FIRST DAY - NOVEMBER 5, 1992

LEGISLATIVE JOURNAL

NINETY-SECOND LEGISLATURE FOURTH SPECIAL SESSION

FIRST DAY

Legislative Chamber, Lincoln, Nebraska Thursday, November 5, 1992

Pursuant to a proclamation by His Excellency, E. Benjamin Nelson, Governor of the State of Nebraska, the Ninety-Second Legislature, Fourth Special Session, assembled in the West Legislative Chamber of the State Capitol, at the hour of 2:00 p.m., Thursday, November 5, 1992, and was called to order by President Moul.

PRAYER

The prayer was offered by Rev. Harland Johnson, Chaplain Coordinator.

ROLL CALL

The roll was called and the following members were present:

Abboud, Chris	Hefner, Elroy M.	R
Ashford, Brad	Johnson, Lowell C.	R
Baack, Dennis	Johnson, Rod	R
Bohlke, Ardyce L.	Labedz, Bernice	S
Chambers, Ernie	Lamb, Howard A.	S
Chizek, Jerry	Landis, David M.	S
Conway, Gerald	Lindsay, John C.	S
Coordsen, George	Lynch, Daniel C.	V
Crosby, LaVon	Moore, Scott	V
Cudaback, Jim D.	Morrissey, Spencer W.	V
Elmer, W. Owen	Nelson, Arlene	V
Haberman, Rex S.	Peterson, Richard	V
Hall, Tim	Pirsch, Carol McBride	

Robak, Jennie
Robinson, C. N. Bud
Rogers, Carson
Schellpeper, Stan
Schimek, DiAnna R.
Schmit, Loran
Schrock, Edward
Warner, Jerome
Wehrbein, Roger R.
Wesely, Don
Will, Eric
Withem, Ron

The following members were excused:

Bernard-Stevens, David F. Beutler, Chris Beyer, Emil E., Jr. Byars, Dennis M. Dierks, Merton L. Hartnett, D. Paul Hillman, Joyce Horgan, Thomas R. Kristensen, Doug Rasmussen, Jessie K. Wickersham, William R.

DECLARATION

Pursuant to a proclamation issued by the Honorable E. Benjamin Nelson, Governor of Nebraska, we are here and now assembled in the Ninety-Second Legislature, Fourth Special Session of the Nebraska Legislature. I, as Lieutenant Governor, declare that we are now open for the transaction of business.

(Signed) Maxine Moul Lieutenant Governor

CERTIFICATE

STATE OF NEBRASKA

United States of America,)	
) ss.	Department of State
State of Nebraska)	

I, Allen J. Beermann, Secretary of State of the State of Nebraska do hereby certify that the attached is a true and correct copy of a Proclamation by the Governor of the State of Nebraska calling an Extraordinary Session of the Legislature.

I hereby certify that the attached document was filed in the Office of the Secretary of State on the 2nd day of November, 1992.

Finally, I hereby certify that a copy of this proclamation is on file in the office of the Secretary of State and is a matter of public record.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State of Nebraska.

Done at Lincoln this fifth day of November in the year of our Lord, one thousand nine hundred and ninety-two.

(SEAL)

Allen J. Beermann, Secretary of State

PROCLAMATION

BY VIRTUE OF THE AUTHORITY VESTED in the Governor by Article IV, Section 8, of the Constitution of the State of Nebraska, I, E. Benjamin Nelson, as Governor of the State of Nebraska, believing that an extraordinary occasion has arisen, DO HEREBY CALL the Legislature of Nebraska to convene in extraordinary session at the State Capitol on November 5, 1992, at 2:00 p.m. for the purpose of considering and enacting legislation on only the following subjects:

- 1. To provide for the collection of certain revenues from the following sources to address current deficit appropriations: (a) a depreciation surcharge; (b) a surcharge on maximum corporate income tax rate; (c) an occupation tax for certain corporations; (d) a removal of sales tax exemption on purchases of energy for use in processing, manufacturing or refining tangible personal property, in the generation of electricity or by any hospital; (e) a reduction of the sales tax collection fee.
- To provide for a mechanism whereby taxes declared unconstitutional in <u>Bahensky vs. State</u>, 241 Neb. 147 (1992), shall be credited or refunded.
- To impose a method of calculating the general interest rate in § 45-104.01 R.R.S.
- 4. To repeal by operation of law § 77-1736.04, R.S. Supp., 1992.
- 5. To appropriate funds for the necessary expenses of the extraordinary session herein called.

I direct that members of the Legislature of the State of Nebraska be notified of the convening of this extraordinary session by presenting to each of them a copy of this Proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand, and caused the Great Seal of the State of Nebraska to be affixed this 2nd day of November in the year of the Lord One Thousand Nine Hundred and Ninety-Two.

(Signed) E. BENJAMIN NELSON Governor

(SEAL) Attest:

(Signed) ALLEN J. BEERMANN Secretary of State

MOTION - Election of Officers

Speaker Baack moved that the following officers be elected to serve for the Ninety-Second Legislature, Fourth Special Session:

Clerk of the Legislature
Assistant Clerk of the Legislature
Sergeant at Arms
Chaplain Coordinator

Patrick J. O'Donnell Richard K. Brown Carl E. Kamprath Harland Johnson

The motion prevailed.

CERTIFICATE

STATE OF NEBRASKA

United States of America,)	
) ss.	Department of State
State of Nebraska)	_

I, Allen J. Beermann, Secretary of State of the State of Nebraska do hereby certify that the attached is a true and correct copy of the Official Roster of members of the Nebraska Unicameral Legislature elected or appointed to serve in the Ninety-second Legislature, Fourth Special Session, 1992.

Further, I hereby certify that the members so listed on the Official Roster attached hereto are the duly elected or appointed members of the Unicameral Legislature in the State of Nebraska for the Ninety-second Legislature, Fourth Special Session, 1992.

Finally, I hereby certify that all election returns, abstracts, canvass and appointment records with reference to said members are on file in the office of the Secretary of State and are a matter of public record.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State of Nebraska.

Done at Lincoln this fifth day of November in the year of our Lord, one thousand nine hundred and ninety-two.

(SEAL)

Allen J. Beermann, Secretary of State

DISTRICT NAME ELECTED

1	Spencer W. Morrissey	November 8, 1988
2	Roger R. Wehrbein	November 6, 1990
3	Emil E. Beyer, Jr.	November 8, 1988
4	Thomas R. Horgan	November 6, 1990
5	Bernice Koziol Labedz	November 8, 1988
6	Brad Ashford	November 6, 1990
7	Tim Hall	November 8, 1988
8	Eric Will	November 6, 1990
9	John C. Lindsay	November 8, 1988
10	Carol McBride Pirsch	November 6, 1990
11	Ernie Chambers	November 8, 1988
12	Chris Abboud	November 6, 1990
13	Daniel C. Lynch	November 8, 1988
14	Ron Withem	November 6, 1990
15	Lowell C. Johnson	November 8, 1988
16	C. N. Bud Robinson	November 6, 1990
17	Gerald Conway	November 8, 1988
18	Stan Schellpeper	November 6, 1990
19	Elroy M. Hefner	November 8, 1988
20	Jessie K. Rasmussen	November 6, 1990
21	Richard Peterson	November 8, 1988
22	Jennie Robak	November 6, 1990
23	Loran Schmit	November 8, 1988
24	Scott Moore	November 6, 1990
25	Jerome Warner	November 8, 1988
26	Don Wesely	November 6, 1990
27	DiAnna R. Schimek	November 8, 1988
28	Chris Beutler	November 6, 1990
29	LaVon Crosby	November 8, 1988
30	Dennis M. Byars	November 6, 1990
31	Jerry Chizek	November 8, 1988
32	George Coordsen	November 6, 1990
33	Ardyce L. Bohlke	Appointed 7-1-91 ***
34	Rod Johnson	November 6, 1990
35	Arlene Nelson	November 8, 1988
36	Jim D. Cudaback	November 6, 1990
37	Doug Kristensen	November 8, 1988
38	W. Owen Elmer	November 6, 1990
39	Edward Schrock	Appointed 12-31-90 *
40	Merton L. Dierks	November 6, 1990
41	Carson Rogers	November 8, 1988
42	David F. Bernard-Stevens	November 6, 1990
43	Howard A. Lamb	November 8, 1988

44	Rex S. Haberman	November 6, 1990
45	D. Paul Hartnett	November 8, 1988
46	David M. Landis	November 6, 1990
47	Dennis Baack	November 8, 1988
48	Joyce Hillman	November 6, 1990
49	William R. Wickersham	Appointed 1-9-91 **

- *Appointed 12-31-90 to replace William E. Barrett (resigned)
- **Appointed 1-9-91 to replace Sandra K. Scofield (resigned)
- ***Appointed 7-1-91 to replace Jacklyn J. Smith (resigned)

MESSAGES FROM THE GOVERNOR

October 6, 1992

Madam President, Mr. Speaker and Members of the Legislature State Capitol Building Lincoln, NE 68509

Dear Madam President and Senators:

This is to inform the honorable members of the Legislature that I have made the following appointment to the Nebraska State Game and Parks Commission, requiring legislative approval.

APPOINTEE: Charles E. Blaha, 1730 "M" Street, Ord, NE 68862

This appointment is respectfully submitted for your consideration.

(Signed) Sincerely, (E. Benjamin Nelson Governor

October 6, 1992

Madam President, Mr. Speaker and Members of the Legislature State Capitol Building Lincoln, NE 68509

Dear Madam President and Senators:

This is to inform the honorable members of the Legislature that I have made the following appointment to the Nebraska Investment Council, requiring legislative approval.

APPOINTEE: Bruce W. Bisson, 4014 S. 108th Street, Omaha, NE 68137-1215

This appointment is respectfully submitted for your consideration.

Sincerely,
(Signed) E. Benjamin Nelson
Governor

ATTORNEY GENERAL'S OPINIONS

Opinion No. 92115

DATE: October 1, 1992

SUBJECT: Service by Nebraska Supreme Court Judges on

Judicial Nominating Commissions in Light of State ex rel. Spire v. Conway, 238 Neb. 766, 472

N.W.2d 403 (1991)

REQUESTED BY: Senator Dianna R. Schimek

Nebraska State Legislature

WRITTEN BY: Don Stenberg, Attorney General

Jan E. Rempe, Assistant Attorney General

You have requested our opinion regarding the construction of Article II, Section 1, and Article V, Section 21, of the Nebraska Constitution in light of State ex rel. Spire v. Conway, 238 Neb. 766, 472 N.W.2d 403 (1991). You are concerned about potential separation of powers violations created by the Nebraska Supreme Court's involvement in judicial nominating commissions. Specifically, you have asked about the constitutionality of Nebraska Supreme Court sitting as presiding members of judicial nominating commissions and the Nebraska Supreme Court's promulgation of rules regarding procedures to be followed in the judicial nominating process. Based on the following analysis, we conclude that the Nebraska Supreme Court's participation in the judicial nominating process in these ways does not violate the separation of powers provision of the Nebraska Constitution.

I. Applicable Law

The Nebraska Constitution provides:

The powers of the government of this state are divided into three distinct departments, the legislative, executive and judicial, and no person or collection of persons being one of these departments, shall exercise any power properly belonging to either of the others, except as hereinafter expressly directed or permitted.

Neb. Const. art II, § 1 (emphasis added).

Article V, Section 21, of the Nebraska Constitution states in part:

In the case of any vacancy in the Supreme Court . . ., such vacancy shall be filled by the Governor from a list of at least two nominees presented to him by the appropriate judicial nominating commission. . . .

. .

There shall be a judicial nominating commission for the Chief Justice of the Supreme Court and one for each judicial district of the Supreme Court . . . Each judicial nominating commission shall consist of nine members, one of whom shall be a Judge of the Supreme Court who shall be designated by the Governor and shall act as chairman, but shall not be entitled to vote. . . . (Emphasis added.)

