

the authority to make those determinations. If Senator Schmit and Senator DeCamp want different mechanisms within their area then let them go to their natural resources districts and make that plea to them. It's the same as I should have the right to do with my NRD but you're taking that right away from me and I think that is wrong. I think that is fundamentally wrong. Why don't we just do away with the NRDs and make all the decisions right here? We'll draw the lines, we'll do the whole works. We'll be the Natural Resources Board for the whole state. That is really what we are doing. Is that what we want to do?

SENATOR CLARK: The question before the House is the adoption of the Vickers amendment to the Kremer amendment on Section two. All those in favor vote aye, opposed vote nay. This also takes a simple majority. A record vote has been requested. Once again, have you all voted? Record the vote.

CLERK: (Read record vote as found on page 353 of the Legislative Journal.) 12 ayes, 21 nays, Mr. President, on adoption of the amendment.

SENATOR CLARK: The motion lost. Senator DeCamp, would you like to adjourn us until nine o'clock tomorrow morning after the Clerk reads in the rest of the bills.

SENATOR DeCAMP: Marvel was saying something about coming back at four-thirty or something. Is that out?

SENATOR CLARK: No, I don't think we need to.

SENATOR DeCAMP: Okay, we're going until nine o'clock tomorrow then.

SENATOR CLARK: No, let's wait until he reads the bills in.

SENATOR DeCAMP: Oh, okay.

SENATOR CLARK: He still has some bills to read in.

CLERK: Mr. President, new bills. (Read by title for the first time, LBs 915-955 as found on pages 354-366 of the Legislative Journal.)

Mr. President, Senator Marsh would like to print amendments to LB 69 in the Legislative Journal. (See page 369 of the Legislative Journal.)

Banking gives notice of cancellation and rescheduling of a hearing. (See page 369.)

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LB 757, 208, 568, 928, 948

to feed all the Senators. Welcome to the Legislature. The next speaker is Senator Cope.

SENATOR COPE: Mr. President, members, I was going to call the question.

SENATOR CLARK: Well, you won't have to do that. You were the last speaker. Senator Carsten, do you wish to close? No closing. The question before the House is the advancement of 757. All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

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

CLERK: A record vote, Mr. President. (Read record vote. See page 1426, Legislative Journal.) 26 ayes, 13 nays on the motion to advance the bill, Mr. President.

SENATOR CLARK: The bill is advanced. We will now come back to #4 with the motions. Senator Koch. Yes, the Clerk would like to read in first, Senator Koch.

CLERK: Mr. President, very quickly, Senator Chambers has amendments to LB 568 and 948 to be printed in the Journal.

Your committee on Appropriations whose Chairman is Senator Warner instructs me to report LB 928 advanced to General File with committee amendments attached, Mr. President.

SENATOR CLARK: Senator Koch, on your motion, a time limit of fifteen minutes on this.

SENATOR KOCH: Would the Clerk please read the motion.

CLERK: Mr. President, the motion offered by Senator Koch is to direct the Clerk...Senator Koch would move that the Clerk be directed to request the Governor to return LB 208 to the Legislature for further consideration.

SENATOR KOCH: Thank you, Mr. Chairman. Mr. Chairman and members of the body, last week we passed LB 208 after considerable discussion and amending procedures. My motion is to return it from the Governor for some technical amendments to clarify some problems that have been brought to our attention and you all have handouts on your desks, particularly the one from the attorney who represents freeholders of a number of years, and we feel as though if we are going to put a bill to the Governor that is going to try to correct some of the problems with freeholding, it is important we bring it back for technical amendments and that is my motion.

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LB 531, 928, 816  
LR 276

that I basically believe in the philosophy of the citizen legislature. The lay person legislature. I do not believe that it is good government for the legislative branch or the legislators to be professional politicians who are in this business of legislating every day. Our role is policy makers. Our role is best served if we have more time at home among those who we represent to keep our, to keep our feelings closer to those people. I believe that you would be surprised how well this amendment would be supported if it got on the ballot.

PRESIDENT: Motion is the Warner motion to return LB 531 for the Warner specific amendment. All those in favor vote aye, opposed nay. Have you all voted? Have you all voted? Senator Warner, do you want a roll call vote? Record the vote.

CLERK: 16 ayes, 24 nays, Mr. President on the motion to return the bill.

PRESIDENT: The motion fails. Anything further?

CLERK: Nothing further on the bill Mr. President.

PRESIDENT: We are ready then to read LB 531 on. . . Oh that is right it was returned, so it is on, it has been returned so it is on E & R for Engrosment. So we are ready then, that ends Final Reading for today. Do you have some things to read in Mr. Clerk?

CLERK: Mr. President, Senator DeCamp would like to print amendments to LB 816 in the Legislative Journal.

New resolution Mr. President. LR 276 by Senators Haberman, DeCamp and Koch. Read LR 276. That will be referred to the Executive Board for reference, Mr. President.

ASSISTANT CLERK: Mr. President, LB 928 was introduced by the Appropriation Committee and signed by the members thereof. Read title. The bill was referred to the Appropriations Committee. The Appropriations Committee did place the bill on General File and there are committee amendments, Mr. President.

SENATOR CLARK PRESIDING

SENATOR CLARK: Before I call on Senator Warner I would like to introduce 90 fourth graders from Miller Park in Omaha, Senator Duda's district. They have three teachers with them. They are in the south balcony. Would you stand and be recognized.

Welcome to the Legislature. Senator Warner on the committee amendments.

SENATOR WARNER: Mr. President, I move the adoption of the committee amendments. The handout that you have received, if you note where there is a double asteric as you go through that would represent adjustment from the, will reflect the committee amendment. Let me point out first that if you turn to the last sheet there are several things that the committee amendment takes out of the bill, would no longer be in the bill, and included in those you will see was a adjustment in the motor vehicle registration fee, the 15% transfer of the cash fund from certain fees which some of you heard about, that is taken out of the bill. There was a fee for a GED diploma, that is out; the boiler inspection fee is out, because that was changed last year. The others you can read. All those were taken out and there are a variety of operating dates effecting different sections of the bill which were to coincide whether the adjustment should be on a calendar basis, which in some cases is appropriate or in other cases the fiscal year basis and some could be put into effect upon the effective date of the act. The whole concept back of 928, these are fees that are deposited to the general fund. When the committee was reviewing these last December, I guess it was, the concept we used was three or four things. One concept would be if a fee hadn't been adjusted for a number of years that perhaps it was appropriate to look at adjustment and in some cases that was the reason. In other cases some of these fees, while they go to the General Fund, they are for a particular service. In those cases we felt that it was appropriate, a portion of that cost to be borne by the licensee, the inspection or whatever it might be, even though the funds went to the General Fund a reasonable cost ought to be borne by the individuals being served by this particular item...or program. Then the... if you will look also on the back sheet it indicates a range of anticipated revenue 4.9 million to 6.7, the reason for the range as I indicated that the variety of operating dates, the annualized figure for the first full year that it might be operated probably the receipts are at the upper end, but the first year we would expect that the receipts would be at the lower end but again because of the variety of times that fee adjustments could be implemented. Two of the large changes deal with the domestic and the foreign corporation occupation tax, as the amendment is drafted it is a flat 33 1/3% increase across the board with no adjustments. There is one other amendment that effects the foreign corporations but has no effect that deals with the foreign corporation occupation tax the way it is calculated. This language in the law that



was left over when we still had an intangible tax that was repealed back in 1967, it is not utilized or not used can not be used in determining of that tax, that particular amendment merely reflects the way in fact the foreign corporate tax is now being collected. I'd be glad to answer any detailed questions, otherwise I would move adoption of the bill and perhaps it could be advanced. We have further breakdown on a number of these in more detail if you would like as we go through and then perhaps on Select File if there is a place that you feel the fees are not high enough or too high we could certainly look at them. Generally it was attempted to develop a bill that would result in some additional revenue with a minimum of opposition, cause we felt the fees were fairly reasonable as far as their proposed adjustments. Move adoption of the committee amendments.

SENATOR CLARK: Senator Hefner, is he in the room? Senator Wesely.

SENATOR WESELY: Mr. Speaker, members of the Legislature I guess I just had a question answered that I wasn't sure about concerning under the Supreme Court, there is, I evidently have a conflict of interest with this legislation under the court costs that you see on the front page a million and a half dollars increase revenue amongst the licenses fees that they are increasing as marriage licenses so I guess I'm going to have to be careful how I vote on this legislation. I'm also interested to note, I have talked to some of the staff that under the mechanical amusement device tax which is on page six of the handout part of that includes video games which increases a pretty dramatic tax on that which sounds pretty good to me, video and pin ball games and things like that. I would rise in support of the proposal. I think that the committee has done a lot of work on this, I haven't heard too many squaks lately, I know that the bill as introduced had a lot of problems but it seems to me that the intent of trying to identify fees and make them more fair is reasonable and if there are specific problems I think we can deal with those but the overall concept is a reasonable one and I would support the legislation and the committee amendments.

SENATOR CLARK: Senator Hefner's light is on, but Senator Hefner is not here. Senator Warner did you have any closing on the committee amendments? Did you have any closing on the committee amendments? Here's Senator Hefner...

SENATOR WARNER: Just one other thing. . .

SENATOR CLARK: . . .he may want to talk.

SENATOR HEFNER: Mr. Chairman and members of the body, I have several questions that I would like to ask of Senator Warner and maybe he answered these while I was out in the rotunda. On page one of the handout, under domestic corporation occupation tax, I see where you changed that from a 100% increase to a 33% increase.

SENATOR WARNER: Yes.

SENATOR HEFNER: I guess, I should say you dropped it from the original bill.

SENATOR WARNER: Right.

SENATOR HEFNER: Okay now does it actually cost this much to administer this?

SENATOR WARNER: No, but both of these items are pure revenue measures.

SENATOR HEFNER: Okay.

SENATOR WARNER: You might look on them as a minimum corporate tax, I assume. Corporate income tax.

SENATOR HEFNER: Okay, then I see you have a difference of the amount that they were raised. At 33% will it raise \$431,000? And a 100% would raise a 1.1 million? Is that correct?

