

SEVENTY-SECOND DAY - APRIL 30, 2003**LEGISLATIVE JOURNAL****NINETY-EIGHTH LEGISLATURE
FIRST SESSION****SEVENTY-SECOND DAY**

Legislative Chamber, Lincoln, Nebraska
Wednesday, April 30, 2003

PRAYER

The prayer was offered by Senator Combs.

ROLL CALL

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

The roll was called and all members were present except Senator Bourne who was excused; and Senators Brashear, Brown, Hudkins, Landis, Maxwell, Dw. Pedersen, and Raikes who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the seventy-first day was approved.

RESOLUTIONS

Pursuant to Rule 4, Sec. 5(b), LRs 75 and 76 were adopted.

PRESIDENT SIGNED

While the Legislature was in session and capable of transacting business, the President signed the following: LRs 75 and 76.

MOTIONS - Approve Appointments

Senator Janssen moved the adoption of the General Affairs Committee report for the confirmation of the following appointments found on page 1473: Nebraska Arts Council - Louise Bereuter, Joan Gibson, Robin Koozer, Art Thompson, Robert Wolfe, and Meredith Zutavern.

Voting in the affirmative, 32:

Aguilar	Engel	Kremer	Price	Thompson
Bromm	Erdman	Kruse	Quandahl	Tyson
Burling	Foley	Louden	Schimek	Vrtiska
Byars	Friend	McDonald	Schrock	Wehrbein
Chambers	Janssen	Mines	Stuhr	
Cudaback	Johnson	Mossey	Stuthman	
Cunningham	Jones	Pederson, D.	Synowiecki	

Voting in the negative, 0.

Present and not voting, 9:

Baker	Combs	Hartnett	Preister	Smith
Beutler	Connealy	Jensen	Redfield	

Excused and not voting, 8:

Bourne	Brown	Landis	Pedersen, Dw.
Brashear	Hudkins	Maxwell	Raikes

The appointments were confirmed with 32 ayes, 0 nays, 9 present and not voting, and 8 excused and not voting.

Senator Janssen moved the adoption of the General Affairs Committee report for the confirmation of the following appointment found on page 1473: State Electrical Board - Edwin C. Bergstraesser.

Voting in the affirmative, 32:

Aguilar	Cunningham	Kremer	Pederson, D.	Synowiecki
Bromm	Engel	Kruse	Preister	Thompson
Burling	Erdman	Louden	Price	Tyson
Byars	Foley	McDonald	Quandahl	Vrtiska
Chambers	Friend	Mines	Schimek	
Combs	Janssen	Mossey	Schrock	
Cudaback	Jones	Pedersen, Dw.	Stuthman	

Voting in the negative, 0.

Present and not voting, 10:

Baker	Connealy	Jensen	Redfield	Stuhr
Beutler	Hartnett	Johnson	Smith	Wehrbein

Excused and not voting, 7:

Bourne	Brown	Landis	Raikes
Brashear	Hudkins	Maxwell	

The appointment was confirmed with 32 ayes, 0 nays, 10 present and not voting, and 7 excused and not voting.

GENERAL FILE

LEGISLATIVE BILL 407. Senator Chambers withdrew his pending motion, found on page 1529, to bracket until May 25, 2003.

Senator Chambers offered the following amendment:

AM1606

(Amendments to Standing Committee amendments, AM1111)

- 1 Purpose: To restore FY2004-05 funding for the Commission on
- 2 Mexican-Americans and the Commission on Indian Affairs and restore
- 3 FY2003-04 and FY2004-05 funding for the Nebraska Commission on the
- 4 Status of Women.
- 5 Amendment:
- 6 1. On page 1, line 1, after "sections" insert "except
- 7 section 148".
- 8 2. Strike section 159.
- 9 3. On page 116, strike line 24 and insert "GENERAL FUND
- 10 191,685 194,896"; strike line 25 and insert "CASH FUND 3,900
- 11 3,900"; strike line 26 and insert "PROGRAM TOTAL 195,585
- 12 198,796"; and strike line 27 and insert "SALARY LIMIT 98,824
- 13 102,035".
- 14 4. On page 123, strike line 9 and insert "GENERAL FUND
- 15 173,817 177,734"; strike line 10 and insert "PROGRAM TOTAL 173,817
- 16 177,734"; and strike line 11 and insert "SALARY LIMIT 111,937
- 17 115,854".