The Nebraska Legislature has further defined the functions and makeup of judicial nominating commissions in Neb. Rev. Stat. §§ 24-801 to 24-812.1 (Reissue 1989). In addition, Neb. Rev. Stat. § 24-812.01 (Reissue 1989) requires the Nebraska Supreme Court to promulgate rules regarding nominating procedure.

Also relevant to your inquiry is State ex rel. Spire v. Conway, 238 Neb. 766, 472 N.W.2d 403 (1991), in which the Nebraska Supreme Court held that a senator in the Nebraska Legislature who was also an assistant professor at Wayne State College was "a member of one branch of government, the executive, exercising the powers of another, the legislative, and, as a consequence, is in violation of article II of the state Constitution." Id. at 787, 472 N.W.2d at 403. The Conway court also interpreted the separation of powers provision in Article II, Section 1, of the Nebraska Constitution to prohibit "members of one branch from exercising the powers of a coordinate branch and therefore prohibits any member of one of the three branches—whether it be an officer or employee—from being an officer in another branch." Id. at 788, 472 N.W.2d at 415-16.

Π. Analysis

You are concerned that, in light of <u>State ex rel. Spire v. Conway</u>, <u>supra</u>, members of judicial nominating commissions who assist the Governor in making judicial appointments are part of the executive branch of government; therefore, Article II, Section 1, of the Nebraska Constitution would preclude Nebraska Supreme Court Judges from serving as members of these commissions.

As quoted above, Article II, Section 1, of the Nebraska Constitution requires separation of legislative, executive, and judicial powers "except as hereinafter expressly directed or permitted." The Nebraska Supreme Court has determined that entities authorized by the Nebraska Constitution which have multiple governmental powers fit within this exception to Article II. See School Dist. of Seward Educ. Ass'n v. School Dist. of Seward, 188 Neb. 772, 199 N.W.2d 752 (1972) (Industrial Commission created by Neb. Const. art. XV, § 9); Swanson v. Sorensen, 181 Neb. 312, 148 N.W.2d 197 (1967), cert. denied, 389 U.S. 825, 88 S. Ct. 62 (1967) (State Railway Commission (now Public Service Commission) authorized by Neb. Const. art. IV, § 20); School Dist. No. 8 v. State Bd. of Educ., 176 Neb. 722, 127 N.W.2d 458 (1964) (State Department of Education created by Neb. Const. art. VII, § 14, since repealed).

In State ex rel. Spire v. Conway, supra, the court noted that the above exceptions to Article II of the Nebraska Constitution involved agencies which were constitutionally authorized to exercise the powers of more than one governmental branch, not individuals who were so authorized. While the constitutional provisions creating exceptions to Article II authorize certain agencies to exercise multiple governmental powers, these provisions do not require such agencies "to employ personnel who exercise power in another governmental branch." State ex rel. Spire v. Conway, supra at 785, 472 N.W.2d at 414.

In contrast, Article V, Section 21, of the Nebraska Constitution expressly directs that Supreme Court Judges, personnel who obviously exercise power in the judicial branch, be members of judicial nominating commissions, which assist the Governor in performing the designated executive function of filling judicial vacancies. This constitutional provision requires judges who exercise power in one governmental branch to be members of another branch, thus creating an exception to the separation of powers provision contained in Article II, Section 1, of the Nebraska Constitution.

III. Conclusion

Construing the Nebraska Constitution as a whole, Banner County v. State Bd. of Equal. and Assessment, 226 Neb. 236, 411 N.W.2d 35 (1987), we conclude that Article V, Section 21, of the Nebraska Constitution, which requires Nebraska Supreme Court Judges to serve on judicial nominating commissions, creates an exception to the separation of powers provision contained in Article II, Section 1, of the Nebraska Constitution. Therefore, the Nebraska Supreme Court's involvement in the judicial nominating process, including chairing nominating commissions and promulgating procedural rules, does not violate Article II, Section 1, of the Nebraska Constitution.

DON STENBERG
Attorney General
(Signed) Jan E. Rempe
Assistant Attorney General

cc: Patrick J. O'Donnell Clerk of the Legislature

Opinion No. 92117

DATE:

October 13, 1992

SUBJECT:

Authority of Compact Commission to Select Host

State

REQUESTED BY:

Governor E. Benjamin Nelson

WRITTEN BY:

Don Stenberg, Attorney General

Linda L. Willard, Assistant Attorney General

You have requested answers to several questions regarding the Central Interstate Low-Level Radioactive Waste Compact. Your first question is whether the Compact had acted beyond its scope of authority in selecting Nebraska as the host state on December 15, 1987. In order to facilitate a timely response to your question, we have confined our review to your questions as they relate to the questions raised in the letter accompanying your request.

The accompanying letter cites to Article V of the Compact which states in relevant part:

- (b) If no state volunteers or if no proposal identified by a volunteer state is deemed acceptable by the commission, based on the criteria in section (c) of this Article, then the commission shall publicly seek applicants for the development and operation of regional facilities.
- (c) The commission shall review and consider each applicant's proposal based upon the following criteria:
- (d) The commission shall make a preliminary selection of the proposal or proposals considered most likely to meet the criteria enumerated in section (c) and the needs of the region.
- (e) Following notification of each party state of the results of the preliminary selection process, the commission shall:
- (1) Authorize any person whose proposal has been selected to pursue licensure of the regional facility or facilities in accordance

with the proposal originally submitted to the commission or as modified with the approval of the commission: . . .

This Compact was adopted by the Nebraska Legislature during the 1983 legislative session and became effective May 18, 1983.

The accompanying letter further cited from the Central Interstate Low-Level Radioactive Waste Compact Commission Annual Report of 1984-85 which states at page 5:

The conferees reached a consensus that the Commission established by the compact should develop criteria for site selection. Following the development of the criteria, the Commission would then consider application from potential site operators. The Commission would select an operator best suited to meet the needs of the region, and then authorize the applicant to seek a license to operate a facility from the appropriate regulatory authority.

The Annual Report for 1984-85 also states at page 10:

The Conferees considered several alternatives for facility designation. One option presented was to have the Commission designate a state within the region as a host state with the siting decision to be made by the state. The Conferees feared that such a designation process could be reduced to a political decision, so they chose instead to adopt the option currently found in Article V of the Compact. In general, the Commission takes application from potential facility operators and makes a choice of which proposal(s) will better serve the needs of the region.

It is unclear from the Annual Report whether the conferees feared that the selection of a host state or the selection of a site or both might be reduced to a political decision. The author of the letter, however, concludes that the Compact was designed so that the Compact Commission could not identify the host state because of their fear that the process would be reduced to a political decision.

The author of the letter accompanying your request makes much of the intent of the Compact members as reflected in the 1984-85 Annual Report. It should be noted that the representatives who sat on the Compact Commission in 1987, when Nebraska was selected as a host state, with the exception of the Kansas delegate, were either the member delegates or alternates to the Compact in 1984-85.

The author of the letter does not question the selection of a facility developer. The proposal selected by the Compact Commission was the one submitted by US Ecology as developer. This proposal included a proposal for selection of a host state. (US Ecology proposal: p. I-1-3; Appendix A.)

Subsequent to selection of the developer of the project, the Compact Commission charged US Ecology to look at three factors and compare the Compact states in relation to those factors. (Compact minutes, December 8, 1987, pp. 72-82.) These three factors were environmental

considerations, waste generation, and transportation. Use of these criteria in the host state selection was approved by the Compact Commission. US Ecology evaluated each state in the Compact and ranked each state on the basis of these criteria. The rankings were then presented to the Compact Commission at the December, 1987, meeting in Louisiana. (Compact minutes, December 15, 1987, pp. 35-58.) After reviewing the criteria, the Compact Commission voted and selected Nebraska as the host state in which the developer should seek a site for development of the storage facility. (Compact minutes, December 15, 1987, pp. 58-63.)

Article V of the Compact does not forbid selection of a host state but provides for selection of a developer and a site. The plan submitted by US Ecology and approved by the Compact Commission, as noted above, included selection of a host state as part of the narrowing process in selection of a site.

The Compact provides that when no state volunteers to be the host state, the Commission shall make a preliminary selection of the proposal or proposals considered most likely to meet the criteria set out in the Compact. The members of the Compact Commission selected the proposal submitted by US Ecology. The proposal submitted by US Ecology called for selection of a host state and a procedure for selection of a facility site within the host state. Therefore, it does not appear that the Compact Commission acted beyond its scope of authority in selecting Nebraska as the host state as part of the US Ecology proposal which had been approved by the Compact Commission.

You next ask, if the Commission acted beyond its scope, what the state's legal recourse would be. Since we have concluded that the Compact Commission did not act beyond its scope of authority in relation to the questions you presented, there is no need to address the state's legal recourse in this situation.

Your final question is what authority, if any, does the State of Nebraska have to unilaterally call a moratorium on the licensing process. As a member of the Central Interstate Compact, Nebraska has obligations to the Compact as well as to a license applicant.

Nebraska's participation in the Compact is in the nature of a contract with the other member states in order to accomplish common purposes of development and management of a low-level radioactive waste storage facility. The Compact Commission has subsequently contracted with the developer, US Ecology, to use its best efforts to site and develop a facility for the storage of low-level radioactive waste for member states which will meet the licensing standards of either the federal Nuclear Regulatory Commission or the host state, if it is a compliance state. Nebraska is a compliance state. US Ecology has submitted an application to the Nebraska Department of Environmental

Quality for a low-level radioactive waste storage facility in the State of Nebraska.

The state, having received a licensing application pursuant to the rules and regulations established for that licensing, would have a duty to proceed with the licensing process. The applicant's failure to comply with the licensing conditions should result in the non-issuance of a license but would not be reason to suspend the licensing process if any deficiencies noted can and are being corrected.

Neb.Rev.Stat. § 81-1599 (Reissue 1987) provides in pertinent part, "{t}he department shall have and may exercise the following powers and duties to carry out the Low-Level Radioactive Waste Disposal Act: . . . (2) Issue, modify, suspend, or revoke licenses or orders; . . ." Statutes directed at public officers are ordinarily interpreted as either mandatory or discretionary. Use of the term "may exercise" purports to give the Department a discretionary duty as far as licensure. Thus, whether or not a license is issued is a discretionary matter which would be reviewed on the basis of abuse of discretion. However, the Department may not arbitrarily refuse to review the license application. If the Department suspended review of the license application, the applicant could seek a writ of mandamus from the state court. "Though {the state court} may require an inferior tribunal to exercise its judgment, or proceed to the exercise of any of its functions, it cannot control judicial discretion." Neb.Rev.Stat. § 25-2156 (Reissue 1989). Thus, the state court may mandate the Department to review the license application as part of the Department's functions, but it cannot require the Department to issue a license unless its refusal to do so is arbitrary and capricious. Downs v. Nebraska State Board of Examiners, 139 Neb. 23, 296 N.W. 151 (1941).

You have presented this office with no facts which would justify a unilateral suspension of the Department's administrative duty to review the license submitted for a low-level radioactive waste facility. Because of the many variables which may exist in any situation, it is difficult to give an answer which would apply to all situations. However, if you have questions regarding a specific situation, please feel free to consult with our office.

Sincerely,
DON STENBERG
Attorney General
(Signed) Linda L. Willard
Assistant Attorney General

28-04-14.92

Patrick J. O'Donnell Clerk of the Legislature

REPORTS

The following reports were received by the Legislature:

Report from the Nebraska Energy Office covering the financial condition of the Natural Gas Revolving Loan Fund for the quarter ending September 30, 1992 as required by Section 010 of the regulations for the Municipal Natural Gas Regulation Act (Sec. 19-4617, R.R.S. 1943).

Annual report from the Nebraska State Historical Society.

Minutes from the Department of Roads Board of Public Roads Classifications and Standards for September 18, 1992.

Audit reports from the Auditor of Public Accounts for the following: Nebraska Department of Social Services; Report on Internal Control Structure and Compliance in Accordance with GAS; Office of Risk Management State Claims Board; Nebraska Investment Council; Nebraska Department of Agriculture; Nebraska Arts Council; and Nebraska Department of Health.

Statement of deposits from the Department of Roads to the Highway Cash fund and Roads Operation Cash fund for September 1992 in compliance with section 66-4,144, R.S. Supp. 1991.