SENATOR WARNER: No, the reason for the and I'm glad you asked the question I forgot to mention, on the corporate occupation tax the current delinquent date is August 1st, it is due January 1st delinquent August 1st. The amendment changes the delinquent date to April 15th. This was suggested to us that it made more sense maybe when people are doing their tax work that they would do this at the same time. Our interest however was to get the increase into the next fiscal year where we got all the revenue problems. The range is primarily as a result of not knowing if all of those will be filed on time in the first year, some of them I assume may not be. But there is a range because it was a little difficult to project what it might be. I would assume that the higher figure is pretty accurate after we once have a fully annualized figure.

SENATOR HEFNER: Okay, thank you Senator Warner, I think by changing the date it will certainly help the corporations

that need to file because most of the tax forms are due April 15th and then when you have one due August 1st or August 15th it is kind of hard to follow up. Okay, then I have another question Senator Warner on page 6, a special fuel dealers license. I see you are raising that from one dollar to ten dollars. Of course I think we need to realize that we do have a bill that we hope to get passed this year and a lot more of the farmers will be applying for a special fuels dealer license. I wonder if this could create a problem raising that from a dollar to ten dollars because last year when the farmers had to bond themselves to collect their own taxes they just simply refused to do this. I'm wondering if they will be willing to buy a special fuel dealers license for ten dollars just to collect their own taxes.

SENATOR WARNER: The reason, there is a number of places Senator Hefner where there was a dollar fee and we took the general position that obviously no license could be issued for one dollar and we were attempting to somewhere reflect the actual cost for the issuing of the license and the discussion we had in the committee that either the fee ought to be adequate to cover at least the actual cost of the issuance or else perhaps the fee, the license ought to be abolished all together if the fee couldn't at least pay for the cost of issuance. So those ten dollar feels was on that basis. We had the same, well go ahead.

SENATOR HEFNER: Thank you Senator Warner, I think that explains a few of the questions that I had.

SENATOR CLARK: The question before the House is the adoption of the committee amendments, all those in favor vote aye, opposed vote nay.

ASSISTANT CLERK: Senator Clark voting yes.

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

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

SENATOR CLARK: The committee amendments are adopted. Now, on the bill. Senator Warner.

SENATOR WARNER: Mr. President, I would move the bill be advanced and again in the interest of time, unless there are specific questions now, between now and Select File if you

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LB 928

want more information on some of these I'll be glad to provide it or if you run into some...I know there may... I assume there at least there may be some objections to some portions of it, but at least we considered all of those that came to us and I'm perfectly willing to look at others as I'm sure the committee or the whole legislature will be. I move the bill be advanced.

SENATOR CLARK: Any discussion on advancement of the bill? If not, all those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: We are voting on the advancement of the bill. Has everyone voted? It requires 25 votes. Its a shame to have a Call of the House for one vote. Record the vote.

CLERK: 25 ayes, 0 nays Mr. President on the motion to advance the bill.

SENATOR CLARK: The bill is advanced. Senator Duda, would you like to recess us until 1:30 after the Clerk reads in what he has.

CLERK: I have nothing Mr. President.

SENATOR CLARK: Senator Duda.

SENATOR DUDA: Mr. President, I move that we recess until 1:30 p.m. this afternoon.

SENATOR CLARK: You heard the motion. All those in favor say aye, opposed, we are recessed until 1:30 p.m.

EDITED BY

  
Mary A. Turner

March 30, 1982

LR 279  
LB 408, 761, 942, 966, 757, 928

is. It isn't that complex. The question only is do you want to vote on it or do you want to spend another day on it and never get to nursing homes and studded tires and ADC bills of Von Minden and everybody else. All I am suggesting is in one minute we will be to the time we normally adjourn and I thought that is about all this bill should take today.

SENATOR LAMB: One minute, Senator.

SENATOR DeCAMP: So I put a motion up that when we got to the last minute we would have a vote or attempt it and that is all the motion is to suspend the rules and vote on it one way or the other.

SENATOR LAMB: The motion is to suspend the rules. Those in favor vote yes, those opposed vote no. It takes 30 votes.

CLERK: Senator Lamb voting yes.

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

SENATOR DeCAMP: Beings we are here and this close I would like to have a Call of the House and take some call ins if anybody wants to call in.

SENATOR LAMB: The request is for a Call of the House. Those in support vote yes, those opposed vote no. Record.

CLERK: 22 ayes, 0 nays to go under Call, Mr. President.

SENATOR LAMB: The House is under Call. All unauthorized personnel please leave the floor. All Senators record your presence. We are looking for Senator Warner, Senator Goodrich, Vickers, Senator Marsh, Senator Hoagland, Senator Beutler, Senator Higgins. Begin the roll call on the motion to suspend the rules.

CLERK: (Roll call vote taken. See page 1496, Legislative Journal.) 27 ayes, 17 nays, Mr. President.

SENATOR LAMB: The rules are not suspended. The Call is raised. Please read in the material, Mr. Clerk.

CLERK: Mr. President, Senator Schmit would like to print amendments to LB 966; Senator Koch and Nichol to LB 761; Senator Kahle to LB 942.

Mr. President, a new resolution by Senator Wesely, LR 279, (read). That will be laid over, Mr. President.

Mr. President, Senator Warner would like to print amendments to LB 966, LB 757, LB 928.

April 1, 1982

LB 928

SENATOR LAMB PRESIDING

SENATOR LAMB: The morning prayer will be offered by the Reverend Edith Young, Associate Pastor of the First Christian Church of Lincoln.

REV. YOUNG: Prayer offered.

SENATOR LAMB: Thank you Rev. Young. Roll call. Senator Nichol, for what purpose do you rise?

SENATOR NICHOL: Well, to tell you something. Is it okay to go ahead and talk since we are not doing anything?

SENATOR LAMB: Proceed.

SENATOR NICHOL: Ladies and gentlemen, I have a bill or two coming up in the next day or so that I'll need your support. So I thought I'd bribe you a little bit here, if possible. On my desk I have 50 rocks. I am Mr. Gotrock this morning. These rocks are famous and you are each welcome to have one. These rocks are really not courtesy of me but courtesy of Mr. Chuck Benson the boss man of our penal institution's in the state. These are rocks from the penitentiary that has recently been torn down. They have a little message on each one of them and dated, our historian, Senator Vard Johnson, says that this is approximately at the same time that the battle of the Big Horn was going on and Mr. Custer bit the dust or whatever he did up there. So, if you will vote for my bills from now on for the rest of the session you are welcome to a rock. Thank you Mr. President.

SENATOR LAMB: Senator Beyer, very briefly.

SENATOR BEYER: He better be careful when he passes out these rocks, we are liable to throw them at him.

SENATOR LAMB: Have you all registered your presence? Record.

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

SENATOR LAMB: Messages, reports and announcements by the Clerk.

CLERK: Mr. President, Senator Warner would like to print amendments to LB 928 in the Legislative Journal.

I have an explanation of vote offered by Senator Beyer. (See page 1557 of the Legislative Journal).

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LB 835, 709A, 928, 942

CLERK: Senator Wiitala would like to print amendments to LB 835.

A new A bill, 709A offered by Senator Beutler. (Read Title).

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 928 and find the same be placed on Select File with E & R amendments attached.

SENATOR LAMB: Under the north balcony from Mullen, Nebraska we have Margaret Vinton friend of Ron and Carole Cope from my legislative district. Would you stand and be recognized please. Welcome to your Legislature.

We will proceed to item number five, Select File. LB 942.

CLERK: Mr. President, LB 942 was advanced yesterday. I do have a motion on the bill Mr. President from Senator Cullan. Read Cullan motion.

SENATOR CULLAN: Mr. President and members of the Legislature I would ask you to return the bill for this amendment. This is a bill drafting amendment and I apologize to the Legislature for the technical mistake in the bill yesterday. As I indicated on the floor yesterday one of the purposes of the amendment was to make sure the Department of Institutions was optional services which the Department of Institutions provides were funded at the full level with the mandatory services and not with the other optional services. I neglected to include in patient hospital and skilled facility services and included only intermediate care facilities. So I think it is necessary to bring this bill back for this technical amendment at this time and ask you to help assist me in making this technical correction to the amendments which I proposed yesterday.

SENATOR LAMB: Senator Newell your light is on but I assume you did not want to speak. We have no more lights on. The motion is to return the bill to Select File for a specific amendment. Those in support vote aye, those opposed vote no.

CLERK: Senator Lamb voting yes.

SENATOR LAMB: Have you all voted? Record.

CLERK: 26 ayes, 0 nays, Mr. President on the motion to return the bill.

RECESS

April 1, 1982

LB 761, 835A, 928

SENATOR CLARK PRESIDING

SENATOR CLARK: Check in, please. I would like to announce that we have 50 students from Goodrich Junior High School in Lincoln, Senator Landis' District. They have 4 teachers with them. They are in the north balcony. Would you like to stand and be recognized, please. Welcome to the Legislature. We are just waiting for enough senators here to convene. Senator DeCamp, will you check in. The Clerk will record.

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

SENATOR CLARK: We are still on 761, the next amendment. Yes, read a couple of things in first.

CLERK: Mr. President, very quickly new A bill, LB 835A by Senator Wesely. (Read title to LB 835A.)

Senator Warner would like to print amendments to LB 928, Mr. President. (See page 1574 of the Legislative Journal.)

SENATOR CLARK: The next amendment.

CLERK: Mr. President, the next amendment to LB 761 is an amendment offered by Senator Fenger. That is on page 1508 of the Journal.

SENATOR CLARK: Senator Fenger.

SENATOR FENGER: Thank you, Mr. President. Fellow members, I offer this amendment because I think it is the most prudent and the most honest action that we can take. We have a belt tightening by rural and urban Nebraska families alike and a business climate that is anything but good. Lay-off notices are published daily in one city paper or another. I don't believe we can put our legislative head in the sand and pretend that things are not tight. This amendment does tell our state employees to stay on hold on salary increases this fiscal year. It does, however, say that if our economy shows any signs of turning around that this body in the next session will take a long and I would hope, and I will go on record as saying I would hope favorable look at an increase retroactive to 1/1/'83. Now I have consistently voted against any salary increases for the judiciary in spite of the ridiculously low stipends paid them in view of comparable earning available to many of them. I intend to take the same action if and when constitutional officer raises are proposed. But you know next year this body can address this issue



April 6, 1982

LR 362 thru 366  
LB 761, 708, 753, 757, 928,  
933

able to pass a number of bills yet this evening. I intend to make that motion in a little while, but if you want to discuss it, I don't want to foreclose that by making the motion now since a motion to recess is nondebatable.

