

FIFTY-NINTH DAY - APRIL 18, 2002**LEGISLATIVE JOURNAL****NINETY-SEVENTH LEGISLATURE
SECOND SESSION****FIFTY-NINTH DAY**

Legislative Chamber, Lincoln, Nebraska
Thursday, April 18, 2002

PRAYER

The prayer was offered by Senator Dierks.

ROLL CALL

Pursuant to adjournment, the Legislature met at 10:00 a.m., Speaker Kristensen presiding.

The roll was called and all members were present except Senator Landis who was excused until he arrives.

CORRECTIONS FOR THE JOURNAL

The Journal for the fifty-eighth day was approved.

PRESENTED TO THE GOVERNOR

Presented to the Governor on April 17, 2002, at 9:40 p.m., were the following: LBs 1089, 488, 488A, 876e, 876A, 1211e, and 1278.

(Signed) Jamie Kruse
Clerk of the Legislature's Office

REPORT OF THE EXECUTIVE BOARD**2002 Resolutions calling for an Interim Study**

LR 464 Interim study of the structure of the Metropolitan Area Transit Authority
Urban Affairs

LR 465 Interim study to develop legislation for the future use of proceeds from the state lottery allocated to the Education Innovation Fund
Education

(Signed) George Coordsen, Chairperson
Legislative Council
Executive Board

MOTION - Return LB 642 to Select File

Senator Chambers moved to return LB 642 to Select File for the following specific amendment:

FA1112

Strike all provisions and insert the following: "The Legislature finds and declares that because God gave Palestine to the Jews so that they could create from it a Homeland known as Israel: (1) No comment, statement or criticism should be made of Israel and its policies if such comment, statement or criticism hurts the feelings of any Jew who is the personal friend of any member of the Nebraska Legislature; (2) no comment, statement or criticism should be made which is upsetting to any Jewish constituent of any member of the Nebraska Legislature; and (3) the Palestinian people have no rights that any Jewish man is bound to respect."

Senator Chambers withdrew his motion to return.

BILL ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 642.

A BILL FOR AN ACT relating to child abuse; to amend section 28-725, Reissue Revised Statutes of Nebraska, and section 28-726, Revised Statutes Supplement, 2001; to provide for disclosure of certain information and immunity as prescribed; to harmonize provisions; and to repeal the original sections.

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

Voting in the affirmative, 48:

| | | | | |
|----------|------------|------------|--------------|------------|
| Aguilar | Chambers | Hudkins | Pederson, D. | Stuhr |
| Baker | Connealy | Janssen | Preister | Suttle |
| Beutler | Coordsen | Jensen | Price | Synowiecki |
| Bourne | Cudaback | Jones | Quandahl | Thompson |
| Brashear | Cunningham | Kremer | Raikes | Tyson |
| Bromm | Dierks | Kristensen | Redfield | Vrtiska |

| | | | | |
|---------|----------|---------------|---------|------------|
| Brown | Engel | Kruse | Robak | Wehrbein |
| Bruning | Erdman | Maxwell | Schimek | Wickersham |
| Burling | Foley | McDonald | Schrock | |
| Byars | Hartnett | Pedersen, Dw. | Smith | |

Voting in the negative, 0.

Excused and not voting, 1:

Landis

A constitutional majority having voted in the affirmative, the bill was declared passed and the title agreed to.

MOTION - Return LB 647 to Select File

Senator Chambers moved to return LB 647 to Select File for the following specific amendment:

FA1113

Strike all provisions and insert the following: "As a sign of solidarity with the State of Israel in its incursions against the Palestinean people, the Nebraska Legislature expresses its support and approval of: (1) the bulldozing of towns, villages and olive groves in the West Bank; (2) the use of tanks, warplanes, Apache helicopters, bombs, missiles and other weaponry to destroy homes, schools, hospitals, water and power lines in the Occupied Palestinian Territories; (3) the mass destruction of property and the killing of untold numbers of civilians in the Jenin Refugee camp by Israeli Defense Forces; and (4) prevention by the Israeli military of doctors, rescue workers and aides of the International Red Cross and of the Red Crescent from reaching and administering assistance to injured and dying Palestineans, as result of which, many Palestineans bled to death without receiving medical assistance which otherwise was available."