Quarterly report from the Nebraska Investment Finance Authority (NIFA) on the use of the proceeds of the 1991 A-D Single Family Issue pursuant to Neb. Rev. Stat. § 58-270(4).

Annual budgetary report from the Department of Administrative Services Accounting Division for the year ended June 30, 1992.

Annual report from the State Foster Care Review Board.

BILLS ON FIRST READING

The following bills were read for the first time by title:

LEGISLATIVE BILL 1. Introduced by Warner, 25; Baack, 47; Hall, 7; Landis, 46, at the request of the Governor.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 21-330 and 45-104.01, Reissue Revised Statutes of Nebraska, 1943, and sections 77-1510, 77-1735, 77-1736.07, 77-1775.01, 77-2701,

77-2702.03, 77-2703, 77-2704.13, 77-2708, 77-2716.02, and 77-2734.17, Revised Statutes Supplement, 1992; to provide a corporate fee or assessment for 1993; to change interest rate provisions; to eliminate, change, and provide refund provisions; to define a term; to change collection fees for sales and use taxes; to change an energy source and fuel tax exemption; to provide for a depreciation surcharge which is an excise tax and surcharge on corporations for tax year 1992; to provide for application of amounts paid in prior years to future liability; to harmonize provisions; to provide severability; to repeal the original sections, and also section 77-1736.04, Revised Statutes Supplement, 1992; and to declare and emergency.

LEGISLATIVE BILL 2. Introduced by Warner, 25.

A BILL FOR AN ACT relating to appropriations; to appropriate funds for the expenses incurred during the Ninety-second Legislature, Fourth Special Session, 1992; and to declare an emergency.

LEGISLATIVE BILL 3. Introduced by Coordsen, 32; Schrock, 39.

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-202, Revised Statutes Supplement, 1992; to exempt livestock from the personal property tax; to provide an operative date; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 4. Introduced by Coordsen, 32; Schellpeper, 18; Schrock, 39.

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-202, Revised Statutes Supplement, 1992; to exempt personal property other than certain motor vehicles from property tax; to provide an operative date; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 5. Introduced by Hefner, 19.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2701.01 and 77-2701.02, Reissue Revised Statutes of Nebraska, 1943, and sections 77-2703, 77-2704.13, and 77-2708, Revised Statutes Supplement, 1992; to change the income tax and sales and use tax rates; to state intent; to change retailer collection fees for sales and use tax; to change an energy source and fuel tax exemption; to eliminate a corporate fee, a depreciation surcharge, and a corporate surcharge; to harmonize provisions; to repeal the original sections, and also section 21-330, Reissue Revised Statutes of Nebraska, 1943, and

sections 77-2716.02 and 77-2734.17, Revised Statutes Supplement, 1992; and to declare an emergency.

RESOLUTION

LEGISLATIVE RESOLUTION 1. Introduced by Crosby, 29; Landis, 46.

WHEREAS, Mr. E. J. Faulkner had a long and outstanding record of public service to the State of Nebraska; and

WHEREAS, Mr. Faulkner was the chief executive officer of Woodmen Accident and Life Company from 1938 to 1984 and continued to serve Woodmen until his final illness in the capacity of Honorary Chairman and Executive Counsel; and

WHEREAS, Mr. Faulkner served his country in many capacities including his service during World War II for which he received the Legion of Merit and his participation on numerous presidential commissions; and

WHEREAS, Mr. Faulkner was a national leader in the insurance industry and was the first person to serve as both the president of the Health Insurance Association of America and the American Life Convention; and

WHEREAS, Mr. Faulkner used his expertise in insurance to impact federal legislation and authored a textbook which was used in courses on health insurance; and

WHEREAS, Mr. Faulkner's generous activities, often done anonymously, have been of great assistance to the recipients; and

WHEREAS, the State of Nebraska needs and appreciates dedicated community leaders and responsible human beings like E. J. Faulkner.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NINETY-SECOND LEGISLATURE OF NEBRASKA, FOURTH SPECIAL SESSION:

- 1. That Mr. E. J. Faulkner be recognized and honored as having been an outstanding community leader and citizen of the State of Nebraska.
- 2. That a copy of this resolution be sent to Mr. John Haessler, President and Chief Executive Officer of Woodmen Accident and Life Company.

Laid over.

BILLS ON FIRST READING

The following bills were read for the first time by title:

LEGISLATIVE BILL 6. Introduced by Schmit, 23.

A BILL FOR AN ACT relating to state government; to prohibit certain state activities after the effective date of this act; and to declare an emergency.

LEGISLATIVE BILL 7. Introduced by Schrock, 39; Conway, 17; Cudaback, 36; Elmer, 38; Haberman, 44; Hefner, 19; L. Johnson, 15; R. Johnson, 34; Lamb, 43; Moore, 24; Nelson, 35; Peterson, 21; Robak, 22; Robinson, 16; Rogers, 41; Wehrbein, 2.

A BILL FOR AN ACT relating to revenue and taxation; to eliminate a fee imposed on sales of commercial fertilizer; to repeal section 77-4401, Revised Statutes Supplement, 1992; and to declare an emergency.

EASE

The Legislature was at ease from 2:35 p.m. until 2:53 p.m.

BILL ON FIRST READING

The following bill was read for the first time by title:

LEGISLATIVE BILL 8. Introduced by Lamb, 43; Coordsen, 32; Cudaback, 36; Elmer, 38; Haberman, 44; Hefner, 19; L. Johnson, 15; Moore, 24; Peterson, 21; Robak, 22; Robinson, 16; Schmit, 23; Schrock, 39.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-202, 77-2701, and 77-2708.01, Revised Statutes Supplement, 1992; to exempt livestock from the personal property tax; to exempt depreciable agricultural machinery and equipment used in commercial agriculture from sales and use tax; to terminate a sales and use tax exemption for such machinery and equipment; to eliminate a fee on commercial fertilizer; to harmonize provisions; to provide operative dates; to repeal the original sections, and also section 77-4401, Revised Statutes Supplement, 1992; and to declare an emergency.

EASE

The Legislature was at ease from 2:54 p.m. until 3:04 p.m.

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the attached report on the referral of legislative bills 1 through 8 and Governor appointments.

LB	Committee
1	Revenue
2	General File
3	Revenue
4	Revenue
5	Revenue
6	Appropriations
7 .	Revenue
8	Revenue

Natural Resources

Charles E. Blaha - Nebraska State Game and Parks Commission

Banking, Commerce and Insurance

Bruce W. Bisson - Nebraska Investment Council

(Signed) Jerome Warner, Chairperson Legislative Council Executive Board

NOTICE OF COMMITTEE HEARING Revenue

LB 1	Friday, November 6, 1992	10:30 a.m.
LB 3	Friday, November 6, 1992	10:30 a.m.
LB 4	Friday, November 6, 1992	10:30 a.m.
LB 5	Friday, November 6, 1992	10:30 a.m.
LB 7	Friday, November 6, 1992	10:30 a.m.
LB 8	Friday, November 6, 1992	10:30 a.m.

(Signed) Tim Hall, Chairperson

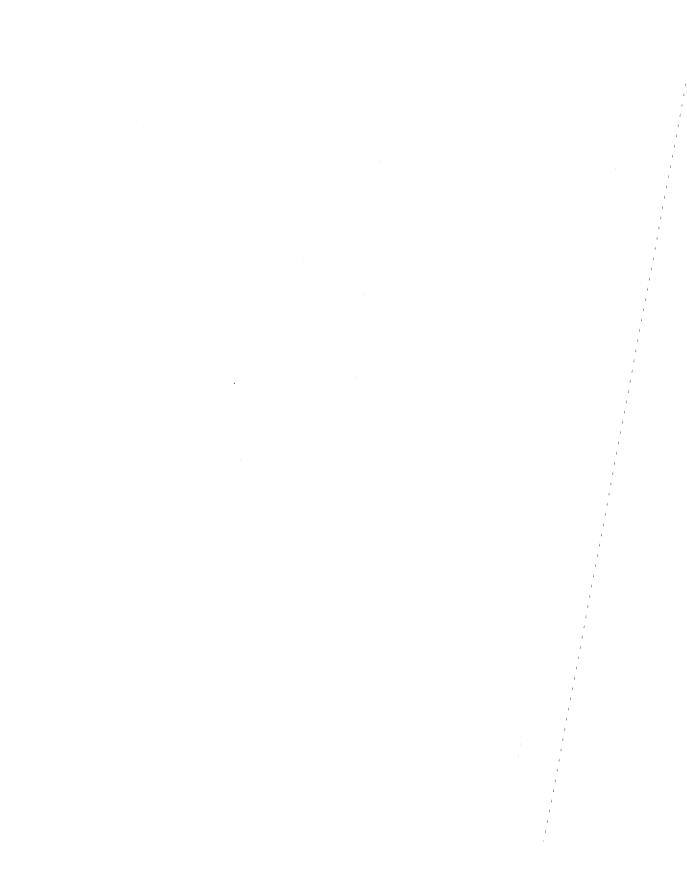
VISITORS

Visitors to the Chamber were Berit Myhra from Norway and Mr. and Mrs. Paul Smith from Cedar Rapids; Senator-Elect Kate Witek, District 31, from Omaha; and Senator-Elect Mike Avery, District 3, from Gretna.

ADJOURNMENT

At 3:06 p.m., on a motion by Speaker Baack, the Legislature adjourned until 9:00 a.m., Friday, November 6, 1992.

Patrick J. O'Donnell Clerk of the Legislature



SECOND DAY - NOVEMBER 6, 1992 LEGISLATIVE JOURNAL

SECOND DAY - NOVEMBER 6, 1992

LEGISLATIVE JOURNAL

NINETY-SECOND LEGISLATURE FOURTH SPECIAL SESSION

SECOND DAY

Legislative Chamber, Lincoln, Nebraska Friday, November 6, 1992

Pursuant to adjournment, the Legislature met at 9:00 a.m., Speaker Baack presiding.

PRAYER

The prayer was offered by Rev. Harland Johnson, Chaplain Coordinator.

ROLL CALL

The roll was called and all members were present except Messrs. Abboud, Bernard-Stevens, Beutler, Beyer, Dierks, Hall, Horgan, R. Johnson, Kristensen, Lindsay, Morrissey, Schmit, Warner, Wehrbein, Wickersham, Will, Withem, Mmes. Bohlke, Labedz, Pirsch, and Rasmussen who were excused.

CORRECTIONS FOR THE JOURNAL

The Journal for the first day was approved.

NOTICE OF COMMITTEE HEARINGS Banking, Commerce and Insurance

Governor Appointment Monday, November 9, 1992 Bruce Bisson - Nebraska Investment Council 1:30 p.m.

(Signed) David Landis, Chairperson

Natural Resources

Governor Appointment Tuesday, November 10, 1992 2:30 p.m. Dr. Charles Blaha - Nebraska Game and Parks Commission

(Signed) Rod Johnson, Chairperson

Appropriations

LB 6 Monday, November 9, 1992

12:00 p.m.

(Signed) Scott Moore, Chairperson

RESOLUTIONS

LEGISLATIVE RESOLUTION 2. Introduced by Robinson, 16.

WHEREAS, the Oakland-Craig High School football team qualified for the Class C-2 Boys State Football Playoffs; and

WHEREAS, this achievement represents a culmination of the dedication and hard work that the team and Coach Clark Benne have put forth; and

WHEREAS, the team and Coach Benne should receive special recognition for the outstanding season they have recently completed.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NINETY-SECOND LEGISLATURE OF NEBRASKA, FOURTH SPECIAL SESSION:

- 1. That the Legislature congratulates the Oakland-Craig High School football team and Coach Clark Benne.
- 2. That a copy of this resolution be sent to the Oakland-Craig football team and Coach Clark Benne.

Laid over.

LEGISLATIVE RESOLUTION 3. Introduced by Robinson, 16.