Senator Wehrbein requested a division of the question on the Chambers amendment.

The Chair sustained the division of the question.

The first Chambers amendment is as follows:

FA1342

(Amendments to Standing Committee amendments, AM1111)

- 9 3. On page 116, strike line 24 and insert "GENERAL FUND
- 10 191,685 194,896"; strike line 25 and insert "CASH FUND 3,900
- 11 3,900"; strike line 26 and insert "PROGRAM TOTAL 195,585
- 12 198,796"; and strike line 27 and insert "SALARY LIMIT 98,824
- 13 102,035".
- 14 4. On page 123, strike line 9 and insert "GENERAL FUND
- 15 173,817 177,734"; strike line 10 and insert "PROGRAM TOTAL 173,817
- 16 177,734"; and strike line 11 and insert "SALARY LIMIT 111,937
- 17 115,854".

SENATOR CUDABACK PRESIDING

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

The first Chambers amendment was adopted with 27 ayes, 0 nays, 18 present and not voting, and 4 excused and not voting.

The second Chambers amendment is as follows:

FA1341

(Amendments to Standing Committee amendments, AM1111)

- 6 1. On page 1, line 1, after "sections" insert "except
- 7 section 148".
- 8 2. Strike section 159.

Pending.

RESOLUTIONS

LEGISLATIVE RESOLUTION 82. Introduced by Quandahl, 31.

PURPOSE: The purpose of this resolution is to study whether Nebraska should enact legislation to provide for interstate review of life insurance, annuities, disability income, and possibly long-term care products.

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

1. That the Banking, Commerce and Insurance Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

Referred to the Executive Board.

LEGISLATIVE RESOLUTION 83. Introduced by Quandahl, 31.

PURPOSE: The purpose of this resolution is to study whether Nebraska should enact legislation to require that the Department of Insurance review rates charged for personal lines property and casualty insurance on a file and use basis.

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

1. That the Banking, Commerce and Insurance Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

Referred to the Executive Board.

AMENDMENTS - Print in Journal

Senator Stuthman filed the following amendment to LB 759:
AM1627

(Amendments to E & R amendments, AM7114)

- 1 1. Strike sections 7, 9, 10, 15, and 16.
- 2 2. On page 8, lines 15 and 20, strike "5, 6, and 15" and
- 3 insert "5 and 6".
- 4 3. On page 15, strike beginning with "The" in line 5
- 5 through "(f)" in line 11; in line 13 strike "(g)" and insert "(f)";
- 6 in line 18 strike "(h)" and insert "(g)"; in line 21 strike "(i)"
- 7 and insert "(h)"; and in line 22 strike "(j)" and insert "(i)".
- 8 4. On page 24, line 18, strike "(i)" and insert "(h)".
- 9 5. On page 44, line 21, strike "77-2702.05,"; in line 22
- 10 strike "77-2704.33,"; and in line 24 strike "77-2702.13,
- 11 77-2702.17,".
- 12 6. Renumber the remaining sections accordingly.

Senator Hartnett filed the following amendment to LB 759:
AM1624

(Amendments to E & R amendments, AM7114)

- 1 1. On page 8, lines 26 and 27, strike "purchasing air
- 2 time on television or radio."
- 3 2. On page 9, line 3, strike "or media time".