Senator Jensen asked unanimous consent to be excused until he returns. No objections. So ordered.

Senator Chambers withdrew his motion to return.

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 647.

A BILL FOR AN ACT relating to schools; to amend section 79-1217, Revised Statutes Supplement, 2001; to provide requirements for school textbook contracts; to change provisions relating to membership on educational service unit boards; to harmonize provisions; and to repeal the original section.

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

Voting in the affirmative, 46:

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|----------|------------|---------------|----------|------------|
| Aguilar | Chambers | Hudkins | Preister | Synowiecki |
| Baker | Connealy | Janssen | Price | Thompson |
| Beutler | Coordsen | Jones | Raikes | Tyson |
| Bourne | Cudaback | Kremer | Redfield | Vrtiska |
| Brashear | Cunningham | Kristensen | Robak | Wehrbein |
| Bromm | Dierks | Kruse | Schimek | Wickersham |
| Brown | Engel | Maxwell | Schrock | |
| Bruning | Erdman | McDonald | Smith | |
| Burling | Foley | Pedersen, Dw. | Stuhr | |
| Byars | Hartnett | Pederson, D. | Suttle | |

Voting in the negative, 0.

Present and not voting, 1:

Quandahl

Excused and not voting, 2:

Jensen Landis

A constitutional majority having voted in the affirmative, the bill was declared passed and the title agreed to.

LEGISLATIVE BILL 722.

A BILL FOR AN ACT relating to military leave; to amend sections 48-230, 48-231, 55-160, 55-161, 55-164, and 55-165, Reissue Revised Statutes of Nebraska, and section 79-990, Revised Statutes Supplement, 2001; to change and eliminate provisions relating to absence from employment for military purposes; to change provisions relating to penalties as prescribed; to harmonize provisions; to repeal the original sections; and to outright repeal sections 55-162 and 55-163, Reissue Revised Statutes of Nebraska.

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

Voting in the affirmative, 47:

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|---------|----------|---------|----------|------------|
| Aguilar | Chambers | Hudkins | Preister | Suttle |
| Baker | Connealy | Janssen | Price | Synowiecki |
| Beutler | Coordsen | Jones | Quandahl | Thompson |
| Bourne | Cudaback | Kremer | Raikes | Tyson |

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|----------|------------|---------------|----------|------------|
| Brashear | Cunningham | Kristensen | Redfield | Vrtiska |
| Bromm | Dierks | Kruse | Robak | Wehrbein |
| Brown | Engel | Maxwell | Schimek | Wickersham |
| Bruning | Erdman | McDonald | Schrock | |
| Burling | Foley | Pedersen, Dw. | Smith | |
| Byars | Hartnett | Pederson, D. | Stuhr | |

Voting in the negative, 0.

Excused and not voting, 2:

Jensen Landis

A constitutional majority having voted in the affirmative, the bill was declared passed and the title agreed to.

Dispense With Reading at Large

Pursuant to Rule 6, Section 8, the Legislature approved the dispensing of the reading at large of LB 921 with 41 ayes, 2 nays, 4 present and not voting, and 2 excused and not voting.

The following bill was put upon final passage:

LEGISLATIVE BILL 921. With Emergency.