WHEREAS, the West Point Central Catholic High School football team qualified for the Class C-2 Boys State Football Playoffs; and

WHEREAS, this achievement represents a culmination of the dedication and hard work that the team and Coach Fred Spale have put forth: and

WHEREAS, the team and Coach Spale should receive special recognition for the outstanding season they have recently completed.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NINETY-SECOND LEGISLATURE OF NEBRASKA, FOURTH SPECIAL SESSION:

- 1. That the Legislature congratulates the West Point Central Catholic High School football team and Coach Fred Spale.
- 2. That a copy of this resolution be sent to the West Point Central Catholic football team and Coach Fred Spale.

Laid over.

LEGISLATIVE RESOLUTION 4. Introduced by Robinson, 16.

WHEREAS, the Tekamah-Herman High School football team qualified for the Class B Boys State Football Playoffs; and

WHEREAS, this achievement represents a culmination of the dedication and hard work that the team and Coach Michael Hunt have put forth; and

WHEREAS, the team and Coach Hunt should receive special recognition for the outstanding season they have recently completed.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NINETY-SECOND LEGISLATURE OF NEBRASKA, FOURTH SPECIAL SESSION:

- 1. That the Legislature congratulates the Tekamah-Herman High School football team and Coach Michael Hunt.
- 2. That a copy of this resolution be sent to the Tekamah-Herman football team and Coach Michael Hunt.

Laid over.

ADJOURNMENT

At 9:29 a.m., on a motion by Mr. L. Johnson, the Legislature adjourned until 10:00 a.m., Saturday, November 7, 1992.

Patrick J. O'Donnell Clerk of the Legislature

THIRD DAY - NOVEMBER 7, 1992

LEGISLATIVE JOURNAL

NINETY-SECOND LEGISLATURE FOURTH SPECIAL SESSION

THIRD DAY

Legislative Chamber, Lincoln, Nebraska Saturday, November 7, 1992

Pursuant to adjournment, the Legislature met at 10:00 a.m., President Moul presiding.

PRAYER

The prayer was offered by Rev. Harland Johnson, Chaplain Coordinator.

ROLL CALL

The roll was called and all members were present except Messrs. Beyer, Chambers, Chizek, Horgan, Morrissey, Peterson, Mmes. Bohlke, Pirsch, and Rasmussen who were excused.

CORRECTIONS FOR THE JOURNAL

The Journal for the second day was approved.

RESOLUTIONS

LEGISLATIVE RESOLUTION 1. Read. Considered.

LR 1 was adopted with 35 ayes, 0 nays, and 14 not voting.

LEGISLATIVE RESOLUTION 2. Read. Considered.

Mr. Robinson asked unanimous consent to pass over LR 2. No objections. So ordered.

EASE

The Legislature was at ease from 10:29 a.m. until 11:18 a.m.

STANDING COMMITTEE REPORTS Revenue

LEGISLATIVE BILL 1. Placed on General File as amended. Standing Committee amendment to LB 1: AM11S4

```
Strike sections 2, 8, and 9 and insert the
1
2
    following new section:
 3
           "Sec. 2. That section 45-104.01, Reissue Revised
 4
    Statutes of Nebraska, 1943, be amended to read as follows:
 5
           45-104.01.
                       (1) Unless otherwise specifically
 6
   provided, the interest rate assessed on delinquent payments of
    any taxes or special assessments owing to the State of
 7
    Nebraska or any political subdivision thereof of the State of
    Nebraska shall be assessed at a rate of fourteen percent per
10
    annum.
11
           (2) Unless otherwise specifically provided, the
12
    interest rate assessed on delinquent payments of any taxes or
13
    special assessments owing to the State of Nebraska shall be
14
    assessed at a rate of fourteen percent per annum through
    December 31, 1992, and at the per annum rate determined
15
16
    pursuant to subsection (3) of this section after such date.
17
           (3) Commencing January 1, 1993, the interest rate
18
    assessed pursuant to subsection (2) of this section shall be
19
    redetermined every other year. The rate shall be determined
20
    by the Tax Commissioner and shall be equal to the average
21
    short-term borrowing rate for the federal government during
22
    July of the previous year rounded to the nearest whole
23
    percentage point plus three percentage points. If the new
24
    rate does not increase or decrease the old rate by at least
    two percentage points, the old rate shall continue in effect.
 2
           (4)(a) The rate determined under subsection (3) of
 3
    this section shall apply for the period from its effective
 4
    date through the date of payment or up to the effective date
 5
    of the succeeding new rate, whichever is earlier.
 6
           (b) Any tax or special assessment that becomes
 7
    delinquent before the effective date of a new rate but which
 8
    is paid after the effective date shall have a proportionate
 9
    amount of the interest calculated at the old rate and a
10
    proportionate amount calculated at the new rate.
           (c) For any taxes or special assessments that were
11
12
    delinquent and unpaid on or before December 31, 1992, the
```

13	interest rate shall be fourteen percent per annum through
14	December 31, 1992.
15	(5) For any credits or refunds of taxes or special
16	assessments on which interest is to be determined at the rate
17	specified in this section, the calculation of interest shall
18	use the same rates for the same periods that are used for
19	interest assessments on delinquent payments.".
20	2. On page 3, strike lines 9 through 25 and show
21	the old matter as stricken; in line 26 strike "(3)" and insert
22	"(2)" and strike "or assessment"; and in line 28 strike "or
23	assessment".
24	3. On page 4, line 1, strike "or assessment".
25	4. On page 10, lines 2 and 3, strike "sections 9
26	and 15" and insert "section 13".

LEGISLATIVE BILL 5. Placed on General File.

(Signed) Tim Hall, Chairperson

GENERAL FILE

5. On page 32, line 25, strike "77-2702.03,".

6. Renumber the remaining sections accordingly.

LEGISLATIVE BILL 1. Title read. Considered.

Standing Committee amendment, AM11S4, found in this day's Journal, was adopted with 26 ayes, 0 nays, 14 present and not voting, and 9 excused and not voting.

Laid over.

27

LEGISLATIVE BILL 2. Title read, Considered.

Advanced to E & R for review with 31 ayes, 0 nays, 9 present and not voting, and 9 excused and not voting.

VISITORS

Visitors to the Chamber were 22 Cub Scouts and parents from Humann School, Lincoln; and Dr. Boris Shiryalv and Nina from Russia and Dr. Bill Gleason from Crete.

ADJOURNMENT

At 11:55 a.m., on a motion by Speaker Baack, the Legislature adjourned until 10:00 a.m., Monday, November 9, 1992.

Patrick J. O'Donnell Clerk of the Legislature

FOURTH DAY - NOVEMBER 9, 1992

LEGISLATIVE JOURNAL

NINETY-SECOND LEGISLATURE FOURTH SPECIAL SESSION

FOURTH DAY

Legislative Chamber, Lincoln, Nebraska Monday, November 9, 1992

Pursuant to adjournment, the Legislature met at 10:05 a.m., President Moul presiding.

PRAYER

The prayer was offered by Senator Lowell C. Johnson.

ROLL CALL

The roll was called and all members were present except Messrs. Chizek, Peterson, and Mrs. Rasmussen who were excused; and Messrs. Abboud, Ashford, Beutler, Conway, Dierks, R. Johnson, Kristensen, Landis, Lindsay, Lynch, Morrissey, Schmit, Wehrbein, Will, Withem, and Mrs. Labedz who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the third day was approved.

SELECT COMMITTEE REPORT Enrollment and Review

LEGISLATIVE BILL 2. Placed on Select File.

(Signed) Eric Will, Chairperson

REPORT OF REGISTERED LOBBYISTS

In accordance with LB 987, passed in the 1976 session of the Legislature and amended by LB 4 and LB 41 in the 1977 session of

the Legislature, the attached is a list of all Lobbyists who have registered as of November 7, 1992. Further lists listing additional lobbyists who have registered will be filed weekly.

(Signed) Patrick J. O'Donnell Clerk of the Legislature

Adams, Donald D Lincoli	n
Boehm, John M Lincoln	
Johnson, Vard R Omaha	

Energy Systems Company
Energy Systems Company
Commercial & Multi-Family Building
Council of Metropolitan Omaha
Builders Association

Knuds	sen, E	3erkl	heim	er,	Ric	hard	son
Min	allar	117:1	1:0	T	т.		-

Mueller, William J. - Lincoln

Ruth, Larry L. - Lincoln

Lilley, Roy W. - Lincoln Moors, H. Jack - Lincoln ASARCO Incorporated Nebraska Press Association ASARCO Incorporated Nebraska Press Association Nebraska Cattlemen

First Federal Lincoln

GENERAL FILE

& Endacott

LEGISLATIVE BILL 1. Considered.

Mr. Elmer offered the following amendment: AM05S4

- 1. Insert the following new section:
- 2 "Sec. 3. That section 77-202, Revised Statutes
- 3 Supplement, 1992, be amended to read as follows:
- 4 77-202. (1) The following property shall be exempt
- 5 from property taxes:
- 6 (a) Property of the state and its governmental
- 7 subdivisions;
- 8 (b) Property owned by and used exclusively for
- 9 agricultural and horticultural societies;
- 10 (c) Property owned by educational, religious,
- 11 charitable, or cemetery organizations and used exclusively for
- 12 educational, religious, charitable, or cemetery purposes, when
- 13 such property is not (i) owned or used for financial gain or
- 14 profit to either the owner or user, (ii) used for the sale of
- 15 alcoholic liquors for more than twenty hours per week, or
- 15 accomone inquois for more than twenty nours per week, or
- 16 (iii) owned or used by an organization which discriminates in
- 17 membership or employment based on race, color, or national
- 18 origin. For purposes of this subdivision, educational
- 19 organization shall mean an institution operated exclusively
- 20 for the purpose of offering regular courses with systematic

- 21 instruction in academic, vocational, or technical subjects or 22 a museum or historical society operated exclusively for the 23 benefit and education of the public. For purposes of this 24 subdivision. charitable organization shall mean an 1 organization operated exclusively for the purpose of the 2 mental, social, or physical benefit of the public or an 3 indefinite number of persons; and
 - (d) Household goods and personal effects not owned or used for financial gain or profit to either the owner or user.
 - 7 (2) The increased value of land by reason of shade and ornamental trees planted along the highway shall not be 9 taken into account in the valuation of land.
 - (3) Tangible personal property which is not depreciable tangible personal property as defined in section 77-119 shall be exempt from property tax.
- 13 (4) Vehicles registered pursuant to section 14 60-305.09 and for which the registration fees prescribed in 15 such section have been paid shall be exempt from payment of 16 property taxes.
- (5) Business and agricultural inventory shall be 18 exempt from the personal property tax.
- 19 (6) Any personal property exempt pursuant to 20 subsection (2) of section 77-4105 shall be exempt from the 21 personal property tax.
- 22 (7) Livestock shall be exempt from the personal 23 property tax.".
- 24 2. On page 10, lines 2 and 9, strike "9" and insert 25 "10"; and in line 3 strike "15" and insert "16".
- 26 3. On page 32, line 24, after "sections" insert 27 "77-202,**"**.
 - 4. Renumber the remaining sections accordingly.

Mr. Elmer withdrew his pending amendment.

SPEAKER BAACK PRESIDING

4

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10 11

12

17

Mr. Warner moved for a call of the house. The motion prevailed with 11 ayes, 0 nays, and 38 not voting.

Mr. Haberman requested a roll call vote on the advancement of the bill.

Voting in the affirmative, 20:

Baack	Crosby	Labedz	Nelson	Warner
Beutler	Hall	Landis	Pirsch	Wesely
Bohlke	Hillman	Lindsay	Robak	Will
Conway	Kristensen	Lynch	Schimek	Withem

Voting in the negative, 13:

Beyer	Cudaback	Hefner	Lamb	Rogers
Byars	Elmer	Horgan	Robinson	Schmit
Coordsen	Haberman	Johnson, L.		

Present and not voting, 9:

Abboud	Chambers	Johnson, R.	Schellpeper	Wickersham
Bernard-	Hartnett	Moore	Wehrbein	
Stevens				

Absent and not voting, 1:

Schrock

Excused and not voting, 6:

Ashford	Dierks	Morrissey	Peterson	Rasmussen
Chizek				

Failed to advance to E & R for review with 20 ayes, 13 nays, 9 present and not voting, 1 absent and not voting, and 6 excused and not voting.