Senators Hartnett and Chambers filed the following amendment to LB 759:
AM1625

(Amendments to E & R amendments, AM7114)

- 1 1. On page 42, lines 20 and 21, strike ".6932, .9646,
- 2 1.3846, and 1.848", show as stricken, and insert ".708, .986,
- 3 1.415, and 1.89".

GENERAL FILE

LEGISLATIVE BILL 407. Senator Schimek offered the following amendment to the Chambers pending amendment:

FA1343

Amend FA1341

Add new amendment 3.

On page 60, line 17 strike "187,383" and insert "-0-"; in line 18 strike "5,000" and insert "-0-"; in line 19 strike "192,383" and insert "-0-"; and in line 20 strike "130,168" and insert "-0-".

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

SPEAKER BROMM PRESIDING

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

Senator Schimek moved for a call of the house. The motion prevailed with 31 ayes, 0 nays, and 18 not voting.

Senator Wehrbein requested a roll call vote, in reverse order, on the Schimek amendment.

Voting in the affirmative, 14:

Aguilar	Chambers	Hartnett	Louden	Schimek
Beutler	Combs	Kruse	McDonald	Stuthman
Byars	Connealy	Landis	Pedersen, Dw.	

Voting in the negative, 23:

Baker	Erdman	Kremer	Quandahl	Thompson
Bromm	Foley	Mines	Raikes	Vrtiska
Burling	Jensen	Mossey	Redfield	Wehrbein
Cunningham	Johnson	Pederson, D.	Smith	
Engel	Jones	Price	Synowiecki	

Present and not voting, 8:

Brown	Hudkins	Maxwell	Schrock
Friend	Janssen	Preister	Stuhr

Excused and not voting, 4:

Bourne	Brashear	Cudaback	Tyson
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The Schimek amendment lost with 14 ayes, 23 nays, 8 present and not voting, and 4 excused and not voting.

The Chair declared the call raised.

The second Chambers pending amendment, FA1341, found in this day's Journal, was renewed.

The second Chambers amendment lost with 11 ayes, 22 nays, 12 present and not voting, and 4 excused and not voting.

Senator Chambers offered the following amendment:

AM1638

(Amendments to Standing Committee amendments, AM1111)

1. Purpose: Eliminate appropriations for all student

2 financial aid programs administered by the Coordinating Commission
3 for Postsecondary Education.

4 Amendment:

5 1. Strike sections 170, 171, 172, and 174.

6 2. Renumber the remaining sections and correct internal
7 references accordingly.

SENATOR JANSSEN PRESIDING

SPEAKER BROMM PRESIDING

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

The Chambers amendment was adopted with 31 ayes, 1 nay, 12 present and not voting, and 5 excused and not voting.

Advanced to E & R for review with 29 ayes, 12 nays, 4 present and not voting, and 4 excused and not voting.

LEGISLATIVE BILL 403. Title read. Considered.

The Standing Committee amendment, AM1307, printed separately and referred to on page 1419, was adopted with 35 ayes, 0 nays, 10 present and not voting, and 4 excused and not voting.

Advanced to E & R for review with 37 ayes, 0 nays, 8 present and not voting, and 4 excused and not voting.

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

LEGISLATIVE BILL 403A. Title read. Considered.

Advanced to E & R for review with 34 ayes, 0 nays, 10 present and not voting, and 5 excused and not voting.

RESOLUTION

LEGISLATIVE RESOLUTION 84. Introduced by Landis, 46; Quandahl, 31.

PURPOSE: The purpose of this resolution is to continue the in-depth study in Nebraska of the Uniform Trust Code which was promulgated by the National Conference of Commissioners on Uniform State Laws in 2000 and recommended to the states as the first comprehensive nationwide codification of the law of trusts. This ongoing study process has been previously conducted pursuant to study resolutions LR 94 (2001) and LR 367 (2002) and has led to the introduction and enactment of the

Nebraska Uniform Trust Code by LB 130 (2003). LB 130 provides that it does not become operative until January 1, 2005, with the intention of allowing an extended opportunity to determine whether further amendments to the code as enacted and to related statutes should be submitted to the Legislature for consideration in the 2004 regular session. In order to carry out the purpose of this resolution, the committee's review should include, as it deems necessary and beneficial, the input and assistance of interested persons, legal and scholarly commentary nationwide on the Uniform Trust Code, and legislation on this subject in other jurisdictions.