A BILL FOR AN ACT relating to the Employment Security Law; to amend section 48-648, Reissue Revised Statutes of Nebraska, and sections 48-602 and 48-628, Revised Statutes Supplement, 2001; to define terms; to provide for professional employer organization treatment and eliminate employee leasing company references; to harmonize provisions; to repeal the original sections; 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, 48:

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|----------|------------|---------------|--------------|------------|
| Aguilar | Chambers | Hudkins | Pederson, D. | Stuhr |
| Baker | Connealy | Janssen | Preister | Suttle |
| Beutler | Coordsen | Jones | Price | Synowiecki |
| Bourne | Cudaback | Kremer | Quandahl | Thompson |
| Brashear | Cunningham | Kristensen | Raikes | Tyson |
| Bromm | Dierks | Kruse | Redfield | Vrtiska |
| Brown | Engel | Landis | Robak | Wehrbein |
| Bruning | Erdman | Maxwell | Schimek | Wickersham |
| Burling | Foley | McDonald | Schrock | |
| Byars | Hartnett | Pedersen, Dw. | Smith | |

Voting in the negative, 0.

Excused and not voting, 1:

Jensen

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

Dispense With Reading at Large

Pursuant to Rule 6, Section 8, the Legislature approved the dispensing of the reading at large of LB 989 with 38 ayes, 2 nays, 8 present and not voting, and 1 excused and not voting.

The following bill was put upon final passage:

LEGISLATIVE BILL 989. With Emergency.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 21-301, 21-304, 21-306, 21-313, 21-323, 21-325, 39-2215, 77-2601, 77-2602.03, 77-2603, 77-2604, 77-2609, 77-2617, 77-2620, and 77-27,150 to 77-27,154, Reissue Revised Statutes of Nebraska, sections 77-2612, 77-2704.12, and 77-27,119, Revised Statutes Supplement, 2000, and section 49-801.01, Revised Statutes Supplement, 2001; to change provisions relating to corporate reports and occupation taxes, the Highway Trust Fund, the Internal Revenue Code, cigarette and tobacco taxation, sales tax exemptions, disclosure of information, and refunds under the Air and Water Pollution Control Tax Refund Act; to provide severability; to harmonize provisions; to repeal the original sections; 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, 45:

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|----------|------------|------------|---------------|------------|
| Aguilar | Chambers | Hartnett | McDonald | Schrock |
| Baker | Connealy | Janssen | Pedersen, Dw. | Smith |
| Bourne | Coordsen | Jensen | Pederson, D. | Stuhr |
| Brashear | Cudaback | Jones | Preister | Suttle |
| Bromm | Cunningham | Kremer | Price | Thompson |
| Brown | Dierks | Kristensen | Raikes | Tyson |
| Bruning | Engel | Kruse | Redfield | Vrtiska |
| Burling | Erdman | Landis | Robak | Wehrbein |
| Byars | Foley | Maxwell | Schimek | Wickersham |

Voting in the negative, 0.

Present and not voting, 4:

Beutler Hudkins Quandahl Synowiecki

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

The following bill was read and put upon final passage:

LEGISLATIVE BILL 989A.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 989, Ninety-seventh Legislature, Second Session, 2002.

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

Voting in the affirmative, 44:

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|----------|------------|------------|---------------|------------|
| Aguilar | Chambers | Hartnett | Pedersen, Dw. | Schrock |
| Baker | Connealy | Janssen | Pederson, D. | Smith |
| Bourne | Coordsen | Jones | Preister | Stuhr |
| Brashear | Cudaback | Kremer | Price | Thompson |
| Bromm | Cunningham | Kristensen | Quandahl | Tyson |
| Brown | Dierks | Kruse | Raikes | Vrtiska |
| Bruning | Engel | Landis | Redfield | Wehrbein |
| Burling | Erdman | Maxwell | Robak | Wickersham |
| Byars | Foley | McDonald | Schimek | |

Voting in the negative, 0.

Present and not voting, 5:

Beutler Hudkins Jensen Suttle Synowiecki

A constitutional majority having voted in the affirmative, the bill was declared passed and the title agreed to.