VISITORS

Visitors to the Chamber were 14 kindergarten through sixth grade children from the Family Service Childcare, Lincoln; Senator-Elect Don Preister; 40 fourth grade students and sponsors from Centennial Elementary, Utica; and Dick and Laura Lively from Omaha.

RECESS

At 11:58 a.m., on a motion by Mr. Landis, the Legislature recessed until 1:30 p.m.

AFTER RECESS

The Legislature reconvened at 1:34 p.m., Speaker Baack presiding.

ROLL CALL

The roll was called and all members were present except Mr. Peterson and Mrs. Rasmussen who were excused; and Messrs. Abboud, Chizek, Dierks, Horgan, Moore, Wesely, Wickersham, Withem, Mmes. Labedz, and Robak who were excused until they arrive.

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following resolution: LR 1.

GENERAL FILE

LEGISLATIVE BILL 5. Title read. Considered.

PRESIDENT MOUL PRESIDING

Mr. Haberman moved to indefinitely postpone LB 5.

Laid over.

LEGISLATIVE BILL 1. Mr. Schrock offered the following amendment:

AM45S4

- 1 l. On page 21, line 3, after "dollars" insert "or
- 2 two hundred dollars per full-time employee, whichever is
- 3 less,".

Mr. Schrock withdrew his pending amendment.

Mr. Coordsen offered the following amendment:

FA1S4

Strike Section 13 in LB 1

Ms. Schimek and Mrs. Bohlke asked unanimous consent to be excused until they return. No objections. So ordered.

Mr. Coordsen moved for a call of the house. The motion prevailed with 26 ayes, 0 nays, and 23 not voting.

Mr. Coordsen requested a roll call vote on his amendment.

Voting in the affirmative, 20:

Abboud Cudaback Hefner Lamb Rogers Beyer Elmer Johnson, L. Moore Schellpeper Byars Haberman Johnson, R. Nelson Schmit Coordsen Hartnett Kristensen Pirsch Schrock

Voting in the negative, 18:

Baack Chizek Hillman Morrissey Wesely Bernard-Landis Will Conway Robak Stevens Crosby Lindsay Warner Withem Beutler Hall Wehrhein Lynch

Present and not voting, 5:

Chambers Horgan Labedz Robinson Wickersham

Absent and not voting, 1:

Ashford

Excused and not voting, 5:

Bohlke Dierks Peterson Rasmussen Schimek

The Coordsen amendment lost with 20 ayes, 18 nays, 5 present and not voting, 1 absent and not voting, and 5 excused and not voting.

The Chair declared the call raised.

Mr. Haberman moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 26 ayes, 0 nays, and 23 not voting.

Mr. Warner moved for a call of the house. The motion prevailed with 28 ayes, 0 nays, and 21 not voting.

Mr. Lamb requested a record vote on the advancement of the bill.

Voting in the affirmative, 26:

Ashford Beutler Crosby Kristensen Lynch Baack Bohlke Hall Labedz Morrissey Bernard-Chizek Hartnett Landis Nelson Stevens Hillman Lindsay Robak Conway

Schimek Wehrbein Wickersham Will Withem Warner Wesely

Voting in the negative, 17:

Abboud Cudaback Horgan Pirsch Schellpeper Beyer Elmer Johnson, L. Robinson Schmit Byars Haberman Lamb Rogers Schrock Coordsen Hefner

Present and not voting, 3:

Chambers Johnson, R. Moore

Excused and not voting, 3:

Dierks Peterson Rasmussen

Advanced to E & R for review with 26 ayes, 17 nays, 3 present and not voting, and 3 excused and not voting.

VISITORS

Visitors to the Chamber were Senator-Elect Dwite Pedersen, District 39; and Senator Lynch's daughter and granddaughter, Julie and Katie Freeman.

ADJOURNMENT

At 3:08 p.m., on a motion by Speaker Baack, the Legislature adjourned until 9:00 a.m., Tuesday, November 10, 1992.

Patrick J. O'Donnell Clerk of the Legislature

FIFTH DAY - NOVEMBER 10, 1992 LEGISLATIVE JOURNAL

FIFTH DAY - NOVEMBER 10, 1992

LEGISLATIVE JOURNAL

NINETY-SECOND LEGISLATURE FOURTH SPECIAL SESSION

FIFTH DAY

Legislative Chamber, Lincoln, Nebraska Tuesday, November 10, 1992

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Moul presiding.

PRAYER

The prayer was offered by Senator Elroy Hefner.

MR. CONWAY PRESIDING

ROLL CALL

The roll was called and all members were present except Mr. Peterson who was excused; and Messrs. Abboud, Ashford, Byars, Chambers, Hartnett, R. Johnson, Lindsay, Morrissey, Schmit, Wehrbein, Mmes. Labedz, and Robak who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the fourth day was approved.

SELECT COMMITTEE REPORT Enrollment and Review

LEGISLATIVE BILL 1. Placed on Select File as amended. E & R amendment to LB 1: AM5317

- 1 1. On page 1, line 4, strike "77-2702.03,"; in line
- 2 6 strike "or assessment"; in line 8 strike "to define a
- 3 term;"; and in line 11 after "and" insert "for a".

(Signed) Eric Will, Chairperson

STANDING COMMITTEE REPORT Banking, Commerce and Insurance

The Committee on Banking, Commerce and Insurance desires to report favorably upon the appointment listed below. The Committee suggests the appointment be confirmed by the Legislature and suggests a record vote.

Bruce W. Bisson - Nebraska Investment Council

VOTE: Aye: Senators Landis, Conway, Hall, Lindsay, and Wesely. Absent: Senators Schmit. Abboud, and Haberman.

(Signed) David Landis, Chairperson

SELECT FILE

LEGISLATIVE BILL 2. Mr. Warner offered the following amendment:

AM47S4

- 1 1. On page 2, line 1, strike "\$33,763" and insert
- 2 "\$27,350"; in line 5 strike "\$28,713" and insert "\$20,299";
- 3 and in line 10 strike "\$7,509" and insert "\$5,929".

The Warner amendment was adopted with 25 ayes, 0 nays, 11 present and not voting, and 13 excused and not voting.

Advanced to E & R for engrossment.

VISITORS

Visitors to the Chamber were Jon Genrich from Beatrice; and Senator-Elect Ramon Janssen, District 15, from Nickerson.

RECESS

At 9:32 a.m., on a motion by Speaker Baack, the Legislature recessed until 11:00 a.m.

AFTER RECESS

The Legislature reconvened at 11:02 a.m., Speaker Baack presiding.

ROLL CALL

The roll was called and all members were present except Mr. Peterson who was excused; and Messrs. Abboud, Beyer, Byars, Hartnett, Kristensen, Lindsay, Lynch, Morrissey, Schmit, Mmes. Bohlke, Labedz, Pirsch, and Robak who were excused until they arrive.

RECESS

At 11:04 a.m., on a motion by Mr. Conway, the Legislature recessed until 1:30 p.m.

AFTER RECESS

The Legislature reconvened at 1:31 p.m., President Moul presiding.

ROLL CALL

The roll was called and all members were present except Mr. Peterson who was excused; and Messrs. Abboud, Ashford, Byars, Morrissey, Mmes. Nelson, and Rasmussen who were excused until they arrive.

REPORT

Received annual report from the Nebraska Research and Development Authority.

ATTORNEY GENERAL'S OPINION

Opinion No. 92122

DATE:

November 10, 1992

SUBJECT:

Exemption of Livestock from Property Taxation Under Neb. Const. art. VIII, §§ 1 & 2, as

Amended.

REQUESTED BY:

Senator Howard A. Lamb Nebraska State Legislature

WRITTEN BY:

Don Stenberg, Attorney General

L. Jay Bartel, Assistant Attorney General

You have requested our opinion as to the constitutionality of the Legislature's establishment of livestock as a class of personal property exempt from taxation. Specifically, you ask whether the exemption of livestock would be permissible under the provisions of Neb. Const. art. VIII, §§ 1 and 2 as recently amended by the adoption of Amendment 1.

Neb. Const. art. VIII, § 1, as amended, provides, in part, as follows: Notwithstanding Article I, section 16, Article III, section 18, or Article VIII, section 4, of this Constitution or any other provision of this Constitution to the contrary: . . . (2) tangible personal property, as defined by the Legislature, not exempted by this Constitution or by legislation, shall all be taxed at depreciated cost using the same depreciation method with reasonable class lives, as determined by the Legislature, or shall all be taxed by valuation uniformly and proportionately; (Emphasis added).

Neb. Const. art. VIII, § 2, as amended, provides, in pertinent part:

Notwithstanding Article I, section 16, Article III, section 18, or

Article VIII, section 1 or 4, of this Constitution or any other
provision of this Constitution to the contrary: . . . (9) the Legislature
may define and classify personal property in such manner as it sees
fit, whether by type, use, user, or owner, and may exempt any such
class or classes of property from taxation if such exemption is
reasonable or may exempt all personal property from taxation;
(Emphasis added).

In Attorney General Opinion No. 92005, January 10, 1992, this office addressed, in part, "whether a legislative classification exempting all livestock from property taxation would create an unconstitutional classification if the Legislature were to also enact a tax on depreciable tangible personal property (other than depreciable livestock) based on its "depreciated value." Id. at 1. After analyzing the standards set forth by the Nebraska Supreme Court in judging the reasonableness of legislative classifications under the prohibition against "special legislation" contained in Neb. Const. art. III, § 18, we concluded as follows:

In our view, legislative enactment of a classification of this nature would violate the special legislation prohibition in Article III, § 18, as it would create an impermissible difference in treatment between similar property of the same class without the existence of any "real and substantial difference" justifying different treatment of some personal property within the class of depreciable personal property (depreciable livestock) and all other depreciable personal property. Id. at 3-4.

In this opinion, therefore, we expressed the view that legislation providing for different tax treatment by exempting depreciable livestock from the class of depreciable tangible personal property subject to taxation would violate Article III, § 18, as creating an unreasonable

classification. Amendment 1, however, amended Article VIII, § 2, to provide, in part:

Notwithstanding Article I, section 16, Article III, section 18, or Article VIII, section 1 or 2, of this Constitution or any other provision of this Constitution to the contrary: . . . (9) the Legislature may define and classify personal property in such a manner as it sees fit, whether by type, use, user, or owner, and may exempt any such classes or classes of property from taxation if such exemption is reasonable or may exempt all personal property from taxation; . . (Emphasis added).

Article VIII, § 2, as amended, thus provides an exception to the application of the prohibition in Article III, § 18 (or, for that matter, any other constitutional provision) with respect to the Legislature's exemption of personal property from taxation under this provision. This section, as amended, requires only that the exemption be "reasonable," a standard which, assuming our state supreme court would not interpret to be the equivalent of the "real and substantial difference" test employed in judging classifications under Article III, § 18, we believe a classification of exempt property consisting of all livestock would satisfy.

The remaining question would be whether the establishment of an exemption from property taxation for all livestock under state law would constitute a permissible classification under the equal protection clause of the Fourteenth Amendment to the U.S. Constitution, when tangible personal property generally is classified as taxable based on its "depreciated cost." We addressed this question in both Opinion No. 92005 and Attorney General Opinion No. 92015, February 6, 1992. In Opinion No. 92005, we concluded that, "given the limited judicial scrutiny applicable to state tax classifications under the rational basis standard of review under the federal equal protection clause, such a classification would not be wholly indefensible." We further stated:

Although the question is not free from doubt, we believe that a sound argument can be made that a rational basis exists to support the different classification and taxation of livestock (including depreciable livestock) and other depreciable personal property. The livestock industry is vitally important to the State of Nebraska. It generates income not only to those who own and sell livestock, but to grain farmers, livestock processing operations, and others. Nebraska cattlemen must compete with other states where livestock may not be subject to property taxation. Because of its potential for substantial market price fluctuations, the industry is recognized as a particularly risky one.

