legislative Journal.) 18 ayes, 24 nays, Mr. President.

SENATOR CLARK: The bill does not advance. We will now take up LB 417A, LB 714A. The Clerk wants to read some things in.

CLERK: Mr. President, a communication from the Governor addressed to the Clerk. (Read re: LB 573, 668, 751, 817, 869 and 875.)

Your committee on Enrollment and Review reports LB 835A advanced to Select File and LB 953A advanced to Select File.

Mr. President, new resolutions, LR 304 offered by Senator Wagner. It commends the Ord Quiz on the occasion of its centennial for its past 100 years of service in the business of Journalism and that will be laid over. LR 305 by Senator Fowler calls for an interim study regarding adequacy and constitutional provisions of the current Dental Practice Act. LR 306 by Senator Fowler calls for a study of LB 567 as passed by the 1975 Legislature relating to parole. LR 307 by Senator Fowler calls for a study concerning the issue of nuclear waste transportation. LR 308 by Senator Fowler calls for a study and the procedure for estimating general fund revenues for the state. LR 309 offered by Senator Fowler. (Read. See pages 1634-1638 of the Legislative Journal.)

Finally, Mr. President, Senator Wagner asks unanimous consent to withdraw LR 262 which is a study resolution. (See page 1638 of the Legislative Journal.)

SENATOR CLARK: No objections, so ordered.

CLERK: Mr. President, I have nothing on LB 714A.

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: I move we advance LB 714A.