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

1. That the Banking, Commerce and Insurance Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

Referred to the Executive Board.

VISITORS

Visitors to the Chamber were 30 third- and fourth-grade students from Dorchester; 38 fourth-grade students and teacher from Centennial Elementary School, Utica; and 53 fourth-grade students and teachers from Skyline Elementary School, Elkhorn.

RECESS

At 11:54 a.m., on a motion by Senator Dw. Pedersen, the Legislature recessed until 1:30 p.m.

AFTER RECESS

The Legislature reconvened at 1:30 p.m., Senator Cudaback presiding.

ROLL CALL

The roll was called and all members were present except Senator Bourne who was excused.

GENERAL FILE

LEGISLATIVE BILL 408. Title read. Considered.

The Standing Committee amendment, AM1388, printed separately and referred to on page 1425, was adopted with 34 ayes, 0 nays, 14 present and not voting, and 1 excused and not voting.

Advanced to E & R for review with 28 ayes, 0 nays, 20 present and not voting, and 1 excused and not voting.

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

LEGISLATIVE BILL 410. Title read. Considered.

The Standing Committee amendment, AM1347, printed separately and referred to on page 1425, was adopted with 26 ayes, 0 nays, 20 present and not voting, and 3 excused and not voting.

Advanced to E & R for review with 31 ayes, 0 nays, 15 present and not voting, and 3 excused and not voting.

LEGISLATIVE BILL 415. Title read. Considered.

SPEAKER BROMM PRESIDING

Advanced to E & R for review with 29 ayes, 0 nays, 17 present and not voting, and 3 excused and not voting.

LEGISLATIVE BILL 424. Title read. Considered.

The Standing Committee amendment, AM1389, found on page 1425, was adopted with 29 ayes, 0 nays, 17 present and not voting, and 3 excused and not voting.

Advanced to E & R for review with 33 ayes, 0 nays, 13 present and not voting, and 3 excused and not voting.

LEGISLATIVE BILL 798. Title read. Considered.

The Standing Committee amendment, AM1430, found on page 1432, was adopted with 34 ayes, 0 nays, 13 present and not voting, and 2 excused and not voting.

Senator Wehrbein renewed his pending amendment, AM1636, found on page 1530.

The Wehrbein amendment was adopted with 32 ayes, 0 nays, 15 present and not voting, and 2 excused and not voting.

SENATOR SCHIMEK PRESIDING

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

Advanced to E & R for review with 27 ayes, 0 nays, 18 present and not

voting, and 4 excused and not voting.

LEGISLATIVE BILL 799. Title read. Considered.

SPEAKER BROMM PRESIDING

The Standing Committee amendment, AM0849, found on page 913, was adopted with 25 ayes, 0 nays, 20 present and not voting, and 4 excused and not voting.

Advanced to E & R for review with 27 ayes, 0 nays, 18 present and not voting, and 4 excused and not voting.

STANDING COMMITTEE REPORT
Revenue

LEGISLATIVE BILL 285. Placed on General File as amended. (Standing Committee amendment, AM1643, is printed separately and available in the Bill Room, Room 1104.)

(Signed) David Landis, Chairperson

SELECT COMMITTEE REPORTS
Enrollment and Review

LEGISLATIVE BILL 402. Placed on Select File as amended. (E & R amendment, AM7118, is printed separately and available in the Bill Room, Room 1104.)

LEGISLATIVE BILL 404. Placed on Select File.

LEGISLATIVE BILL 405. Placed on Select File.

LEGISLATIVE BILL 406. Placed on Select File as amended.