Id. at 5. We reiterated this view in Opinion No. 92015, in which we stated:

We do not believe that the establishment of an exemption for all livestock under state law would, necessarily, violate the Fourteenth Amendment guarantee of equal protection, even if other types of tangible personal property remained subject to taxation. . . . The exemption of livestock, including breeding livestock, is not irrational, and . . . plainly furthers legitimate state purposes, given the importance of the entire industry to the state.

Id. at 2.

Based on the foregoing, it is our opinion that, subject to the qualifications noted above, the exemption of all livestock (including breeding livestock, both depreciable and non-depreciable), would likely not be held to violate either the State Constitution or the equal protection clause of the Fourteenth Amendment to the United States Constitution.

While your request refers solely to the exemption of "breeding livestock," we assume that your reference specifically to "breeding livestock" results from the fact that certain breeding livestock is presently subject to property taxation based on its "depreciated cost," while other breeding livestock, as well as other livestock, is non-depreciable and not subject to taxation. In effect, therefore, we assume your request is intended to address the validity of the establishment of all livestock as a class of personal property exempt from taxation, as is proposed under LB 3 and LB 8, which have been introduced in the current special session.

Very truly yours,
DON STENBERG
Attorney General
(Signed) L. Jay Bartel
Assistant Attorney General

cc: Patrick O'Donnell Clerk of the Legislature 7-513-7.17

SELECT FILE

LEGISLATIVE BILL 1. E & R amendment, AM5317, found in this day's Journal, was adopted.

Mr. Coordsen offered the following amendment: FA2S4

Amend LB 1 as follows

That Section 77-202 RSS be amended by adding "Livestock shall be exempted from the personal property tax on Jan 1, 1993

Mr. Lamb requested a record vote on the Coordsen amendment.

Voting in the affirmative, 19:

Bernard-	Cudaback	Hefner	Moore	Schmit
Stevens	Dierks	Johnson, L.	Robinson	Schrock
Beyer	Elmer	Johnson, R.	Rogers	Wehrbein
Coordsen	Haberman	Lamb	Schellpeper	Wickersham

Voting in the negative, 16:

Baack	Hall	Horgan	Pirsch	Wesely
Beutler	Hartnett	Landis	Robak	Will
Bohlke	Hillman	Lindsay	Warner	Withem
Chizek		· ·		

Present and not voting, 7:

Chambers	Crosby	Labedz	Lynch	Schimek
Conway	Kristensen		-	

Excused and not voting, 7:

Abboud	Byars	Nelson	Peterson	Rasmussen
Ashford	Morrissey			

The Coordsen amendment lost with 19 ayes, 16 nays, 7 present and not voting, and 7 excused and not voting.

Mr. Hartnett offered the following amendment: AM55S4

- 1 1. On page 28, line 25, after "depreciation" insert
- 2 "for tangible personal property".
- 3 2. On page 29, lines 8, 14, and 15, insert
- 4 "personal" after each occurrence of "tangible".

Mr. Hartnett moved for a call of the house. The motion prevailed with 29 ayes, 0 nays, and 20 not voting.

Mr. Hartnett requested a roll call vote on his amendment.

Voting in the affirmative, 18:

Abboud Beutler Beyer Chizek Crosby

Elmer Hefner Labedz Schmit Wesely
Haberman Horgan Pirsch Schrock Will
Hartnett Johnson, L. Rogers

Voting in the negative, 12:

Baack Hillman Landis Moore Warner Bohlke Johnson, R. Lynch Robak Wickersham Hall Kristensen

Present and not voting, 13:

Bernard- Conway Lamb Robinson Wehrbein
Stevens Coordsen Lindsay Schellpeper Withem
Chambers Cudaback Nelson Schimek

Absent and not voting, 1:

Dierks

Excused and not voting, 5:

Ashford Byars Morrissey Peterson Rasmussen

The Hartnett amendment lost with 18 ayes, 12 nays, 13 present and not voting, 1 absent and not voting, and 5 excused and not voting.

The Chair declared the call raised.

Mr. Abboud asked unanimous consent to be excused until he returns. No objections. So ordered.

Mr. Hall offered the following amendment: (Amendment on file in the Clerk's Office - Room 2018 - AM57S4.)

Mr. Hall requested a division of the question on his amendment.

The Chair sustained the division of the question.

The first Hall amendment is as follows: (Amendment on file in the Clerk's Office - Room 2018 - FA3S4.)

The first Hall amendment was adopted with 29 ayes, 0 nays, 15 present and not voting, and 5 excused and not voting.

The second Hall amendment is as follows: (Amendment on file in the Clerk's Office - Room 2018 - FA4S4.)

The second Hall amendment was adopted with 26 ayes, 0 nays, 19 present and not voting, and 4 excused and not voting.

Mr. Schmit offered the following amendment: FA5S4

1. On page 21, line 2, strike "not exceed", show stricken and insert "be the lesser of", and in line 3 after "dollars" insert "or \$200 per full time employee".

Mr. Schmit moved for a call of the house. The motion prevailed with 21 ayes, 0 nays, and 28 not voting.

Mr. Schmit requested a roll call vote on his amendment.

Voting in the affirmative, 21:

Beyer	Haberman	Johnson, R.	Pirsch	Schmit
Coordsen	Hartnett	Labedz	Robinson	Schrock
Crosby	Hefner	Lamb	Rogers	Wehrbein
Cudaback	Johnson, L.	Moore	Schellpeper	Wesely
Elmer				•

Voting in the negative, 11:

Abboud	Hillman	Landis	Nelson	Warner
Baack	Kristensen	Lindsay	Schimek	Will
Hall		•		

Present and not voting, 13:

Ashford	Beutler	Chizek	Horgan	Wickersham
Bernard-	Bohlke	Conway	Lynch	Withem
Stevens	Chambers	Dierks	Robak	

Excused and not voting, 4:

Byars Morrissey Peterson Rasmussen

The Schmit amendment lost with 21 ayes, 11 nays, 13 present and not voting, and 4 excused and not voting.

The Chair declared the call raised.

Mr. Ashford moved to reconsider the Hartnett amendment, AM55S4, found in this day's Journal.

The Ashford motion to reconsider lost with 14 ayes, 16 nays, 15 present and not voting, and 4 excused and not voting.

Mrs. Hillman moved to reconsider the Hall amendment, FA4S4, found in this day's Journal.

Mrs. Labedz and Mr. Abboud asked unanimous consent to be excused until they return. No objections. So ordered.

Mrs. Hillman moved for a call of the house. The motion prevailed with 22 ayes, 0 nays, and 27 not voting.

Mrs. Hillman requested a roll call vote on her motion to reconsider the Hall amendment, FA4S4.

Voting in the affirmative, 22:

Baack	Bohlke	Elmer	Kristensen	Schellpeper
Bernard-	Chizek	Hall	Lindsay	Warner
Stevens	Conway	Hillman	Robak	Wickersham
Beutler	Coordsen	Horgan	Rogers	Will
Bever	Cudaback	Johnson R	•	

Voting in the negative, 17:

Ashford	Johnson, L.	Moore	Robinson	Schrock
Chambers	Lamb	Nelson	Schimek	Wehrbein
Crosby Dierks	Landis Lynch	Pirsch	Schmit	Wesely

Present and not voting, 4:

Haberman Hartnett Hefner Withem

Excused and not voting, 6:

Abboud Labedz Morrissey Peterson Rasmussen Byars

The Hillman motion to reconsider lost with 22 ayes, 17 nays, 4 present and not voting, and 6 excused and not voting.

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The Chair declared the call raised.

Mr. Baack offered the following amendment: AM67S4

```
1. Insert the following new sections:
 2
           "Sec. 8. That section 77-2702.03, Revised Statutes
 3
    Supplement, 1992, be amended to read as follows:
 4
           77-2702.03. For purposes of sections 77-2703 to
 5
    77-2713 and section 11 of this act, unless the context
 6
    otherwise requires, the definitions found in sections
 7
    77-2702.04 to 77-2702.23 shall be used.
 8
           Sec. 11. Sales and use tax shall not be imposed on
 9
    the gross receipts from the sale, lease, or rental of
10
    agricultural machinery and equipment purchased, leased, or
11
    rented on or after the effective date of this act, for use in
12
    commercial agriculture.
13
           Sec. 13. That section 77-2708.01. Revised Statutes
14
    Supplement, 1992, be amended to read as follows:
15
           77-2708.01. (1) Any purchaser of depreciable
16
    agricultural machinery or equipment purchased on or after
    January 1, 1992, and before the effective date of this act,
18
    for use in commercial agriculture may apply for a refund of
19
    all of the Nebraska sales or use taxes and all of the local
20
    option sales or use taxes paid on the machinery or equipment.
21
           (2) The purchaser shall file a claim within three
22
   years after the date of purchase with the Tax Commissioner
    pursuant to section 77-2708. The information provided on a
    tax refund claim allowed under this section may be disclosed
    to any other tax official of this state.
 1
 2
           Sec. 17. That section 77-4401, Revised Statutes
 3
    Supplement, 1992, be amended to read as follows:
 4
           77-4401. (1) Except as otherwise provided in this
 5
    section, commencing April 1, 1992, through December 31, 1992,
 6
    there shall be imposed a fee of four three dollars per ton
 7
    upon the gross tonnage of all sales, use, or other consumption
 8
    in this state of commercial fertilizers, and commencing
    January 1, 1993, there shall be imposed a fee of four dollars
 9
```

14 pursuant to the Nebraska Revenue Act of 1967 shall be exempt from the fee imposed by this section. For purposes of this

per ton upon the gross tonnage of all sales, use, or other

consumption in this state of commercial fertilizers. The fee

shall be paid by the purchaser of the commercial fertilizer.

Any commercial fertilizer subject to the sales and use tax

section, the definitions found in section 81-2,162.02 shall

17 apply.

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- 18 (2) The fee imposed by this section shall be 19 collected by the seller and remitted to the Department of 20 Revenue for credit to the General Fund, based on the gross 21 tonnage of commercial fertilizers sold during the preceding 22 period. Payment of the fee shall be accompanied by a report 23 setting forth the gross tonnage of commercial fertilizers sold 24 by the seller. The report shall be on a form prescribed by the 2.5 Department of Revenue and shall include such other information 26 as the Tax Commissioner deems necessary. The provisions of 27 the Nebraska Revenue Act of 1967 applicable to sales and use 1 taxes shall apply to imposition of the fee.
 - (3) For purposes of this section, gross tonnage shall not include water and other carriers added by the retail seller of the fertilizer and shall not include sales of packages of fertilizers containing ten pounds or less.
 - (4) Any person who purchased commercial fertilizer prior to January 1, 1993, and paid a fee greater than three dollars per ton shall be entitled to a refund of the amount paid in excess of three dollars per ton.
 - (5) The Tax Commissioner shall adopt and promulgate rules and regulations to carry out this section.".
 - 2. On page 10, lines 2 and 3, strike the new matter and all amendments thereto and insert "and sections 11 and 16 of this act".
- 3. On page 32, line 25, after the fourth comma insert "77-2702.03,"; and in line 26 after the second comma insert "77-2708.01,", strike "and", and after the last comma insert ", and 77-4401,".
 - 4. Renumber the remaining sections accordingly.

Mr. Moore offered the following amendment to the pending Baack amendment:

AM69S4

(Amendments to AM67S4)

- 1. Insert the following new section:
- 2 "Sec. 12. The exemption granted in section 11 of
- this act shall be conditioned upon filing requirements for the exemption as imposed by the Tax Commissioner. The
- 4 exemption as imposed by the Tax Commissioner. The
 5 requirements imposed by the Tax Commissioner shall be related
- 6 to (1) ensuring that the property purchased qualifies for the
- 7 exemption and (2) ensuring that relevant information on the
- coordination and (2) chairing that relevant information on the
- 8 property purchased is available to local governmental
- 9 officials for personal property tax collection purposes. Any
- 10 information received pursuant to the requirements of this

- 11 section may be disclosed to any tax official in this state.
- 12 Any taxpayer who provides false information on the forms
- 13 required by the Tax Commissioner for purposes of this section
- 14 shall be subject to the penalties provided in subsection (8)
- 15 of section 77-2705.".
- 16 2. On page 1, line 5, strike "section 11" and
- 17 insert "sections 11 and 12".
- 18 3. On page 3, line 13, strike "and 16" and insert
- 19 "12, and 17".
- Renumber the remaining sections accordingly.