SENATOR CLARK: All right, next motion. He has got some things to read in first.

CLERK: Mr. President, Senator Warner would like to print amendments to LB 753, LB 757, LB 933.

Mr. President, a series of study resolutions, LR 362 by Senator Wesely calls for examination of the possible establishment of uniform licensing, taxes, and weight/size restrictions. LR 363 by Senator Wesely calls for the Department of Roads base the design life of roads on the amount of heavy truck traffic. LR 364 by Senator Fowler calls for a study of the quality of education offered by the University of Nebraska. LR 365 by Senator Wesely calls for a study of the feasibility of developing a waste rubber processing plant. LR 366 offered by Senators Wesely, Landis, Fowler, and Beutler, a study of the feasibility of providing authority for the Nebraska Public Service Commission to regulate natural gas rates. (See pages 1727 - 1731, Legislative Journal.)

Senator Nichol and DeCamp would like to print amendments to LB 708; Senator Warner to LB 928; and Senator Warner to 928, second set, Mr. President.

Mr. President, Senator Chambers would move to return the bill to Select File for a specific amendment.

SENATOR CLARK: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman, I can state what this amendment would do. It is to restore the renovation money for the Legislative hearing rooms. I am not going to repeat all of the things that I have said several times but I have got to make a generalized statement about why I am doing this. It will benefit the building as I said before but what I would like to see us do just one time this session, and if we don't do it again next year, I will have had what I think the Legislature should give me as a member of the Legislature, that is to see it one time over the opposition of what you might feel the public's inclination is take a vote for something in behalf of the Legislative branch. Don't think of it in terms of your colleagues. Look at the Legislature, what I am trying...

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LR 379  
LB 761, 799, 928

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

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

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

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

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

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

CLERK: Senator Clark voting yes.

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

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

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

Edited by:

  
Mary A. Turner

April 7, 1982

LB 928, 816, 816A

party this afternoon at 2:30 in the Bill Room. You are all invited to go down there and partake a little bit. Also, Senator Marvel has some guests in the north balcony. There are seven 8th Graders and they are from Pauline, and the teacher is Kathy Adelson. Would you please stand and be recognized, please. Welcome to your Legislature.

CLERK: Mr. President, while we are waiting, Senator Kremer would like to print amendments to LB 816 and 816A. (See pages 1770 and 1771 of the Legislative Journal.)

SENATOR NICHOL: Senator Carsten.

SENATOR CARSTEN: Mr. President, point of personal privilege if I may, sir, please.

SENATOR NICHOL: State your point, please.

SENATOR CARSTEN: I said in my remarks that it would become effective in 1931...I have been reminded.

SENATOR NICHOL: And which date did you want.....

SENATOR CARSTEN: I was not talking about Ray Wilson's anniversary. It is January 1, 1983 and for the record I thought it ought to be corrected because '31 is long gone by. Thank you very much, Mr. President, I appreciate it.

SENATOR NICHOL: You are welcome. We will move on to LB 928.

CLERK: Mr. President, the first item I have on 928 is the E & R amendments.

SENATOR NICHOL: Senator Kilgarin.

SENATOR KILGARIN: I move we adopt the E & R amendments to LB 928.

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

CLERK: Mr. President, I now have an amendment from Senator Warner on page 1500.

SENATOR NICHOL: Senator Warner.

SENATOR WARNER: Mr. President, I would ask to withdraw the amendment on page 1500.

SENATOR NICHOL: Is there any opposition? They are withdrawn.

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LB 928

CLERK: Mr. President, Senator Warner would move to amend and that amendment is on page 1553 of the Journal.

SENATOR WARNER: Mr. President, this amendment is a technical amendment in that you will recall the corporate occupation tax both foreign and domestic currently has a delinquent date of August 1 and the delinquent date was adjusted to April 15th at the suggestion of a number of people that pay that tax. They said it was more convenient from their point of view that it be completed approximately at the time that their other tax work is being done rather than that August figure, and from the state's point of view it put the additional revenue into the next fiscal year which is also beneficial. In the process though we apparently didn't get every section that needed to be amended for that change in date in the first draft, and this technical amendment picks up those sections that were not originally included to change the delinquent date to April 15th instead of August 1. I move its adoption.

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

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Have you all voted? Record, Mr. Clerk.

CLERK: 26 ayes, 0 nays on adoption of Senator Warner's amendment.

SENATOR NICHOL: The Warner amendment is adopted.

CLERK: Mr. President, Senator Warner now has an amendment on page 1574.

SENATOR WARNER: Mr. President, I would ask unanimous consent to withdraw that amendment as well. It will be replaced with a later one.

SENATOR NICHOL: Any objection? The amendment is withdrawn.

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

SENATOR NICHOL: Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, this is a very simple amendment, in fact, it's almost...I would hope the body would just accord me the courtesy of

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the amendment. The amendment says this: "Section 85. That Section 71-1902, Reissue Revised Statutes of Nebraska, as amended by this act is repealed if Legislative Bill 520, Eighty-Seventh Legislature, First Session, 1981, becomes law." That is all it says. What it does is this. You know, I have been working with LB 520 which is the child care bill and I have worked with providers in terms of what an appropriate fee should be for licensing child care and I have the amendments that will be offered on Select File to set the fees for child care. Those amendments are somewhat different from the language in 928 which also would provide a licensing fee for child care providers. My amendments to 520 generate more money incidentally than 928 does, but because under 520 licensing is conducted every two years as opposed to every one year which is current law, and because some of the terminology of 520 is currently different from current law, I couldn't go back in and just amend 928 to conform to the understanding that I had arrived at on fees. So in talking about this with Senator Warner and with the fiscal analyst, the best thing we thought to do was simply to put this amendment on which would say that in effect the fees in 928 are good fees and will be the fees of the land in the event 520 doesn't pass. If 520 passes, then the fees set out in 520 will be the law of the land, and the fees in 520 will generate more revenue than those in 928. I would move the amendment.

SENATOR NICHOL: Senator Warner, did you wish to speak to the Vard Johnson amendment?

SENATOR WARNER: I was just going to concur in support of Senator Johnson's amendment. It will allow the two bills to be reconciled in the event that either or both pass.

SENATOR NICHOL: The question is the Vard Johnson amendment. All those in favor signify by voting aye, opposed nay. Have you all voted? Record, Mr. Clerk.

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

SENATOR NICHOL: The Vard Johnson amendment is adopted.

CLERK: Mr. President, Senator Warner would now move to amend the bill and that amendment is on page 1731 of the Journal.

SENATOR NICHOL: Senator Warner.

SENATOR WARNER: Mr. President and members of the Legislature, this is the interfund transfer amendment that was passed out to you...passed out on your desks I guess late yesterday afternoon...yes, late yesterday afternoon, or evening. What it does is three or four things. It does authorize as I have indicated many times the same action that was necessary in '76 but obviously to a greater level in terms of dollars of the interfund transfer to cover shortfall in the general fund. The process that the amendment would require is that as there is a need for some interfund transfer that the Director of Administrative Services would indicate to the State Treasurer the requirement for the transfer who in turn must give at least two days' notice to the particular agency involved so that they are alerted to the possibility of the transfer. Also that the State Treasurer would notify the legislative fiscal office and through them members of the Legislature of any transfer that was proposed to take place as well as any transfer that was reversing the action when that occurred. In addition it would require that the transfer of any funds for a period of time in excess of 30 days that the fund from which the money was transferred would be reimbursed with interest at the rate that is presently calculated by the State Investment Officer on a daily basis for the investment. It also limits the funds to which transfers can be made from the temporary invested funds. The principal importance of that is it very specifically excludes such things as the school funds or the retirement funds that the state invests. The state retirement system, of course, is not invested by the state, would not be involved one way or the other. But it excludes all those long-time invested funds and retains the authority only for the short term. As you all know, or at least have had an opportunity, I assume, to notice that the cash flow problems probably for the balance of the year is going to very tight. There will be times probably that at least within the course of a month that there will be some need to make these transfers along with the action of this morning of increasing the sales tax commencing May 1 and these fund transfers, those two actions together with the amendment that was offered on 933 that spread out some of the aid payments it would appear that the state will be able to get through this period in a fashion without further problems barring, of course, that the economy doesn't even have further decline, and if that should occur, I assume later in the summer some other action would be required. I would move adoption of the amendment. The other point I should make is that it is written so the entire authority would be repealed as of June 30th, 1983. And there is one other condition in the amendment that when the Board of



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Equalization meets to set rates, that they must treat any transfers that are to the general fund as an obligation on the general fund or an encumbrance on the general fund and that these transfers could not be used to manipulate a balance in the general fund, thereby causing the...a lesser tax rate than would be required to have the money refunded. So that is the purpose of the amendment and I would move its adoption.

SENATOR NICHOL: Mr. Clerk, I understand you have an amendment to the amendment.

CLERK: Mr. President, Senator Beutler would move to amend the Warner amendment. (Read the Beutler amendment as found on page 1772 of the Journal.)

SENATOR NICHOL: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, the amendment as proposed would extend the right to transfer funds to the 1st of July, 1983 and I am wondering that now with the new sales tax revenues that we are going to have and with the fact that the Board of Equalization will be meeting twice before the end of December and can at those points in time...at least twice, and can at those points in time adjust the tax rates, I am wondering why it is necessary to go all the way to July 1st, 1983 and why we can't make this as short as possible. And, Senator Warner, I guess I would direct some questions to you since you have the best handle on all this of anybody in this body probably. With the new sales tax revenues and with the Board of Equalization meeting at least twice before December, is there any reason why we can't get this mess straightened out before the end of December and end this authority December 31st, 1982 as proposed by my amendment to your amendment?