E & R amendment to LB 406:

AM7119

- 1 1. Strike original section 4 and all amendments thereto
- 2 and insert the following new section:
- 3 "Sec. 4. NEBRASKA ACCOUNTING SYSTEM MANUAL DEFINITIONS.
- 4 The definitions contained in the Nebraska Accounting
- 5 System Manual, and any amendments thereto, on file with the Clerk
- 6 of the Legislature are hereby adopted by the Legislature as the
- 7 definitions for this act.
- 8 In order to facilitate the ongoing conversion from the
- 9 Nebraska Accounting System (NAS) to the Nebraska Information System
- 10 (NIS) and in order to facilitate the technical requirements of the
- 11 Nebraska Information System, the budget administrator of the budget
- 12 division of the Department of Administrative Services may provide
- 13 to the Accounting Administrator a listing of duplicate

14 appropriations program numbers and descriptions and their
15 recommended replacements. The Accounting Administrator may
16 implement such replacement program numbers and descriptions in the
17 Nebraska Information System at such time as is most expeditious and
18 amenable for the accounting division and budget division of the
19 Department of Administrative Services and for the state agencies
20 involved. The budget administrator shall inform the Legislative
21 Fiscal Analyst of all such changes as they are completed in the
22 Nebraska Information System."

(Signed) Ray Mossey, Chairperson

AMENDMENT - Print in Journal

Senator Landis filed the following amendment to LB 282:
AM1634

(Amendments to Final Reading copy)

- 1 1. On page 15, line 23, strike "and private
- 2 communication service".

MESSAGE FROM THE GOVERNOR

April 30, 2003

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

Dear Mr. O'Donnell:

Engrossed Legislative Bills 97, 112e, 118, 148, 149, 197e, 200, 235, 258, 267, 307, 332e, 349, 354, 444, 464, 476, 480, 481, 494, 498, 510, 521, 548, 610, 701, and 707 were received in my office on April 25, 2003.

These bills were signed and delivered to the Secretary of State on April 30, 2003.

Sincerely,
(Signed) Mike Johanns
Governor

GENERAL FILE

LEGISLATIVE BILL 804. Title read. Considered.

Advanced to E & R for review with 27 ayes, 0 nays, 18 present and not voting, and 4 excused and not voting.

LEGISLATIVE BILL 796. Title read. Considered.

Advanced to E & R for review with 26 ayes, 0 nays, 20 present and not voting, and 3 excused and not voting.

LEGISLATIVE BILL 411. Title read. Considered.

The Standing Committee amendment, AM1082, found on page 1136, was considered.

SENATOR CUDABACK PRESIDING

The Standing Committee amendment was adopted with 32 ayes, 0 nays, 15 present and not voting, and 2 excused and not voting.

Senator Kruse renewed his pending amendment, AM1617, found on page 1529.

The Kruse amendment lost with 9 ayes, 12 nays, 26 present and not voting, and 2 excused and not voting.

Advanced to E & R for review with 30 ayes, 2 nays, 15 present and not voting, and 2 excused and not voting.

LEGISLATIVE BILL 412. Title read. Considered.

Advanced to E & R for review with 29 ayes, 0 nays, 18 present and not voting, and 2 excused and not voting.

LEGISLATIVE BILL 414. Title read. Considered.

The Standing Committee amendment, AM0287, found on page 491, was adopted with 26 ayes, 0 nays, 21 present and not voting, and 2 excused and not voting.

Advanced to E & R for review with 28 ayes, 0 nays, 19 present and not voting, and 2 excused and not voting.

LEGISLATIVE BILL 622. Title read. Considered.

The Standing Committee amendment, AM0854, found on page 959, was considered.

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

The Standing Committee amendment was adopted with 27 ayes, 15 nays, 5 present and not voting, and 2 excused and not voting.

The Chair declared the call raised.

Advanced to E & R for review with 26 ayes, 15 nays, 6 present and not voting, and 2 excused and not voting.