MOTION - Return LB 1086 to Select File

Senator Chambers moved to return LB 1086 to Select File for the following specific amendment:

AM3771

(Amendments to Final Reading copy)

- 1 1. Strike the original sections and insert the following
- 2 new sections:
- 3 "Section 1. The Legislature finds and declares that drug
- 4 use contributes to crime in Nebraska, costs millions of dollars in
- 5 lost productivity, and contributes to the burden placed upon law

6 enforcement, court, and correctional systems in Nebraska.
 7 The Legislature also finds and declares that drug court
 8 programs are effective in reducing recidivism of criminal behavior
 9 of persons who participate in and complete drug court programs.
 10 The Legislature recognizes that a drug court program offers a
 11 person charged with certain offenses an alternative component of
 12 the traditional criminal justice or juvenile justice proceedings.
 13 Sec. 2. For purposes of sections 1 to 4 of this act,
 14 drug court program means a program supervised by a court, subject
 15 to any rules promulgated by the Supreme Court for procedures to be
 16 implemented in the administration of such program within the court
 17 system, that has special calendars or dockets designed to achieve a
 18 reduction in substance abuse and recidivism of criminal behavior
 19 among nonviolent, substance abusing offenders by increasing their
 20 likelihood for successful rehabilitation through early, continuous,
 21 and intense judicially supervised treatment, mandatory periodic
 22 drug testing, case management, and the use of appropriate sanctions
 23 and other rehabilitation services.

1 Sec. 3. In those jurisdictions where a drug court
 2 program has been or will be created, the drug court program's local
 3 governing body may enter into interlocal agreements with local and
 4 state agencies for implementation and management of the drug court
 5 program and may provide funds in advance of the rendition of drug
 6 court program services.

7 Sec. 4. In a case involving criminal activity in which
 8 the offender is participating in a court-ordered drug treatment
 9 program, a judge of any court of this state may:

10 (1) Order drug testing for the offender;

11 (2) Impose jail time as a sanction for noncompliance with
 12 the drug treatment program; or

13 (3) Impose any other condition deemed reasonably
 14 necessary to assure compliance with the drug treatment program.

15 Sec. 5. Laws 2001, LB 543, section 159, as amended by
 16 section 98, Legislative Bill 1, Ninety-seventh Legislature, First
 17 Special Session, 2001, and section 96, Legislative Bill 1309,
 18 Ninety-seventh Legislature, Second Session, 2002, is amended to
 19 read:

20 Sec. 159. AGENCY NO. 46 -- DEPARTMENT OF CORRECTIONAL
 21 SERVICES

22 Program No. 200 - Operations

| | | | |
|----|---------------------|-------------|-------------|
| 23 | FY2001-02 | FY2002-03 | |
| 24 | GENERAL FUND | 101,168,199 | 115,280,847 |
| 25 | CASH FUND | 1,782,737 | 582,737 |
| 26 | FEDERAL FUND est. | 409,015 | 240,182 |
| 27 | REVOLVING FUND est. | 16,151,137 | 16,284,555 |
| 1 | PROGRAM TOTAL | 119,511,088 | 132,388,321 |
| 2 | SALARY LIMIT | 64,921,080 | 73,278,432 |

3 The salary limitations provided by this section do not
 4 include Revolving Fund salaries. There are no salary limitations