SENATOR WARNER: Senator Beutler, I don't know that I could give the answer that it could not be ended by December of '82 for the simple reason that it's going to really depend on the economy and tax receipts. The reason through June is to terminate it at least by then because I am not all that enthused about the authority in the first place but once it is granted it would seem to me reasonable that it would be for the complete fiscal year. We will be in session come January and I suppose you could argue that it could be reinstated, but I think for purposes of money management that authority ought to exist for twelve months.

SENATOR BEUTLER: Thank you, Senator Warner. I would like

to argue very strenuously that we should put as short a time limit on this kind of unusual fiscal procedure as we possibly can, and I see no reason why it can't be terminated in the end of December. Now if the problem is the cash flow problem, then the Board of Equalization will have two opportunities at the end of this session and in November to adjust the tax rates so as to create the appropriate kinds of reserves to protect us against further cash flow problems. This whole situation derives from the fact in part...it comes in part from the fact that we did not properly manage in the first place, that is that we did not have enough of a reserve to preclude a cash flow problem. And now instead of protecting ourselves by using the normal mechanism of increasing the reserve, we want to extend beyond what I consider to be a necessary period of time a very dubious financial arrangement where we are borrowing from different funds. So it seems to me that fiscal conservatism would dictate that we limit this mechanism as much as possible, that the end of December, 1982 is plenty of time for this mechanism to operate and by that time with two Board of Equalization meetings and with the influxion of the new sales tax revenues it seems to me that our cash flow problems should be solved, and if they are not solved, it is a management problem and not a technical problem. So I would ask for the adoption of the amendment again which ends the transfer arrangement at the end of December instead of at the end of June. Thank you.

SENATOR NICHOL: I have Senator Fowler and Senator Kahle's lights on. Did either of you wish to speak to the amendment to the amendment? All right, Senator Shirley Marsh.

SENATOR MARSH: Thank you, Mr. Chairman. I rise to oppose the amendment. I think it is very shortsighted. We try and cut off our option. I don't like borrowing from one fund to another fund either, but I don't have the magic ball to look ahead to see what the economy is going to happen in our state or when it is going to turn around. It will but when is the question. I feel that Senator Warner has the best choice of background information to bring us suggestions and I will try to follow his leadership.

SENATOR NICHOL: Senator Warner, did you wish to speak to the amendment to the amendment?

SENATOR WARNER: Mr. President and members of the Legislature, I just wanted to point out that the shorter you make the period the higher you would have to adjust the



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rate perhaps again in order to accumulate the revenue in time to pay it back. So it may well also be and hopefully will not even be needed after December 31st, I don't know, but it would be drawing interest in any event for the fund from which it was transferred, but I think it would be poor money management to attempt to crowd it into too short of a period.

SENATOR NICHOL: Senator Beutler, did you wish to close on your amendment to the amendment?

SENATOR BEUTLER: No, Mr. Speaker, other than to argue again that the proper solution and this can be done within the time period that we are allowing to the end of December, the time period that the amendment allows, the proper solution is to increase the reserve so you don't face the same cash flow problem. The mechanism for increasing the reserves is already built into our financial system. We need not make any changes and so the extraordinary measures that we take should anticipate and should fall into place with the appropriate application of the techniques that we have always used and which we will continue to use, and in particular the technique of increasing the reserve. If the revenue projections are still soft, if it is anticipated that they may not be as strong as projected despite the continually lowering projections, then the answer is to increase the reserve to guard against that possibility. The answer is not to create a whole new layer of accounting, a whole new bureaucratic...a whole new system of bureaucratic manipulating which purports to be a solution to a problem but which it appears to me is only putting off the problem. So I just plead with you in the name of fiscal responsibility to make this new-fangled mechanism as shortlived as is reasonably possible, and I see no reason why it couldn't end December 31st, 1982 instead of extending all the way to July 1st, 1983. Thank you.

SENATOR NICHOL: The question is the adoption of the Beutler amendment to the Warner amendment. All those in favor signify by voting aye, opposed nay. Have you all voted? Have you all voted?

SENATOR BEUTLER: (Microphone not on)....record vote.

SENATOR NICHOL: A record vote has been requested.

CLERK: Senator Nichol voting no.

SENATOR NICHOL: Record the vote.

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CLERK: (Read the record vote as found on page 1772 of the Legislative Journal.) 10 ayes, 25 nays, Mr. President.

SENATOR NICHOL: The Beutler amendment to the amendment failed.

CLERK: Mr. President, Senator Beutler would move to amend Senator Warner's amendment as follows: (Read the Beutler amendment as found on page 1772 of the Legislative Journal.)

SENATOR NICHOL: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, to be sure I have this straight and my first opportunity to read this was this morning, I would like to ask Senator Warner a particular question again. Senator Warner as the amendment is drafted now and as I understand it, is it true that it would allow transfers as between cash funds as well as between the general fund and cash funds?

SENATOR NICHOL: Senator Warner.

SENATOR WARNER: Yes, I think that it could be, yes.

SENATOR BEUTLER: Okay.

SENATOR WARNER: It says among funds.

SENATOR BEUTLER: Okay, thank you, Senator Warner. The purpose of this amendment is to be sure that this cash fund, this interfund transfer arrangement is limited to the specific problem that we have been talking about, that is to the problem with our general fund account. So the amendment would limit the transfers to between the general fund and the cash funds and it would...and the difference is that it would not allow transfers as between different cash funds. Now if we have got other problems besides the one that has been identified publicly, I guess I would like to know what those problems are. If we have shortages or problems in some of our cash funds, I guess I would like to know what those are. But if our problem is with our general fund cash flow, then limiting, adopting my amendment would allow us to address that problem but it would ensure that we did not get into transferring funds as between cash accounts. That is the sole purpose of the amendment. Thank you.

SENATOR NICHOL: Senator Warner, did you wish to speak to the Beutler amendment to the amendment?

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SENATOR WARNER: Mr. President, I would rise to oppose the amendment for the obvious reason. I understand Senator Beutler is trying to suggest the new ingredient that is not a factor by implication that the facts are the money management. I can visualize the situation where a fund which had been transferred to the general fund may need some funds. You could circumvent his amendment very simply by going to the general fund and back but there could be a fund that would need interfund transfer in order to avoid going to the general fund and back. Every bit of this is as I indicated earlier required to be filed with the fiscal office. I am sure that a number of legislative staff will be checking every day. There will be no way for this to be avoided for full knowledge of anything that occurs, and I just believe that maximum benefit ought to be there to make effective money management.

SENATOR NICHOL: Senator Beutler, did you wish to close on your amendment to the amendment?

SENATOR BEUTLER: Mr. Speaker, once again...members of the Legislature, once again the sole purpose of the amendment is to be sure that the transfers are to and from the general fund which is where we are having our problem. For myself, I don't see the necessity of transferring funds out of one cash account and then taking money out of a second cash account to cover the first cash account and on we go in this little game. If we can't straighten out our problems by direct transfers to and from the general account, then we have more problems than I know about and I think we need to take a different, a deeper look at the problem. But it seems to me that with my amendment there would be certainly adequate means for covering the cash flow problems in the general fund. That is all this amendment does is limit the transfers to and from the general fund. Thank you.

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

ASSISTANT CLERK: Senator Nichol voting no.

SENATOR NICHOL: Have you all voted? Senator Beutler.

SENATOR BEUTLER: I would just ask for a record vote, Mr. Speaker.

SENATOR NICHOL: Record vote has been requested. Record, Mr. Clerk.

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CLERK: (Read the record vote as found on pages 1772 and 1773 of the Legislative Journal.) 9 ayes, 26 nays, Mr. President.

SENATOR NICHOL: The Beutler amendment fails. Mr. Clerk.

CLERK: Mr. President, Senator Beutler would move to amend the Warner amendment. (Read the Beutler amendment as found on page 1773 of the Legislative Journal.)

SENATOR NICHOL: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, this amendment is for the purpose of getting information to the Legislature in a timely manner. The bill provides right now that when the State Treasurer makes transfers from cash funds that he notifies the state agency or the commission or whoever is administering the fund account of the transfer of funds within two days. And the bill also provides that the State Treasurer would provide written notification to the legislative fiscal analyst but it doesn't provide any time period. And so I just stuck in there the same time period that is used to notify the state agency involved and that is two days so that the amendment would say that the State Treasurer shall provide within two days written notification to the legislative fiscal analyst and that will give us a timely handle on what is happening with these interfund transfers. Thank you.

SENATOR NICHOL: Senator Warner, did you wish to speak to the amendment?

SENATOR WARNER: Mr. President and members of the Legislature, I have no problem with that. It seems reasonable if we have the two days for the agencies, no problem, no reason why the fiscal office couldn't have that as well.

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

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: This will require 25 votes. Record, Mr. Clerk.

CLERK: 28 ayes, 0 nays, Mr. President, on the adoption.

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SENATOR NICHOL: The Beutler amendment to the amendment is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Beutler would move to amend the Warner amendment as follows: (Read the Beutler amendment as found on page 1773 of the Legislative Journal.)

SENATOR NICHOL: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, before I explain this amendment I again would like to ask Senator Warner a question to be sure I understand the amendment correctly. Is there anything, Senator Warner, in the amendment that absolutely requires the repayment of borrowed funds prior to July 1st, 1983?

SENATOR NICHOL: Senator Warner.

SENATOR WARNER: My understanding of the resolution, Senator, that is exactly what as of now is required because there is no authority for it to exist after July 1, 1983. It would have to be...everything be balanced out at that point.

SENATOR BEUTLER: It says that the authority shall terminate on July 1st, 1983, I assume that means the authority to transfer funds in any direction, and so I guess my question is, if funds have been transferred out of a cash account but have not been transferred in prior to July 1st, 1983, what happens?

SENATOR WARNER: Under the provisions of the amendment, Senator Beutler, they have to be paid back by July 1 of 1983, and if you feel that the wording doesn't do that, I have no problem with requiring that all balances are equalled out appropriately back where they belong by July 1, 1983 because in my opinion that is exactly what it says now.