LEGISLATIVE BILL 685. Title read. Considered.

The Standing Committee amendment, AM1349, printed separately and referred to on page 1459, was adopted with 32 ayes, 0 nays, 15 present and not voting, and 2 excused and not voting.

Advanced to E & R for review with 32 ayes, 0 nays, 15 present and not voting, and 2 excused and not voting.

SPEAKER BROMM PRESIDING

AMENDMENTS - Print in Journal

Senator Schrock filed the following amendment to LB 32:
AM1631

- 1 1. Strike original section 13 and insert the following
- 2 new section:
- 3 "Sec. 13. Property that does not contain impervious
- 4 surfaces shall not be subject to the charges authorized pursuant to
- 5 sections 18-501 to 18-512 and sections 1 and 10 to 16 of this
- 6 act."

Senator Brashear filed the following amendment to LB 46:
AM1651

(Amendments to Final Reading copy)

- 1 1. On page 80, line 21, after the period insert
- 2 "Sections 12, 13, 21, and 22 of this act become operative on July
- 3 1, 2003."

Senator Brashear filed the following amendment to LB 46A:
AM1458

(Amendments to Final Reading copy)

- 1 1. Insert the following new sections:
- 2 "Sec. 7. There is hereby appropriated (1) \$9,000 from
- 3 the General Fund for FY2003-04 and (2) \$9,000 from the General Fund
- 4 for FY2004-05 to the Supreme Court, for Program 67, to aid in
- 5 carrying out the provisions of Legislative Bill 46, Ninety-eighth
- 6 Legislature, First Session, 2003.
- 7 Sec. 8. There is hereby appropriated (1) \$9,000 from the
- 8 General Fund for FY2003-04 and (2) \$9,000 from the General Fund for
- 9 FY2004-05 to the Department of Correctional Services, for Program
- 10 200, to aid in carrying out the provisions of Legislative Bill 46,
- 11 Ninety-eighth Legislature, First Session, 2003."
- 12 2. On page 2, strike lines 7 through 9.
- 13 3. On page 3, strike lines 6 through 8.

14 4. Renumber the remaining section accordingly.

Senator Beutler filed the following amendment to LB 440:
AM1661

(Amendments to AM1414)

- 1 1. Strike the original sections and insert the following
- 2 new sections:
- 3 "Section 1. Section 18-2603, Revised Statutes
- 4 Supplement, 2002, is amended to read:
- 5 18-2603. For purposes of the Municipal Infrastructure
- 6 Redevelopment Fund Act:
- 7 (1) Bond means any evidence of indebtedness, including,
- 8 but not limited to, bonds, notes including notes issued pending
- 9 long-term financing arrangements, warrants, debentures, obligations
- 10 under a loan agreement or a lease-purchase agreement, or any
- 11 similar instrument or obligation;
- 12 (2) Fund means the Municipal Infrastructure Redevelopment
- 13 Fund;
- 14 (3) Infrastructure project means any of the following
- 15 projects, or any combination thereof, to be owned or operated by a
- 16 municipality: Solid waste management facilities; wastewater, storm
- 17 water, and water treatment works and systems, water distribution
- 18 facilities, and water resources projects, including, but not
- 19 limited to, pumping stations, transmission lines, and mains and
- 20 their appurtenances; hazardous waste disposal systems; resource
- 21 recovery systems; airports; port facilities; buildings and capital
- 22 equipment used in the operations and activities of municipal
- 23 government and to provide services to the residents of the
- 1 municipality; convention and tourism facilities; redevelopment
- 2 projects as defined in section 18-2103; and mass transit and other
- 3 transportation systems, including parking facilities and excluding
- 4 public highways and bridges and municipal roads, streets, and
- 5 bridges;
- 6 (4) Municipal allocation amount means, for each
- 7 municipality, the amount derived by multiplying the amount to be
- 8 allocated by the fraction determined by dividing the total
- 9 population of the municipality by the total population of the state
- 10 living in municipalities, each as determined by the most recent
- 11 federal census figures certified by the Tax Commissioner as
- 12 provided in section 77-3,119; and
- 13 (5) Municipality means any city of any class or any
- 14 village in the state, except that for fiscal years 2003-04 and
- 15 2004-05, municipality means only cities of the primary class.
- 16 Sec. 2. Section 77-2602, Revised Statutes Supplement,
- 17 2002, is amended to read:
- 18 77-2602. (1) Every person engaged in distributing or
- 19 selling cigarettes at wholesale in this state shall pay to the Tax
- 20 Commissioner of this state a special privilege tax. This shall be
- 21 in addition to all other taxes. It shall be paid prior to or at