- 5 for Revolving Fund program classifications 390 and 563.
 6 The Department of Administrative Services shall monitor
 7 the appropriations and expenditures for this program according to
 8 the following program classifications:
 9 No. 260 - Nebraska Correctional Youth Facility
 10 No. 300 - Tecumseh Correctional Center
 11 No. 367 - Community-Based Services
 12 No. 368 - Lincoln Community Corrections Center
 13 No. 369 - Omaha Community Corrections Center
 14 No. 370 - Central Office
 15 No. 372 - Nebraska State Penitentiary
 16 No. 373 - Nebraska Center for Women - York
 17 No. 375 - Diagnostic and Evaluation Center
 18 No. 376 - Lincoln Correctional Center
 19 No. 377 - Omaha Correctional Center
 20 No. 378 - Hastings Correctional Center
 21 No. 383 - Correctional Treatment Facility
 22 No. 386 - McCook Incarceration Work Camp
 23 No. 389 - Adult Parole Administration
 24 No. 390 - Federal Surplus Property
 25 No. 495 - Department Central Warehouse
 26 No. 563 - Correctional Industries
 27 Revolving Fund expenditures shall not be limited to the
 1 amounts shown.
 2 The unexpended General Fund appropriation balance
 3 existing on June 30, 2001, is hereby reappropriated.
 4 ~~No funds for community-based services are included in the~~
 5 appropriation to this program for FY2002-03. Funds for
 6 community-based services are included in the appropriation to this
 7 program for FY2002-03, including funding for drug court program
 8 services.
 9 There is included in the appropriation to this program
 10 for FY2001-02 \$275,000 General Funds for state aid, which shall
 11 only be used for such purpose. There is included in the
 12 appropriation to this program for FY2002-03 ~~\$269,500~~ \$0- General
 13 Funds for state aid, which shall only be used for such purpose.
 14 It is intended that the Department of Correctional
 15 Services shall maintain a Department Contingency Fund and a
 16 Department Equipment Fund.
 17 Sec. 6. Original Laws 2001, LB 543, section 159, as
 18 amended by section 98, Legislative Bill 1, Ninety-seventh
 19 Legislature, First Special Session, 2001, and section 96,
 20 Legislative Bill 1309, Ninety-seventh Legislature, Second Session,
 21 2002, is repealed."

Senators Dierks and Jones asked unanimous consent to be excused until they return. No objections. So ordered.

Senator Chambers withdrew his motion to return.

BILLS ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 1086.

A BILL FOR AN ACT relating to public accountability and disclosure; to amend section 49-1446.01, Reissue Revised Statutes of Nebraska, and sections 32-1603 and 49-14,101.01, Revised Statutes Supplement, 2001; to prohibit the use of state funds for certain advertising or promotional materials; to provide for expenditure of campaign funds for travel expenses as prescribed; to prohibit the acceptance of certain gifts by public officials and their immediate family members; to harmonize provisions; and to repeal the original sections.

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

Voting in the affirmative, 42:

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|----------|------------|---------------|----------|------------|
| Aguilar | Cudaback | Kremer | Price | Synowiecki |
| Baker | Cunningham | Kristensen | Raikes | Thompson |
| Bourne | Engel | Kruse | Redfield | Tyson |
| Bromm | Erdman | Landis | Robak | Vrtiska |
| Brown | Foley | Maxwell | Schimek | Wehrbein |
| Bruning | Hartnett | McDonald | Schrock | Wickersham |
| Burling | Hudkins | Pedersen, Dw. | Smith | |
| Byars | Janssen | Pederson, D. | Stuhr | |
| Connealy | Jensen | Preister | Suttle | |

Voting in the negative, 1:

Chambers

Present and not voting, 4:

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| Beutler | Brashear | Coordsen | Quandahl |
|---------|----------|----------|----------|

Excused and not voting, 2:

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

Dispense With Reading at Large

Pursuant to Rule 6, Section 8, the Legislature approved the dispensing of the reading at large of LB 1126 with 38 ayes, 2 nays, 7 present and not voting,

and 2 excused and not voting.

The following bill was put upon final passage:

LEGISLATIVE BILL 1126.

A BILL FOR AN ACT relating to alcoholic liquor; to amend section 53-167.03, Reissue Revised Statutes of Nebraska, and sections 9-226, 9-322, 9-418, and 9-620, Revised Statutes Supplement, 2000; to change provisions relating to duties of the Department of Revenue and keg deposits; to authorize charitable gaming license and permit revocations, cancellations, or suspensions for certain Nebraska Liquor Control Act violations; and to repeal the original sections.

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

Voting in the affirmative, 45:

| | | | | |
|----------|------------|------------|---------------|------------|
| Aguilar | Byars | Hudkins | Pedersen, Dw. | Schrock |
| Baker | Connealy | Janssen | Pederson, D. | Smith |
| Beutler | Coordsen | Jensen | Preister | Stuhr |
| Bourne | Cudaback | Kremer | Price | Suttle |
| Brashear | Cunningham | Kristensen | Quandahl | Thompson |
| Bromm | Engel | Kruse | Raikes | Tyson |
| Brown | Erdman | Landis | Redfield | Vrtiska |
| Bruning | Foley | Maxwell | Robak | Wehrbein |
| Burling | Hartnett | McDonald | Schimek | Wickersham |

Voting in the negative, 2:

Chambers Synowiecki

Excused and not voting, 2:

Dierks Jones

A constitutional majority having voted in the affirmative, the bill was declared passed and the title agreed to.