SENATOR BEUTLER: Okay. Mr. Speaker and members of the Legislature, that is exactly what the amendment does is put in specific language which says basically that all funds shall be paid back by July 1st, 1983, and looking through the amendment I saw no explicit language and I am not sure that there is implied intent that that be the case and, therefore, just as a matter of caution, I would suggest that we adopt the language specifically requiring the payback of the funds by July 1st, 1983. Thank you.

SENATOR NICHOL: Senator Warner, did you want to talk on this amendment? Okay. The question is the adoption of the

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Beutler amendment to the Warner amendment. All those in favor signify by voting aye, opposed nay.

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: This will require 25 votes. Have you all voted? Record, Mr. Clerk.

CLERK: 25 ayes, 3 nays, Mr. President, on adoption of Senator Beutler's amendment.

SENATOR NICHOL: The Beutler amendment is adopted. Now we are going back to the Warner amendment. Senator Fowler, you had your light on.

SENATOR FOWLER: Mr. President, I rise to support the Warner amendment and I do so not for partisan motives but because I think, in fact, it is what should be done for the State of Nebraska in this situation. Now there has been a temptation to talk about things like the revenue chart I handed out, the general fund balance, the roller-coaster that looks kind of like the silhouette of the Capitol, the years of general fund balance and how the \$190 million that was there 18 months ago has dropped to what looks like a negative 30. There has been a temptation to talk about the end of the session last year when the Governor appears to have signed more bills than funds available to pay for them. There has been a temptation to talk about the Department of Revenue projection book put together last year but never released because it was felt by Don Stenberg that \$23 million needed to be added to it to inflate revenue projections. And there has been temptations to talk about Tax Commissioner Herrington not convening the Board of Equalization last fall to adjust rates because of federal tax changes, or the denials of the administration that there is anything wrong with the sales tax projections when questions were raised about those projections during the special session, or perhaps to talk about how the current Tax Commissioner when February inquiries were made as to whether he was confident of the projections with regards to refunds this year, whether in fact he shouldn't look at those again and he said, I don't see any real problem right now with those. Or a temptation to talk about how when Senator Beutler, Burrows and I had a resolution in March suggesting an emergency meeting of the Board of Equalization to adjust tax rates, we were assured there would be no cash flow problems in the State of Nebraska till October. I could talk about the Three Horsemen of The Apocalypse, Knight, Leuenberger and Bare, out in the rotunda this last week bringing the

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bad news to us that a sales tax increase is necessary and asking this Legislature to do it rather than have the Board of Equalization. I could talk about the amendment I felt this morning as fiscal conservative after fiscal conservative put a green vote up for a tax increase. I could talk about those things and exploit this issue but I won't. Senator Warner has the only solution that however one wants to talk about we got into this mess can bail us out in this short term. It is a well constructed amendment. It is important that this only be a short-term solution and that as policy makers in the State of Nebraska we never say that interfund borrowing is a permanent way to solve ourselves out of any fiscal crisis no matter how it is created. So for those reasons I will avoid the opportunity to take cheap partisan shots at anybody and just simply say that I support Senator Warner in his effort to allow for interfund borrowing on a temporary basis to bail us out of one incredible fiscal mess. Thank you.

SENATOR NICHOL: Senator Kahle.

SENATOR KAHLE: Mr. President and members, there is one thing that hasn't been mentioned and I tried to find it in the amendment and it may be clear, but, Senator Warner, if you would listen while I run this before you. I guess I am kind of concerned about the interest payment that is involved in the amendment. I believe our Constitution says we can't borrow money so how are we allowed to pay interest? Can you give me some enlightenment?

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

SENATOR WARNER: Senator, we are not in effect borrowing money. One of the arguments I am sure you heard, at least I certainly had heard that when those cash funds were used they otherwise were drawing interest and at least the state ought to reimburse that fund in an amount that it would have lost over 30 days. I don't consider it borrowing money but I guess it is to hold that fund... well, in a technical sense, but it is to hold that fund harmless at least over a 30 day period. I suppose the same argument if you will recall was it last year that we wanted the state to pay interest on the money that the local governments didn't get which I suppose was the same concept that some members had no problem with that concept in that instance. I guess I don't have any problem with this concept in this instance.

SENATOR KAHLE: If this were taken to court, what do you think would happen if we threw the Constitution into the (interruption).



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SENATOR WARNER: I would assume the most that could happen is that the general fund wouldn't have to restore the fund more than just principal if we are going to speak in terms of borrowing money. The other thing, Senator Kahle, as you will recall, county government, we passed legislation, what three years ago, two years ago, that permitted counties to transfer in this same fashion between funds. In their case, of course, they could borrow money but they didn't...it was foolish I think most of us thought for them to have to go and issue warrants and borrow money when they had adequate cash in some fund...rich fund, whatever it was, and so the concept we talk here is an identical concept that county government has except we are not going outside, of course, to borrow.

SENATOR KAHLE: Do the counties pay interest? Do you know?

SENATOR WARNER: I am not aware that it is a prohibition for them to pay between funds. I have no idea if they do.

SENATOR KAHLE: Well I guess I thought I saw a little bit of flicker of a constitutional problem there because to transfer the funds is one thing and then pay interest. I am not against paying the interest. I think we owe it, but have we ever done this before, do you know? Has it ever been done before in the State of Nebraska?

SENATOR WARNER: Paid interest, or transferred funds?

SENATOR KAHLE: Paid interest or transferred funds.

SENATOR WARNER: Well, there was documentation. I don't have it right now or I would give it, but there was documentation made in 1976 in which funds were transferred from the revenue sharing fund, from the Nebraska capital construction fund, off the top of my head, and one or two others, and not in the dollar amounts we are talking now but for a short period of time for the same reason that we are authorizing it today. I think the report that was made in the Appropriations Committee and I was not on it at that time, I know it included the words without comment on the appropriateness of the transfer. It nevertheless was done.

SENATOR KAHLE: One other question about that interest. How would the rate be determined? Would it be the amount that you can get if you invest the money or the amount you get if you borrow the money?



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SENATOR WARNER: At the current time the state investment officer on a daily basis credits accounts with the earnings of all the variety of funds that they invest and under the amendment it would be proposed that the money would be reimbursed on that daily rate whatever it was they were drawing, what the funds would have otherwise drawn.

SENATOR KAHLE: Okay, I didn't want to harass Senator Warner because I know this hasn't been too easy for him and we probably wouldn't have been in this mess if we had listened to him longer ago. But I think we needed to get this clarified and in the record exactly how we intend to do this. Senator Beutler, of course, has now gotten an amendment across that would guarantee that payment back into the fund. I also had that question. So I think we have everything taken care of to my satisfaction now. Thank you.

SENATOR WARNER: Thank you.

SENATOR NICHOL: Senator Beutler, did you wish to talk to the amendment?

SENATOR BEUTLER: Just a question of Senator Warner if I may again.

SENATOR NICHOL: Senator Warner, would you respond?

SENATOR BEUTLER: Senator Warner, at this time in your opinion and after having talked to the administration and the Department of Revenue and the people who are knowledgeable as to revenue projections and the cash flow problem, in your opinion, during the existence of this fund how many millions of dollars do you anticipate being transferred between funds?

SENATOR WARNER: Senator Beutler, I am sure at some point or other I have used the figure that at a maximum and let me rephrase this, this is my comment and not repeating someone, that at a maximum I thought that at any one short period of time it could be as much as \$30 million but I would want to quickly tell you why I think it would well be less. And the reason is that the projections on cash flow models are all on a presumption of a hundred percent expenditure by the end of the fiscal year which will not occur. Now they may be a hundred percent or nearly so encumbered but by through June 30th a hundred percent of this current year's appropriations will not have been paid out in the form of checks. Normally you would anticipate not more than about 95 percent that would have been paid out

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and that we would have encumbrances of 30 to 35 million or 40 million filed which those funds would be then paid out over the next maybe two or three months as goods was ordered and they came in, or buildings under contract, and so forth. So I, you know, to give a figure of....I am hesitant to give a figure because it will be sheer guess in a sense, but I suppose that the range of 10 to 15 million might be a reasonable figure. I certainly wouldn't want to put that kind of a limit on it because I don't know.

SENATOR BEUTLER: I guess the question I am getting to is that might it not make some sense to put a limit on the amount of the transfers in that it seems to me that it is good policy for the state to encourage all those involved in the financial management to return to and to make use of the existing tried and tested techniques for ensuring that we do not have cash flow problems, that is if we are uncertain of the revenues, why shouldn't the Board of Equalization be encouraged to work with a higher reserve and preclude the necessity of relying upon heavy doses of interfund transfers? Would it make some sense to encourage them to do that?

SENATOR WARNER: There would be two problems, or two considerations, at least, Senator Beutler. I would agree that it is always desirable to have a higher reserve and generally I have always advocated a higher reserve but every time we have gotten to difficult times in the past the reserve is gone, gone down and I think we both agree it ought to go the other way but that is not how it happens. But I would be very hesitant to put a dollar amount for the sheer reason I do not know what that dollar amount might be but more importantly if we were to put a figure in I am reasonably certain that it would be generally discussed...

SENATOR NICHOL: One minute.

SENATOR WARNER: ....as if we were transferring whatever that was as a fact rather than as a lid at what could be done and with the kind of notice that is in here and as I am sure people will be monitoring very closely any abuse of going in so deep that it was not possible to pay back, I am sure just cannot occur for no other reason than sheer public watchfulness of the situation.

SENATOR BEUTLER: Thank you, Senator Warner. Thank you, Mr. Speaker.

SENATOR NICHOL: Senator Warner, did you wish to close? The question is the adoption of the Warner amendment. All

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those in favor signify by voting aye, opposed nay.

ASSISTANT CLERK: Senator Nichol voting yes.

SENATOR NICHOL: This will require 25 votes. Have you all voted? Record, Mr. Clerk.

CLERK: 27 ayes, 1 nay, Mr. President, on adoption of Senator Warner's amendment.

SENATOR NICHOL: The Warner amendment is adopted.

CLERK: Mr. President, the next amendment I have for the bill is offered by Senator Warner. It is on page 1734 of the Journal.

SENATOR NICHOL: Senator Warner.