The Moore amendment was adopted with 25 ayes, 0 nays, 19 present and not voting, and 5 excused and not voting.

Messrs. Hall and Warner offered the following amendment to the pending Baack amendment: FA6S4

Amend the Baack amendment AM67S4

1) on page 1 lines 11 & 17, strike "The effective date of this act", and insert "January 1, 1993"

The Hall-Warner amendment was adopted with 25 ayes, 0 nays, 19 present and not voting, and 5 excused and not voting.

Messrs. Baack and Hall offered the following amendment to the pending Baack amendment: FA7S4

- 1) On page 2, line 5, strike "December 31, 1992" and insert "April 30, 1993"
- 2) On page 2 line 9 and page 3 line 7, strike "January" and insert "May"

The Baack-Hall amendment was adopted with 25 ayes, 0 nays, 19 present and not voting, and 5 excused and not voting.

Mr. Rogers asked unanimous consent to be excused until he returns. No objections. So ordered.

Mr. Haberman requested a point of personal privilege that the Clerk read the Baack amendment, as amended.

Mr. Withem raised a point of order on whether the Haberman point of personal privilege is out of order.

The Chair ruled the Haberman request should not be raised as a point of personal privilege.

The Baack pending amendment, AM67S4, as amended, was adopted with 27 ayes, 3 nays, 13 present and not voting, and 6 excused and not voting.

Mr. Warner offered the following amendment: FA8S4

1. Strike Hall amendment on LB 1, p. 30, lines 26-28.

Mr. Chambers requested a ruling of the Chair on whether the Warner amendment is, in effect, a reconsideration of a motion to reconsider.

The Chair ruled the Warner amendment was a reconsideration of a motion to reconsider the Hall amendment.

Mr. Warner moved to suspend the rules, Rule 7, Section 7(a), to permit consideration of the Warner amendment to LB 1.

Messrs. Lindsay and Schmit asked unanimous consent to be excused until they return. No objections. So ordered.

Mr. Warner moved for a call of the house. The motion prevailed with 16 ayes, 0 nays, and 33 not voting.

Mr. Warner requested a roll call vote on his motion to suspend the rules.

Voting in the affirmative, 29:

Abboud	Beyer	Cudaback	Johnson, R.	Schellpeper
Ashford	Bohlke	Dierks	Kristensen	Schrock
Baack	Chizek	Elmer	Landis	Warner
Bernard-	Conway	Hall	Nelson	Wehrbein
Stevens	Coordsen	Hillman	Robak	Wickersham
Beutler	Crosby	Horgan	Robinson	Will

Voting in the negative, 8:

Chambers	Lamb	Morrissey	Wesely	Withem
Hartnett	Moore	Schimek	•	

Present and not voting, 5:

Haberman Hefner

Johnson, L.

Lynch Pirsch

Excused and not voting, 7:

Byars

Lindsay

Rasmussen Rogers

Schmit

Labedz Peterson

The Warner motion to suspend the rules lost with 29 ayes, 8 nays, 5 present and not voting, and 7 excused and not voting.

The Chair declared the call raised.

Advanced to E & R for engrossment.

Messrs. Ashford and Chizek asked unanimous consent to be excused until they return. No objections. So ordered.

MOTION - Return LB 2 to Select File

Mr. Moore moved to return LB 2 to Select File for the following specific amendment:

AM63S4

- 1. Insert the following new section:
- 2 "Sec. 4. There is hereby appropriated (1) \$325,000
- 3 from the General Fund for FY1992-93 and (2) \$125,000 from the
- 4 General Fund for FY1993-94 to the Department of Revenue, for
- 5 Program 102, to aid in carrying out the provisions of
- 6 Legislative Bill 1, Ninety-second Legislature, Fourth Special
- 7 Session, 1992.
- 8 Total expenditures for permanent and temporary
- 9 salaries and per diems from funds appropriated in this section
- 10 shall not exceed \$100,000 for FY1992-93 or \$75,000 for
- 11 FY1993-94.".
- 12 2. Renumber remaining section accordingly.

SPEAKER BAACK PRESIDING

PRESIDENT MOUL PRESIDING

The Moore motion to return prevailed with 26 ayes, 5 nays, 9 present and not voting, and 9 excused and not voting.

Mr. Withem asked unanimous consent to be excused until he returns. No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 2. The Moore specific amendment, AM63S4, found in this day's Journal, was adopted with 25 ayes, 1 nay, 13 present and not voting, and 10 excused and not voting.

Advanced to E & R for engrossment.

MOTION - Return LB 1 to Select File

Mr. Bernard-Stevens moved to return LB 1 to Select File for the following specific amendment: FA9S4

Amendment to LB 1

1. Page 30 of LB 1, line 26, strike beginning with property through line 28, and insert sales factor contained in section 77-2734.14.

Mr. Bernard-Stevens moved for a call of the house. The motion prevailed with 18 ayes, 0 nays, and 31 not voting.

The Bernard-Stevens motion to return prevailed with 25 ayes, 7 nays, 7 present and not voting, and 10 excused and not voting.

SELECT FILE

LEGISLATIVE BILL 1. The Bernard-Stevens specific amendment, FA9S4, found in this day's Journal, was considered.

The Chair declared the call raised.

Mr. Chambers requested a ruling of the Chair on whether the Bernard-Stevens specific amendment is, in effect, a reconsideration of a motion to reconsider.

The Chair ruled the Bernard-Stevens amendment is not a reconsideration, because the bill is at a different stage of debate.

Mr. Chambers challenged the ruling of the Chair. The question is, "Shall the Chair be overruled?"

Mr. Beutler asked unanimous consent to be excused until he returns. No objections. So ordered.

Mr. Chambers moved for a call of the house. The motion prevailed with 16 ayes, 0 nays, and 33 not voting.

Mr. Chambers requested a roll call vote on his motion to overrule the Chair.

Voting in the affirmative, 19:

Abboud	Elmer	Horgan	Lynch	Schimek
Chambers	Haberman	Johnson, L.	Moore	Wesely
Crosby	Hartnett	Lamb	Morrissey	Will
Dierks	Hefner	Landis	Robak	

Voting in the negative, 16:

Baack	Bohlke	Hillman	Robinson	Warner
Bernard-	Conway	Johnson, R.	Schellpeper	Wehrbein
Stevens	Coordsen	Kristensen	Schrock	Wickersham
Bever	Cudaback			

Present and not voting, 3:

Byars	Hall	Nelson

Excused and not voting, 11:

Ashford	Labedz	Peterson	Rasmussen	Schmit
Beutler	Lindsay	Pirsch	Rogers	Withem
Chizek	-		_	

The Chambers motion to overrule the Chair lost with 19 ayes, 16 nays, 3 present and not voting, and 11 excused and not voting.

The Chair was sustained.

The Chair declared the call raised.

Mr. Landis asked unanimous consent to be excused until he returns. No objections. So ordered.

The pending Bernard-Stevens specific amendment, FA9S4, found in this day's Journal, was renewed.

Mr. Chambers requested a record vote on the Bernard-Stevens specific amendment.

Voting in the affirmative, 25:

Baack	Conway	Hillman	Morrissey	Schrock
Bernard-	Coordsen	Horgan	Nelson	Warner
Stevens	Cudaback	Johnson, R.	Robak	Wehrbein
Beutler	Dierks	Kristensen	Robinson	Wickersham
Bohlke Byars	Hall	Moore	Schellpeper	Will

Voting in the negative, 4:

Beyer Chambers Lamb Schimek

Present and not voting, 9:

Abboud Elmer Hartnett Johnson, L. Wesely Crosby Haberman Hefner Lynch

Excused and not voting, 11:

Ashford Landis Peterson Rasmussen Schmit Chizek Lindsay Pirsch Rogers Withem Labedz

The Bernard-Stevens specific amendment was adopted with 25 ayes, 4 nays, 9 present and not voting, and 11 excused and not voting.

Mr. Abboud asked unanimous consent to be excused until he returns. No objections. So ordered.

Mr. Chambers requested a machine vote on the advancement of the bill.

Mr. Warner moved for a call of the house. The motion prevailed with 23 ayes, 0 nays, and 26 not voting.

Mr. Warner requested a roll call vote on the advancement of the bill.

Voting in the affirmative, 25:

Baack	Coordsen	Hillman	Nelson	Warner
Bernard-	Crosby	Kristensen	Robak	Wehrbein
Stevens	Cudaback	Lamb	Robinson	Wesely
Beutler	Dierks	Lynch	Schellpeper	Wickersham
Bohlke	Hall	Morrissey	Schimek	Will
Conway		•		

Voting in the negative, 8:

Beyer Chambers Hefner Johnson, L. Schrock

Byars Haberman Horgan

Present and not voting, 4:

Elmer Hartnett Johnson, R. Moore

Excused and not voting, 12:

Abboud Labedz Peterson Rasmussen Schmit Ashford Landis Pirsch Rogers Withem Chizek Lindsay

Advanced to E & R for engrossment with 25 ayes, 8 nays, 4 present and not voting, and 12 excused and not voting.

The Chair declared the call raised.

RESOLUTION

LEGISLATIVE RESOLUTION 5. Introduced by Lamb, 43.

WHEREAS, Ainsworth, Nebraska, has hosted the Annual National Country Music Festival for twenty-two years; and

WHEREAS, the Annual National Country Music Festival is truly a community effort involving hundreds of citizens and volunteer organizations and thousands of volunteer hours; and

WHEREAS, visitors to Ainsworth to attend the 1992 Annual National Country Music Festival came from the Philippines, Japan, and more than a dozen states; and

WHEREAS, the 1992 Annual National Country Music Festival had a new record of 114 contestants, and the festival won three awards from the Country Music Showcase International.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NINETY-SECOND LEGISLATURE OF NEBRASKA, FOURTH SPECIAL SESSION:

- 1. That the Legislature congratulates the city and the people of Ainsworth, festival organizers, and volunteers for the success of the 22nd Annual National Country Music Festival.
- 2. That the Legislature designates Ainsworth as the Country Music Capital of Nebraska.

3. That a copy of this resolution be sent to the Ainsworth Chamber of Commerce.

Laid over.

STANDING COMMITTEE REPORT Natural Resources

The Committee on Natural Resources desires to report favorably upon the appointment listed below. The Committee suggests the appointment be confirmed by the Legislature and suggests a record vote.

Dr. Charles Blaha - Nebraska Game and Parks Commission

VOTE: Aye: Senators Beutler, Elmer, Hartnett, Horgan, and R. Johnson. Nay: none. Not Voting: none. Absent: Senators Lamb, Morrissey, and Schmit.

(Signed) Rod Johnson, Chairperson

EASE

The Legislature was at ease from 5:58 p.m. until 7:11 p.m.

SPEAKER BAACK PRESIDING

SELECT COMMITTEE REPORTS Enrollment and Review

Correctly Engrossed

The following bills were correctly engrossed: 1 and 2.

Enrollment and Review Change to LB 1

The following changes, required to be reported for publication in the Journal, have been made: ER7194

- 1. In the Baack amendment, AM67S4, on page 1, line 5, "section 11" and all amendments thereto have been struck and "sections 24 and 25" inserted.
- 2. On page 1, the matter beginning with "21-330" in line 1 through line 5 and all amendments thereto have been struck and "21-330, 21-20,139, 45-104.01, 57-710, 57-717, 57-919, 70-1020, 74-1320, 76-711, 76-719.01, 77-918, 77-2618, 77-2709, 77-2769.01, and

77-4022, Reissue Revised Statutes of Nebraska, 1943, and sections 32-1607, 66-724, 77-1510, 77-1735, 77-1736.07, 77-1775.01, 77-2102, 77-2106.01, 77-2701, 77-2702.03, 77-2703, 77-2704.13, 77-2708, 77-2708.01, 77-2711, 77-2716.02, 77-2734.17, 77-2788, 77-2792, 77-2794, 77-4312, 77-4401, and 81-2404, Revised Statutes Supplement," inserted; in line 8 "to exempt agricultural machinery and equipment from the sales and use tax;" has been inserted after the first semicolon; and in line 14 "to change provisions relating to a fee on commercial fertilizers;" has been inserted after the first semicolon.