Dispense With Reading at Large

Pursuant to Rule 6, Section 8, the Legislature approved the dispensing of the reading at large of LB 1139 with 36 ayes, 1 nay, 10 present and not voting, and 2 excused and not voting.

The following bill was put upon final passage:

LEGISLATIVE BILL 1139.

A BILL FOR AN ACT relating to insurance; to amend sections 44-1527, 44-1984, 44-2127, 44-2845, 44-32,161, 44-4834, 44-4842, 44-4859, 44-5120, 44-5260, 44-5261, 44-5601, 44-5603, 44-5814, 44-5815, and 44-6916, Reissue Revised Statutes of Nebraska, sections 44-787, 44-19,116, 44-5223, 44-5225, 44-5504, 44-6901, 44-6918, 44-7505, 44-7509, 44-7510, 44-7511, 44-7513, and 44-7515, Revised Statutes Supplement, 2000, and section 44-5503, Revised Statutes Supplement, 2001; to adopt the Multiple Employer Welfare Arrangement Act; to provide penalties; to change provisions relating to investigations, title insurers, mergers, medical review panels, priority of claims, bonding requirements, securities, the Small Employer Health Insurance Availability Act, filing requirements, reinsurance, group health plans, and rates and forms; to require certification of coverage; to harmonize provisions; to provide operative dates; and to repeal the original sections.

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

Voting in the affirmative, 47:

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|----------|------------|---------------|----------|------------|
| Aguilar | Chambers | Janssen | Preister | Suttle |
| Baker | Connealy | Jensen | Price | Synowiecki |
| Beutler | Coordsen | Kremer | Quandahl | Thompson |
| Bourne | Cudaback | Kristensen | Raikes | Tyson |
| Brashear | Cunningham | Kruse | Redfield | Vrtiska |
| Bromm | Engel | Landis | Robak | Wehrbein |
| Brown | Erdman | Maxwell | Schimek | Wickersham |
| Bruning | Foley | McDonald | Schrock | |
| Burling | Hartnett | Pedersen, Dw. | Smith | |
| Byars | Hudkins | Pederson, D. | Stuhr | |

Voting in the negative, 0.

Excused and not voting, 2:

Dierks Jones

A constitutional majority having voted in the affirmative, the bill was declared passed and the title agreed to.

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LBs 642, 647, 722, 921, 989, 989A, 1086, 1126, and 1139.

RESOLUTION

LEGISLATIVE RESOLUTION 459. Read. Considered.

Senators Bruning, Landis, and McDonald asked unanimous consent to be excused. No objections. So ordered.

SENATOR CONNEALY PRESIDING

Senator Dw. Pedersen moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 25 ayes, 3 nays, and 21 not voting.

Senator Preister asked unanimous consent to be excused. No objections. So ordered.

Senator Wehrbein moved for a call of the house. The motion prevailed with 36 ayes, 0 nays, and 13 not voting.

Senator Chambers requested a roll call vote on the adoption of the resolution.

Senator Wehrbein requested the roll call vote be taken in reverse order.