SENATOR WARNER: Mr. President, this deals with an amendment that was discussed in the Appropriations Committee conceptually but was not rejected or adopted, although I think it generally represents the...or does represent what is generally the position of the committee. One of the fees that was being adjusted dealt with a permit that goes on transportation of liquid fuels, trucks that carry tanks. It was first established in 1937 and it was a \$10 rate that was charged on each truck, and the way it was interpreted it was on the tractor and the trailer so it would be \$20 with a permit that was always carried on the tractor. What the committee had recommended was to increase that fee substantially. I believe it was to \$50, but that there should only be one sticker and that placed on the tractor which, in fact, was two stickers now but both still placed on the tractor. What the amendment would do is make that in effect while the unit was the property of a single owner that they would pay \$50...rather \$40 and would be good for the...no, it stated \$50....\$50, and it would stay good for the term of ownership. It is my understanding that generally you would find those units turning on the average about every four years although currently some of them are running longer than that, but it will reduce the amount of paper work. This is just a fee that has been charged primarily to ensure that they have adequate insurance which is provided for otherwise, that that assurance is there. It will reduce the paper work of annually doing it. They would have to pay each time that a unit changed hands. But the other part about it is that the initial impact will be most beneficial as far as the state coffers are concerned this coming year and after that it would...on an annualized basis it would be about a 25 percent increase

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in actual receipts. I think it is a reasonable approach. Again as I indicated the committee has generally discussed it conceptually and I believe the majority of the committee was in support of it.

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

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Record, Mr. Clerk.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of Senator Warner's amendment.

SENATOR NICHOL: The Warner amendment is adopted.

CLERK: Mr. President, Senator Vickers would move to amend the bill. That amendment is on page 1754 of the Journal.

SENATOR NICHOL: Senator Vickers.

SENATOR VICKERS: Mr. President and members, the fee schedule raised in 928 for corporations for the corporate filing annual report, 928 raises those fees for all corporations including foreign corporations except for the fact that I don't believe the maximum amount for foreign corporations are quite in line with the instate corporations when you consider that the foreign corporations fee schedule is supposed to be double that of instate corporations. If you would turn to page 7 of Request 2744 on LB 928, you will notice that on line 4 it says the schedule of payments shall be double the fee set forth in Section 21-303 and that is the one dealing with instate corporations, or any amendments thereto except that the fee shall not exceed \$12,000. Now the maximum that we are raising the instate corporations is up to \$11,995. Now it seems to me that if we are going to double the fees, if the fees are doubled for filing all other out of state corporations, that the maximum should be more than the... \$5 more than the maximum for instate corporations. So my amendment would raise the \$12,000 to \$15,000. Now I don't believe that is any more than fair when you consider that an out of state corporation or a foreign corporation, if you will, that is not up to the maximum is paying double that of instate corporations and I repeat again the maximum amount that an out of state corporation pays is only \$5 more than the maximum amount an instate corporation pays and I think Senator Warner indicated to me, at least, that

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he would probably be in support of this, but I will let Senator Warner speak for himself. So with that, thank you, Mr. President, and I would move the advancement of this amendment.

SENATOR NICHOL: Senator Warner.

SENATOR WARNER: Mr. President, I would support Senator Vickers. The committee when we made this suggestion did a flat one-third increase right across the board with no other changes assuming that they should be a policy matter that was beyond just necessarily the revenue picture. Existing law put a maximum of \$9000 and the third increase... on foreign corporations a third increase made it 12. Previously, and this comes about dealing with percentages, the domestic corporation was about \$750 maximum below the \$12,000 previously and just the sheer use of percentages narrowed it down as Senator Vickers pointed out to about \$5 difference. And I would agree personally, at least, that increasing that to \$15,000 is reasonable and I don't think anyone that would be affected would particularly object and it is in keeping in general with the concept that the committee suggested for a third increase although it does make the cap a little more than that for the very large. By the way, this would apply to a corporation of over \$100 million capital stocks so it is substantially a large, large corporation.

SENATOR NICHOL: Senator Dworak.

SENATOR DWORAK: A question of Senator Warner.

SENATOR NICHOL: Senator Warner, would you respond?

SENATOR DWORAK: Senator Warner, didn't we discuss this and isn't there a reciprocity factor in this as to what we do to corporations within the state and how other states treat our corporations? Isn't that one of the reasons that we tempered this and the fact that we would actually be raising money for...conceivably could be raising money for other states?

SENATOR WARNER: Senator Dworak, I certainly recall that general...that conversation to the increase in general and we may have also talked about it as far as the maximum, I do not recall that specifically, I know we did in general about the whole increase. Again, I do not know if there are states that set a similar charge based upon a reciprocity type of concept. I doubt that any state has a strict reciprocity concept but that is not to say there is none, I do not know.

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SENATOR NICHOL: Senator Vickers, would you like to close on your amendment? The question is the adoption of the Vickers amendment. All those in favor signify by voting aye, opposed nay.

CLERK: Senator Nichol voting yes.

SENATOR NICHOL: Have you all voted? It takes 25. Record, please.

CLERK: 26 ayes, 1 nays, Mr. President, on adoption of Senator Vickers' amendment.

SENATOR NICHOL: The Vickers amendment is adopted.

CLERK: Mr. President, Senator Higgins will now move to amend the bill.

SENATOR NICHOL: Senator Higgins.

SENATOR HIGGINS: Mr. President, this amendment would increase the per bed license fee for nursing homes and hospitals by \$5 above what the appropriations fee has already adopted. The main reason for this amendment is to transfer to those facilities, nursing homes and hospitals, the expense of continually continuing to properly serve the medicare and medicaid reimbursement procedures already mandated by the federal government. In the last three months the federal government has reduced the medicare reimbursement to Nebraska for medicare inspections by almost \$150,000. Now the effect of this cut has been a loss of some employees, but at the same time the federal government has not reduced the burden of our health department to continue its mandated responsibilities in order to receive federal reimbursements for these programs. In other words, to receive back the 30 or 40 million dollars the federal government provides in medicare reimbursement we have to continue to conduct the inspections except the federal government has turned around and cut the funds they used to previously give us to provide for the cost of the inspections. So this amendment if adopted would restore almost \$150,000, it would be \$146,480, to allow the Department of Health to receive medicare reimbursement. I think it is only proper that those that would benefit from it would be willing to pay it. I visited with some of the people from the Hospital Association and they have no objections to the amendment, and the nursing home facilities representative that I talked to I did not get an answer from whether they have any concern about it or not. I asked Senator Warner about it and Senator Warner had



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no objections but, Senator Warner, if you would care to comment on this, I know it was kind of in a hurry when I presented it to you. Basically, that is the amendment, to continue to get medicare funds from the federal government I would like to increase the hospital and nursing home per bed cost \$5 a year, and that will give the Health Department the \$150,000 the federal government took away from them because it will come back to them through the medicare payments they get from the federal government. Thank you, Mr. President.

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

SENATOR WARNER: Mr. President, Senator Higgins did speak to me about it and I don't know if I didn't have an objection. I don't think I had an opinion, I guess, Senator Higgins. There was some indication from some of these at the hearings from the medical or those representing particularly the hospitals of too much of an increase in some of those inspection fees and their argument, of course, was that it would add to the medical cost that eventually the individuals who are staying at the hospital would be paying. I think you are suggesting a part of that would come from medicaid in any event and in those cases I assume that is valid. I am not sure what the situation is with a private patient who is not covered by medicaid, or I assume insurance picks it up but that is reflected in rates. I do not specifically have objection to Senator Higgins' proposal. I am more at a loss to know whether or not it would create a lot of opposition from the hospitals and that I cannot answer, or excuse me, nursing homes.

SENATOR NICHOL: Senator Higgins, did you wish to close on your amendment?

SENATOR HIGGINS: Yes. Mr. President, I visited with the Nebraska Hospital Association representatives out in the rotunda and they said they have absolutely no objections to it, that it is merely a pass through cost, that it comes back to them through medicare. What we are doing here is saying, pay this \$10 or \$5 increase per bed and when the hospitals and nursing homes submit their bills to the government it is part of their cost of operation so part of it comes back to them. Now because these institutions are causing the inspections and because they reap the benefits of medicare, I think 46, 47 percent of the people in nursing homes alone according to their representative in the rotunda get some form of medicare or medicaid reimbursement for their patients. And we are talking about a

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\$70 million industry, and we are talking about \$150,000 is all. If we are going to do the inspections in order to guarantee to continue to get medicare payments, we are gambling that if we don't do the inspections we could lose between \$30 and \$40 million from the federal government because we don't comply and do the inspections. So this is why I am asking you just to increase this \$5 per bed. And when you realize that the nursing homes and the hospitals will get part of this or most of this back through their medicare payments, we are not even increasing them that much. Thank you, Senators.

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

SENATOR HIGGINS: I don't like to have a Call of the House but it looks like I am going to have to.

SENATOR NICHOL: Are you saying you do want a Call of the House?

SENATOR HIGGINS: I say I don't want to but I am going to ask for it.

SENATOR NICHOL: Okay. The request is for a Call of the House. All those in favor vote aye, opposed nay. Record, Mr. Clerk.

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

SENATOR NICHOL: We are under Call. Will all of you within the room please take your seat. Sergeant at Arms, will you please attempt to find those who are not here. Unauthorized personnel please leave the floor. And please register when you are seated, please. Please indicate your presence so we don't have to call your name. Senator Labedz. Senator Haberman, will you record your presence, please. We are looking for Chambers, Kilgarin, Senator Marsh. Senator Chambers. We are waiting for Senators Chambers and Kilgarin. Please record your presence. Senator Chambers is the only one not here. Senator Higgins, do you wish to go ahead? Proceed, Mr. Clerk, with the roll call. I assume you want a roll call.

CLERK: (Read the roll call vote as found on pages 1774 and 1775 of the Legislative Journal.) 13 ayes, 23 nays, Mr. President.

SENATOR NICHOL: The Higgins amendment failed. The Call is raised. Senator Warner. The motion is to advance the bill.



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LB 89A, 480, 799A, 903,  
903A, 928

All those in favor signify by voting aye. Opposed nay.  
The bill is advanced. Would you like to read in something,  
Mr. Clerk?