3. On page 10, lines 2 and 3, "sections 9 and 15" and all amendments thereto have been struck and "sections 24, 25, and 34" inserted.

Enrollment and Review Change to LB 2

The following changes, required to be reported for publication in the Journal, have been made: ER7195

1. On page 1, line 3, "to appropriate funds to aid in carrying out the provisions of Legislative Bill 1, Ninety-second Legislature, Fourth Special Session, 1992;" has been inserted after the semicolon.

(Signed) Eric Will, Chairperson

VISITOR

Visitor to the Chamber was Senator-Elect Carol Hudkins, District 21, from Malcolm.

ADJOURNMENT

At 7:12 p.m., on a motion by Mr. Warner, the Legislature adjourned until 9:00 a.m., Wednesday, November 11, 1992.

Patrick J. O'Donnell Clerk of the Legislature

SIXTH DAY - NOVEMBER 11, 1992

LEGISLATIVE JOURNAL

NINETY-SECOND LEGISLATURE FOURTH SPECIAL SESSION

SIXTH DAY

Legislative Chamber, Lincoln, Nebraska Wednesday, November 11, 1992

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Moul presiding.

PRAYER

The prayer was offered by Rev. Harland Johnson, Chaplain Coordinator.

ROLL CALL

The roll was called and all members were present except Messrs. Ashford, Beyer, Chambers, Chizek, Hall, Hartnett, Horgan, R. Johnson, Kristensen, Lindsay, Morrissey, Peterson, Robinson, Schellpeper, Wehrbein, Wickersham, Will, Mmes. Labedz, Pirsch, and Rasmussen who were excused.

CORRECTIONS FOR THE JOURNAL

The Journal for the fifth day was approved.

ANNOUNCEMENT

The Chair announced today is Speaker Baack's birthday.

MOTION - Return LB 1 to Select File

Mr. Lamb moved to return LB 1 to Select File for the following specific amendment:

FA10S4

Strike the enacting clause.

Mr. Landis asked unanimous consent to be excused until he returns. No objections. So ordered.

SPEAKER BAACK PRESIDING

Mr. Lamb withdrew his motion to return LB 1 to Select File.

VISITOR

Visitor to the Chamber was Senator-Elect Connie Day, District 19.

ADJOURNMENT

At 10:17 a.m., on a motion by Mrs. Crosby, the Legislature adjourned until 9:00 a.m., Thursday, November 12, 1992.

Patrick J. O'Donnell Clerk of the Legislature

SEVENTH DAY - NOVEMBER 12, 1992

LEGISLATIVE JOURNAL

NINETY-SECOND LEGISLATURE FOURTH SPECIAL SESSION

SEVENTH DAY

Legislative Chamber, Lincoln, Nebraska Thursday, November 12, 1992

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Moul presiding.

PRAYER

The prayer was offered by Senator Dennis Byars.

ROLL CALL

The roll was called and all members were present except Messrs. Peterson and Schmit who was excused; and Messrs. Bernard-Stevens, Beutler, Haberman, R. Johnson, Lynch, Morrissey, Schellpeper, Mrs. Rasmussen, and Ms. Schimek who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the sixth day was approved.

RESOLUTION

LEGISLATIVE RESOLUTION 5. Read. Considered.

LR 5 was adopted with 26 ayes, 0 nays, and 23 not voting.

MOTION - Approve Appointments

Mr. Landis moved the adoption of the report of the Banking, Commerce and Insurance Committee for the following Governor appointment found in the Journal on page 35: Bruce W. Bisson - Nebraska Investment Council.

Voting in the affirmative, 29:

Abboud	Chizek	Hefner	Lindsay	Wehrbein
Ashford	Coordsen	Horgan	Moore	Wesely
Baack	Crosby	Johnson, L.	Pirsch	Wickersham
Beyer	Dierks	Johnson, R.	Robak	Will
Bohlke	Elmer	Lamb	Schrock	Withem
Chambers	Hartnett	Landis	Warner	

Voting in the negative, 0.

Present and not voting, 10:

Byars	Cudaback	Hillman	Labedz	Robinson
Conway	Hall	Kristensen	Nelson	Rogers

Excused and not voting, 10:

Bernard-	Haberman	Morrissey	Rasmussen	Schimek
Stevens	Lynch	Peterson	Schellpeper	Schmit
Rentler	-		• •	

The appointment was confirmed with 29 ayes, 0 nays, 10 present and not voting, and 10 excused and not voting.

Mr. R. Johnson moved the adoption of the report of the Natural Resources Committee for the following Governor appointment found in the Journal on page 53: Dr. Charles Blaha - Nebraska Game and Parks Commission.

Voting in the affirmative, 26:

Abboud	Conway	Horgan	Lindsay	Warner
Ashford	Coordsen	Johnson, L.	Moore	Wehrbein
Baack	Crosby	Johnson, R.	Pirsch	Wesely
Beyer	Hall	Kristensen	Robak	Will
Bohlke	Hefner	Labedz	Robinson	Withem
Chambers				

Voting in the negative, 0.

Present and not voting, 13:

Byars Chizek Cudaback Dierks Elme	Byars	Chizek	Cudaback	Dierks	Elme
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Hartnett Lamb Nelson Schrock Wickersham Hillman Landis Rogers

Excused and not voting, 10:

Bernard- Haberman Morrissey Rasmussen Schimek Stevens Lynch Peterson Schellpeper Schmit Beutler

The appointment was confirmed with 26 ayes, 0 nays, 13 present and not voting, and 10 excused and not voting.

MOTION - Return LB 1 to Select File

Mr. Coordsen moved to return LB 1 to Select File for the following specific amendment:

FA11S4

Strike the enacting clause.

Mr. Coordsen withdrew his motion to return.

Mr. Chambers moved to return LB 1 to Select File for the following specific amendment:

FA12S4

Strike enacting clause.

Mr. Lynch moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 27 ayes, 0 nays, and 22 not voting.

The Chambers motion to return lost with 6 ayes, 28 nays, 13 present and not voting, and 2 excused and not voting.

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 1. With Emergency.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 21-330, 21-20,139, 45-104.01, 57-710, 57-717, 57-919, 70-1020, 74-1320, 76-711, 76-719.01, 77-918, 77-2618, 77-2709, 77-2769.01, and 77-4022, Reissue Revised Statutes of Nebraska, 1943, and sections 32-1607, 66-724, 77-1510, 77-1735, 77-1736.07, 77-1775.01, 77-2102, 77-2106.01, 77-2701, 77-2702.03, 77-2703,

77-2704.13, 77-2708, 77-2708.01, 77-2711, 77-2716.02, 77-2734.17, 77-2788, 77-2792, 77-2794, 77-4312, 77-4401, and 81-2404, Revised Statutes Supplement, 1992; to provide a corporate fee for 1993; to change interest rate provisions; to eliminate, change, and provide refund provisions; to exempt agricultural machinery and equipment from the sales and use tax; to change collection fees for sales and use taxes; to change an energy source and fuel tax exemption; to provide for a depreciation surcharge which is an excise tax and for a surcharge on corporations for tax year 1992; to provide for application of amounts paid in prior years to future liability; to change provisions relating to a fee on commercial fertilizers; to harmonize provisions; to provide severability; to repeal the original sections, and also section 77-1736.04, Revised Statutes Supplement, 1992; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?'"

Mr. Chambers requested a roll call vote.

Voting in the affirmative, 33:

Ashford	Conway	Johnson, R.	Morrissey	Warner
Baack	Crosby	Kristensen	Nelson	Wehrbein
Bernard-	Cudaback	Labedz	Pirsch	Wesely
Stevens	Hall	Landis	Rasmussen	Wickersham
Beutler	Hartnett	Lindsay	Robak	Will
Bohlke	Hillman	Lynch	Schellpeper	Withem
Chizek	Horgan	Moore	Schimek	

Voting in the negative, 13:

Abboud	Chambers	Elmer	Johnson, L.	Robinson
Beyer	Coordsen	Haberman	Lamb	Schrock
Byars	Dierks	Hefner		

Present and not voting, 1:

Rogers

Excused and not voting, 2:

Peterson Schmit

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

LEGISLATIVE BILL 2. With Emergency.

A BILL FOR AN ACT relating to appropriations; to appropriate funds for the expenses incurred during the Ninety-second Legislature, Fourth Special Session, 1992; to appropriate funds to aid in carrying out the provisions of Legislative Bill 1, Ninety-second Legislature, Fourth Special Session, 1992; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?' "

Voting in the affirmative, 44:

Abboud	Coordsen	Hillman	Lynch	Schellpeper
Ashford	Crosby	Horgan	Moore	Schimek
Baack	Cudaback	Johnson, L.	Morrissey	Schrock
Beutler	Dierks	Johnson, R.	Nelson	Warner
Beyer	Elmer	Kristensen	Pirsch	Wesely
Bohlke	Haberman	Labedz	Rasmussen	Wickersham
Chambers	Hall	Lamb	Robak	Will
Chizek	Hartnett	Landis	Robinson	Withem
Conway	Hefner	Lindsay	Rogers	

Voting in the negative, 0.

Present and not voting, 3:

Bernard- Byars Wehrbein

Stevens

Excused and not voting, 2:

Peterson Schmit

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

PRESIDENT SIGNED

While the Legislature was in session and capable of transacting business, the President signed the following bills and resolution: LB 1, LB 2, and LR 5.

MOTION - Notify Governor

Mrs. Nelson moved that a committee of five be appointed to notify the Governor that the Ninety-Second Legislature, Fourth Special Session of the Nebraska Legislature, is about to complete its work, and to return with any message the Governor may have for the Legislature.

The Chair appointed Mrs. Nelson, Messrs. Morrissey, Rogers, R. Johnson, and Conway to serve on said Committee.

The Committee returned and escorted Governor E. Benjamin Nelson to the rostrum where he delivered a message to the members.

The Committee escorted the Governor from the Chamber.

PRESENTED TO THE GOVERNOR

Presented to the Governor on November 12, 1992, at 11:15 a.m., were the following bills: 1 and 2.

(Signed) Rosie Ziems
Clerk of the Legislature's Office

MOTION - Approve Journal

Mr. Morrissey moved that the Legislative Journal for the seventh day be approved as prepared by the Clerk.

The motion prevailed.

VISITOR

Visitor to the Chamber was Barbara Nelson from Beatrice.

MOTION - Adjourn Sine Die

Mr. R. Johnson moved that the Ninety-Second Legislature, Fourth Special Session of the Nebraska Legislature, having finished all business before it, now at 11:45 a.m., adjourn sine die.

The motion prevailed.

Patrick J. O'Donnell Clerk of the Legislature

RECEIVED AFTER ADJOURNMENT

LEGISLATIVE JOURNAL

NINETY-SECOND LEGISLATURE FOURTH SPECIAL SESSION

MESSAGE FROM THE GOVERNOR

November 12, 1992

Patrick J. O'Donnell Clerk of the Legislature State Capitol, Room 2018 Lincoln, NE 68509

Dear Mr. O'Donnell:

Engrossed Legislative Bills 1 and 2 were received in my office on November 12, 1992.

These bills were signed by me on November 12, 1992, and delivered to the Secretary of State.

(Signed) Sincerely, (E. Benjamin Nelson Governor

CERTIFICATE

I, Patrick J. O'Donnell, Clerk of the Legislature, hereby certify that the foregoing communication is a true and correct copy of the letter provided concerning action on bills after adjournment of the Ninety-Second Legislature, Fourth Special Session of the Nebraska Legislature.

Patrick J. O'Donnell Clerk of the Legislature

November 12, 1992 Lincoln, Nebraska