Voting in the affirmative, 25:

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|----------|------------|------------|--------------|------------|
| Aguilar | Connealy | Hartnett | Kruse | Thompson |
| Brashear | Coordsen | Hudkins | Pederson, D. | Tyson |
| Bromm | Cunningham | Janssen | Price | Vrtiska |
| Brown | Engel | Kremer | Schimek | Wehrbein |
| Byars | Foley | Kristensen | Stuhr | Wickersham |

Voting in the negative, 10:

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| Beutler | Chambers | Erdman | Pedersen, Dw. | Redfield |
| Bourne | Cudaback | Jensen | Raikes | Smith |

Present and not voting, 7:

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| Baker | Maxwell | Schrock | Synowiecki |
| Burling | Quandahl | Suttle | |

Excused and not voting, 7:

| | | | |
|---------|--------|----------|-------|
| Bruning | Jones | McDonald | Robak |
| Dierks | Landis | Preister | |

LR 459 was adopted with 25 ayes, 10 nays, 7 present and not voting, and 7 excused and not voting.

PRESENTED TO THE GOVERNOR

Presented to the Governor on April 18, 2002, at 12:10 p.m., were the

following: LBs 642, 647, 722, 921e, 989e, 989A, 1086, 1126, and 1139.

(Signed) Jamie Kruse
Clerk of the Legislature's Office

RESOLUTION

LEGISLATIVE RESOLUTION 469. Introduced by Revenue Committee: Wickersham, 49, Chairperson; Coordsen, 32; Dierks, 40; Hartnett, 45; Janssen, 15; Landis, 46; Raikes, 25; Redfield, 12; and Kristensen, 37; Brashear, 4.

PURPOSE: The purpose of this study is to conduct an indepth study of the expenditures of state and local governments and the tax system needed to support essential services. The study will:

1. Examine spending by state and local governments and present information to the entire Legislature detailing:
 - a. Categories of state and local spending and the related growth rate of each category;
 - b. Possibilities for efficiencies and reductions in spending in all programs; and
 - c. Criteria for prioritizing state and local spending;
2. Examine the state's tax system and present information to the entire Legislature detailing:
 - a. An analysis of the state's current tax system in terms of revenue productivity and stability, efficiency, equity, simplicity of administration, and effect upon the state's economy;
 - b. Proposed innovative solutions for meeting the state's projected revenue needs while exploring possibilities for reducing general rates;
 - c. An identification of economic activities that are either beneficial or detrimental to the state's economy and that should be either encouraged or discouraged through tax policy;
 - d. Recommended changes in the state's current tax policies and laws; and
 - e. Recommended criteria and a conceptual framework for evaluating current and future taxes;
3. Consider the following characteristics of a good revenue system in carrying out this study:
 - a. The tax system must be fair in apportioning tax burdens among taxpayers in differing circumstances and consistent in its application among taxpayers in similar circumstances;
 - b. The tax system must be easy for taxpayers to understand;
 - c. The tax rates and tax structure must be perceived by businesses and individual taxpayers as a reasonable cost of locating in the state;
 - d. The revenue system should have as its primary purpose raising revenue from the state's overall wealth base to support required basic services;
 - e. Government must have the ability to administer and enforce all parts of the recommended revenue system; and
 - f. The revenue system must be viewed in conjunction with the federal revenue system; and

4. Result in either recommendations to change the tax system to be introduced in the 2003 legislative session or a proposal for a tax study to be performed by an outside entity to further carry out the purposes of this study during the 2003 interim.

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

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the staff of the Revenue Committee of the Legislature and the Legislative Fiscal Office coordinate the staff of the entire Legislature in carrying out the purposes of this study.

3. That the entire Legislature is invited to attend any meetings and presentations conducted pursuant to this study.

Referred to the Executive Board.

VISITORS

Visitors to the Chamber were Phillip Payton from Omaha; Senator Cunningham's son, John, from Lincoln; Jessie Reed from Lincoln; 35 fourth-grade students from Dodge Elementary School, Grand Island; Senator Price's cousin, Bob Price, from Omaha; 31 fourth-grade students and teacher from Winnebago; and 60 second- and third-grade students and teachers from Norwood Park Elementary School, Lincoln.

The Doctor of the Day was Dr. Dale Michels from Walton.

ADJOURNMENT

At 12:47 p.m., on a motion by Senator Wickersham, the Legislature adjourned until 1:00 p.m., Friday, April 19, 2002.

Patrick J. O'Donnell
Clerk of the Legislature