CLERK: Yes, sir, I would. Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 799A and recommend that same be placed on Select File; 903 and 903A, all placed on Select File, Mr. President. (See page 1776 of the Legislative Journal.)

Mr. President, Senator Marsh would like to print amendments to LB 89A in the Legislative Journal. (See pages 1775 and 1776 of the Journal.)

SENATOR NICHOL: We will move on to LB 480. Senator Hoagland, are you going to take this?

CLERK: Mr. President, we have E & R amendments to the bill.

SENATOR NICHOL: Senator Kilgarin.

SENATOR KILGARIN: I move we adopt the E & R amendment to LB 480.

SENATOR NICHOL: All those in favor signify by saying aye. Opposed nay. They are adopted.

CLERK: Mr. President, Senators Hoagland, Beyer and Sieck would move to amend the bill and that amendment is on page 1314 of the Journal.

SENATOR NICHOL: Senator Hoagland.

SENATOR HOAGLAND: Mr. President and colleagues, Senators Beyer, Sieck and myself are moving to make a couple of final changes in LB 480 before we advance it, before we hope the body advances it to Final Reading. Let me say at the outset that these amendments have been agreed upon substantively by the County Attorneys' Association and we have also had some representatives of the Bar Association that have given these amendments technical approval. What the amendments do basically is rewrite the current provision of the law which provides that interspousal transfers shall not be subject to the inheritance tax in Nebraska. That is Section 1 of the amendments. The other two sections of the amendments take out the lien on real property for situations where two spouses are living and jointly own a home and one spouse dies and all of the interest in property goes to the surviving spouse. In circumstances of that sort, there is no lien either under the county inheritance tax or the

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LB 212, 787, 928

SENATOR CLARK: The motion fails and the time is up on the bill. We go to 212.

CLERK: Mr. President, if I may right before that, your committee on Enrollment and Review respectfully reports that they have carefully examined and engrossed LB 928 and find the same correctly engrossed and LB 787 correctly engrossed, both signed by Senator Kilgarin.

Mr. President, with respect to LB 212 I have a motion ... well, Senator Cullan had amendments printed on page 1823, Mr. President, that I understand he wishes to withdraw.

SENATOR CLARK: They are withdrawn.

CLERK: And, Mr. President, Senator Cullan would now move to return LB 212 to Select File for a specific amendment.

SENATOR CLARK: Senator Cullan, on 212.

SENATOR CULLAN: Mr. President, members of the Legislature, I'm having.....a Page will distribute to you in a second the amendments which were being proposed to LB 212. A version of them was published in the Journal earlier but we have modified them. What the amendments to LB 212 will do would be to appropriate the funds for the Cancer Registry from the cigarette tax monies which we earmarked in the other bill earlier and so these funds for the Cancer Registry which is the subject of LB 212 itself would be appropriated directly from that earmarked fund already and that would eliminate the necessity of an appropriations bill or of a special general fund appropriation for the Cancer Registry program. I think the Cancer Registry and Cancer Research of course obviously tie together very well and I think it is logical that if we are going to have a Cancer Registry funded in the State of Nebraska with state funds, that that Cancer Registry be funded from the one cent on the cigarette tax which is designated for cancer research. The other part of the amendment corrects a problem about confidentiality of medical records which was brought to us by the Hospital Association and with that amendment the Hospital Association dropped their objections to LB 212 because it did satisfy their problem so far as possible confidentiality issues might be concerned. That is really all the amendments do. Excuse me, one further thing, they also delay the effective date of LB 212 until July 1, 1983, which is when the earmarking of the one cent cigarette tax would also occur. A full one cent would be expended at that point in time. I think this also allows the Department of Health to publish rules and regulations and work out any problems that they might have in working with private registries which already exist in the State of Nebraska. I would ask you

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LB 868, 928

PRESIDENT: LB 868 passes with the emergency clause attached. Mr. Clerk, the next bill on Final Reading is LB 928.

CLERK: (Commenced reading LB 928 on Final Reading.)

SENATOR CLARK PRESIDING

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

SENATOR KOCH: What page is the Clerk on, I can't keep up.

SENATOR CLARK: Continue with whatever page you are on. He's on the last page of the bill.

ASSISTANT CLERK: (Continued reading LB 928 on Final Reading.)

SENATOR CLARK: All provisions of law relative to procedure having been complied with, the question is, shall 928 pass with the emergency clause attached? All those in favor vote aye, opposed vote nay. Have you all voted?

CLERK: Senator Clark voting yes.

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

CLERK: (Read the record vote as found on pages 2007 and 2008 of the Legislative Journal.) 24 ayes, 20 nays, Mr. President, on the motion to pass the bill.

SENATOR CLARK: The bill having failed to receive the constitutional majority to pass with the emergency clause attached, the question is now, shall the bill pass without the emergency clause attached? All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

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

CLERK: (Read the record vote as found on page 2008 of the Legislative Journal.) 26 ayes, 19 nays, 2 excused and not voting, 2 present and not voting, Mr. President.

SENATOR CLARK: The bill is declared passed without the emergency clause attached. The Clerk will now read 933.

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LB 928

CLERK: Mr. President, I have a motion to reconsider the action of the Legislature in passing LB 928 with the emergency clause attached. That is offered by Senator Vard Johnson.

PRESIDENT: Yes, Senator Landis.

SENATOR LANDIS: The first offering of that by a member of the prevailing side was by me.

CLERK: I stand corrected Senator, you are absolutely right.

PRESIDENT: So it is by Senator Landis. This was a motion. . .

SENATOR LANDIS: It is a motion to reconsider 928 with the emergency clause.

PRESIDENT: This is by one who was on the prevailing side.

SENATOR LANDIS: That is right.

PRESIDENT: Okay. And, it is by Senator Landis. Okay. Senator Landis.

SENATOR LANDIS: This is bill with a series of fees in the Appropriations Committee. It was amended on General and Select File. It failed to have the appropriate number on the first reading on Final Reading for the emergency clause. I would move for its reconsideration.

PRESIDENT: Senator Warner. Senator Warner, this is on the motion to reconsider now.

SENATOR WARNER: Mr. President and members of the Legislature I would rise to support the motion of reconsider. I probably more than anyone in here probably feels a little betrayed. Every time the receipts went down, every time an adjustment was necessary I spent more hours than anybody in state government trying to find a way to balance that budget. And, I have had my neck out front on every tax increase that's occurred and always it was a part of my desire to get some kind of equitable treatment for salaries for state employees, as meager as it was. I almost would like to take the position of let the Governor have the cash flow problems, but I know I can't do that and I know that many of you feel the same way. It was obvious, as many of you know, the bill did not get 33 votes the first time to at least let the Governor know that some people I'd like to think probably felt as I did, but I would urge you now to support Senator Landis' motion and

give the 33 votes because it is desperately needed. We will not meet our bills. I suppose we could do or the state could do as was done in '76, make some, at least not legal transfers, but I don't think that any of us want to do that. So, I would hope that you would support Senator Landis so the state would continue to operate through this summer, because without the emergency clause we are in deep trouble.

PRESIDENT: Senator Marsh.

SENATOR MARSH: Thank you Mr. President and members of the Legislature. I'm one who did not vote on this bill before. I was quite surprised when my desk telephone rang and it was a member of the Governor's staff urging me to support a reconsideration. I'm not voting on the reconsideration because of the Governor or the Governor's staff. I will vote in support of the motion because it is needed. My state needs it. But, I feel very much as Senator Warner does, the six times through the budget were hours spent following the leadership of Senator Warner. I think very few people realize the dedication of Senator Warner. Not only his dedication to the state but to the employees of the state trying to balance a budget and still give a very modest 3.75% to employees. The Governor could have and chose not too, that hurts. That hurts when we sincerely looked at the budget and cut it not once, not twice, but three major times. Yes, I will support 928 because it is needed. Because my state needs it. But, I too feel betrayed.

PRESIDENT: Chair recognizes Senator Fowler.

SENATOR FOWLER: I'm afraid I can't feel as betrayed as others. I never got to the meetings. Somehow I and some other people never really had a chance to find out how bad the cash flow situation was. Because, somehow it just wasn't possible for the Governor to ever find time to visit with some of us. Never got to see Leuenberger's chart. So I really don't know how deep or how bad the problem is. I do know this. The fees in 928, what once was called nickle and diming the state is not needed for any reason in the current budget. Because of the vetoes we still have over a 3% reserve, more than the statutory limit that was requested by the Governor who felt 2% was sufficient, so all the fees to all of the businesses and all of the farms that the Appropriations Committee started on, because we felt that there wasn't going to be politically possible a sales tax increase and an income tax increase, is now



a bill simply to raise more revenue for the reserve that the Governor says he doesn't need. I think that many of us would have preferred with 928 to be up front and straight and raise the sales tax and raise the income tax but everybody said "no". The Governor would never stand for that, it could not happen in a Legislature such as this. And so we came up with indirect ways to raise 5.2 million, a fee here, a fee there. We had hearings on those. I'm sure that Senator Warner spent more time answering questions on the fees perhaps than any other issue. Now though the Legislature has been requested, lobbied, traded for a sales tax increase, an income tax increase, cigarette tax increase, corporate tax increase adding up to a 125 million dollars, something that we were told would not be possible. Again, I can't speak to the cash flow situation. No one really wanted to tell me about it I guess. But, I would say the fees, the nickle and diming of the farms, businesses and people of the State of Nebraska on the revenue sheets that we need for the statutory reserve that the Governor requested, simply is not needed. So at least that section of 928 is not needed and for that reason I will not vote to reconsider. As far as to the other issue I'm just not informed.

PRESIDENT: Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, LB 928 has already been passed by this body. But, it has been passed without the emergency clause. So that very simply means that the nickle and dime fees to which Senator Fowler alludes will take effect, though they will take effect 90 days following adjournment of this legislative session. It also means that the interfund transfer that is in the bill will take effect, but it will take effect 90 days following the adjournment of this session. So no matter how much any members of this body disapproves of the interfund borrowing and no matter how much any members of this body disapprove the nickle and dime fee increases they exist but they will exist 90 days following the adjournment of this session. Now the real question is should 928 be reconsidered so that all of these actions may take effect today or when the Governor signs this bill. I did see the charts, Senator Fowler, and I did hear the stories and I am sorry to say that the charts and the stories painted a grim picture. They painted a picture grim enough to mean simply that our taxpayers who have made application for their tax refunds are having those refunds slowed down to a snail pace. They painted a picture that in the next two to three months the state itself will be in a critical, financial condition. Now this legislature this session has been the

most responsible legislature that I have served in in my four years here. Responsible in the sense that it has been prepared to increase the sales tax, it has been prepared to increase the corporate income tax, it has been prepared to increase the cigarette tax, it has been prepared to increase the fees and of course it has been prepared to understand that there will be an income tax increase from the State Board of Equalization and Assessment. I guess we have to be responsible one more time. We have done a good job and that means we can't blink away, we can't allow this bill to become law 90 days from the time of adjournment, but rather we need to reconsider it and we need to put the emergency clause on it and have it become law when the Governor signs it so in fact the state can move through its critical cash flow needs.

PRESIDENT: Chair recognizes Senator Cullan.

SENATOR CULLAN: Mr. President, I move the previous question.

PRESIDENT: All right, the question has been called for. Do I see five hands? I do. The question is shall debate cease. All those in favor vote aye, opposed nay. Motion is to cease debate. Record the vote.

CLERK: 26 ayes, 10 nays to cease debate, Mr. President.

PRESIDENT: Motion carries, the debate ceases. Senator Landis, you may close.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, let me tell you how I'm going to vote. I'm going to vote to reconsider this bill. And then, if you know the way I vote I assume that it will surprise you that I will be voting in absentia, I won't be voting to pass 928, I'll let this body reconsider its actions. But if you know my record I always vote. I never pass. But, ultimately the question of responsibility is a two way street. This body operates in a troika along with the other branches of government. As admirable as the suggestion of Senator Warner and Senator Johnson be that we perform in a vacuum of responsibility the actions to put us right with respect to our fiscal responsibilities is noble but perpetuates the imbalance of responsibility that has been struck between the executive and the legislative branches. It seems to me that I have sat here across the aisle from a number of my colleagues and I voted for the cigarette tax, the corporate tax, the income tax, the sales tax, the redistribution of all of the school payments and I supported the interfund cash transfer down the line. I've acted responsibly, thank you very much,

and at this late date after having given all of the revenue necessary to treat the state employees of this state with dignity and respect, we put the ball in the Governor's court and what happened? It fumbled. So, as far as I am concerned the two way street hasn't been met. The imbalances, the balance is not there and the desire on my part to go to the well one more time for my reservoir of good feelings and responsibility has come to an end. I'm not going to vote when I find myself among those of a small number apparently who are willing to meet their responsibilities down the line when I can't be given in good faith a response on the other half of this bill making process. I'm going to vote to reconsider 928 but then for the first time in this session I'm going to sit in my chair and I'm not going to vote and do the responsible thing and get other people off hook because they won't be responsible. I move this motion.

PRESIDENT: The motion before the House is the motion to reconsider the vote on LB 928 requiring the emergency clause. This will require pursuant to Rule 7 C-1, 33 votes to reconsider. All those in favor vote aye, opposed vote nay. 33 because it is a three-fifths vote shall be required according to the rules. I may have the wrong section then. I'm going 7 3-1, all right it is the next section, two-thirds so it is thirty. Yes, I was looking at the former, number one and it is number two. Well it is only thirty. Two-thirds, yes, so it is 33. Yes. Okay. Record the vote. How is that for a filibuster?

CLERK: 34 ayes, 8 nays, Mr. President, on the motion to reconsider.

PRESIDENT: All right, the motion carries. So the bill is now reconsidered. Now we just vote on the. . . we don't have to re-read it. All we have to do is just vote and this time it is shall the bill, LB 928 pass with the emergency clause attached. Senator. . . 33 because it is the emergency clause this time. This is the 33 emergency clause. The other one was a reconsideration which was also 33 though. Senator Vickers, for what purpose do you rise?

SENATOR VICKERS: A point of clarification, Mr. President. Mr. President, since you mentioned the rule, the rule says, Rule 7, Section C, Subsection I, or 2-I.

PRESIDENT: No it is two, yes, 2.

SENATOR VICKERS: Okay, 2. That for a bill passed on Final Reading that no. . . lets see if I can find it here, in Subsection D, no more than. . .



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PRESIDENT: You are down in D. . . .

SENATOR VICKERS: No motion to reconsider shall be in order except for the . . . except by the introducer of the bill for technical or clarifying amendments. Is this a technical or clarifying amendment Mr. President?

PRESIDENT: Read C-2. Yes, read C-2. I had not jumped down into that Section, it is C-2. Right above that. C-2. To reconsider the vote on a bill which emergency clause was attached, which received the constitutional majority with the emergency clause stricken, and the purpose of the motion is to again add the emergency clause which is exactly what we have here and then a two-thirds vote of the elected members shall be required for adoption. It is very clear.

SENATOR VICKERS: So how many votes are required?

PRESIDENT: Pardon?

SENATOR VICKERS: How many votes are required right now?

PRESIDENT: Thirty-three.

SENATOR VICKERS: Thank you.

PRESIDENT: Yes, thirty-three both times. So now the question is shall LB 928 pass with the emergency clause attached. All those in favor vote aye, opposed nay. Senator Beutler, now what. No, we are on Final Reading. No you go right into a vote on this. You have already reconsidered it. You go right to a vote. You don't read the bill or anything. You just vote. How many are excused now? We are supposed to be on Final Reading. Four excused. Who asked for a roll call vote? Senator Landis. Okay a roll call vote has been requested. Lets have a roll call vote. I'm wondering if all the, since we are technically on Final Reading at this point, which we have been all along if everyone is. . . . When did we last check in, Mr. Clerk? Lets check in at this point to make sure because I have seen people coming and going and a great number didn't vote. Lets check in and then we will have a roll call vote. Make sure Sergeant at Arms. . . .if everyone would check in as quickly as you can. You can add one more. Senator Koch is going big red all the way. Okay, now who is. . .how many are excused? Everybody is here now. All right, we are ready for a roll call vote. Proceed with the roll call vote.

CLERK: Roll call vote. 34 ayes, 7 nays, 4 present and not voting, 4 excused and not voting. Vote appears on page 2016

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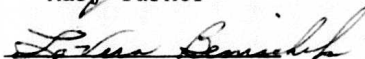
of the Legislative Journal.

PRESIDENT: LB 928 passes with the emergency clause attached.

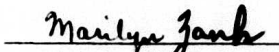
Edited by:



Mary Turner



LaVera Benischek



Marilyn Bank

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LB 761, 928

Record the vote so we can go on and get it over with.

CLERK: 18 ayes and 11 nays, Mr. President, to go under Call.

PRESIDENT: House is under Call. All members report in at once so we can now. . . now what do you want to do then, do you want to have a roll call vote or what did you want, Senator? Roll call vote? We have four excused, right? Six excused. Would everybody please, Senator Hefner do you want to show us you are here. Senator Burrows I know you are here I see you. Senator Warner. Senator Marsh is here. Senator Hoagland is right there. Okay that is it. We are all here. Roll call vote then. All right. Mr. Clerk, if you want to, for those that came in late, will you tell them what the motion is so that we can. . .

CLERK: Mr. President, the motion offered by Senator Wesely, Schmit and Newell is to override the Governor's line item veto reduction by restoring the amount shown for the Disabled Persons and Family Support Program in the Department of Public Welfare-Program No. 347.

PRESIDENT: Okay, we will have a roll call vote on this matter. Proceed with the roll.

CLERK: Roll call vote taken. 24 ayes, 20 nays, 5 excused and not voting. Vote appears on page 2019 of the Legislative Journal.

PRESIDENT: Motion fails. Next motion.

CLERK: Mr. President, before that if I may, your Committee on Enrollment and Review respectfully report they have carefully examined and enrolled LB 928 and find the same correctly enrolled and that bill is now ready for your signature.

PRESIDENT: While the Legislature is in session and capable of transacting business I propose to sign and I do sign LB 928.

CLERK: Mr. President, the next motion I have is on 761. It is a motion by Senator Chambers. Read Chambers motion.

SENATOR LAMB PRESIDING

SENATOR LAMB: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I had no intention to do what I am trying to do now until I

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LR 386, 237  
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SENATOR LAMB: Motion is the adoption of the resolution. Those in support vote yes, those opposed vote no.

CLERK: Senator Lamb voting yes.

SENATOR LAMB: Have you all voted? Record.

CLERK: 33 ayes, 0 nays, Mr. President.

SENATOR LAMB: The resolution is adopted.

CLERK: Mr. President, very quickly a couple of items to read into the record. Your Enrolling Clerk presented to the Governor the final bill read on Final Reading today, that is LB 928.

Mr. President, Senator Chambers asks unanimous consent to add his name to LR 237 as co-introducer.

SENATOR LAMB: No objections, so ordered. Senator Rumery. Oh, one second, Senator Rumery. Senator Wiitala, for what purpose do you rise?

SENATOR WIITALA: A point of personal privilege.

SENATOR LAMB: State your point, Senator.

SENATOR WIITALA: Mr. Speaker, I would like to take these few moments on behalf of the entire legislature to thank about 40 blessings as we draw down the last few minutes of this Legislature. They come in the form of Kitty Kearns and her 35 Pages, Sergeant at Arms and their assistants. I would like to say thanks an awful lot for sticking it out with us.

SENATOR LAMB: Thank you. We certainly do appreciate the good work that has been done. Senator Carsten, did you have a . . .

SENATOR CARSTEN: Mr. President and members of the Legislature, as Chairman of the Revenue Committee, I have been asked to bring to you the latest economic situation of the State of Nebraska and possible problems and solutions arising therein and with a couple of minutes and your forgiveness I would like to give that to you now. As a result of many years of experience and expertise in areas relating to the economy of our industry and our country in general, I'm constantly being asked for my opinion of the current economic outlook. As a result I have given this matter some very serious consideration and