22 the time of the sale, gift, or delivery to the retail dealer in the
23 several amounts as follows: On each package of cigarettes
24 containing not more than twenty cigarettes, sixty-four cents per
25 package until October 1, 2004, and thirty-four cents per package
26 commencing October 1, 2004; and on packages containing more than
27 twenty cigarettes, the same tax as provided on packages containing
1 not more than twenty cigarettes for the first twenty cigarettes in
2 each package and a tax of one-twentieth of the tax on the first
3 twenty cigarettes on each cigarette in excess of twenty cigarettes
4 in each package. Commencing July 1, 1994, and continuing until
5 July 1, 2005, the State Treasurer shall place the equivalent of
6 twenty-one cents of such tax less five hundred twenty thousand
7 dollars each fiscal year of proceeds of such tax in the General
8 Fund. Commencing July 1, 2005, and continuing until July 1, 2009,
9 the State Treasurer shall place the equivalent of twenty-one cents
10 of such tax less three million dollars each fiscal year of proceeds
11 of such tax in the General Fund. Commencing July 1, 2009, the
12 State Treasurer shall place the equivalent of twenty-one cents of
13 such tax in the General Fund. For purposes of this section, the
14 equivalent of a specified number of cents of the tax shall mean
15 that portion of the proceeds of the tax equal to the specified
16 number divided by the tax rate per package of cigarettes containing
17 not more than twenty cigarettes. The State Treasurer shall
18 distribute the remaining proceeds of such tax in the following
19 order:

20 (a) First, beginning July 1, 1980, the State Treasurer
21 shall place the equivalent of one cent of such tax in the Nebraska
22 Outdoor Recreation Development Cash Fund. For fiscal year
23 distributions occurring after FY1998-99, the distribution under
24 this subdivision shall not be less than the amount distributed
25 under this subdivision for FY1997-98. Any money needed to increase
26 the amount distributed under this subdivision to the FY1997-98
27 amount shall reduce the distribution to the General Fund;

1 (b) Second, beginning July 1, 1993, the State Treasurer
2 shall place the equivalent of three cents of such tax in the
3 Department of Health and Human Services Finance and Support Cash
4 Fund to carry out sections 81-637 to 81-640. For fiscal year
5 distributions occurring after FY1998-99, the distribution under
6 this subdivision shall not be less than the amount distributed
7 under this subdivision for FY1997-98. Any money needed to increase
8 the amount distributed under this subdivision to the FY1997-98
9 amount shall reduce the distribution to the General Fund;

10 (c) Third, beginning July 1, 2001, and continuing until
11 October 1, 2002, the State Treasurer shall place the equivalent of
12 five cents of such tax in the Building Renewal Allocation Fund.
13 Beginning October 1, 2002, and continuing until October 1, 2004,
14 the State Treasurer shall place the equivalent of seven cents of
15 such tax in the Building Renewal Allocation Fund. Beginning
16 October 1, 2004, and continuing until all the purposes of the

17 Deferred Building Renewal Act have been fulfilled, the State
18 Treasurer shall place the equivalent of five cents of such tax in
19 the Building Renewal Allocation Fund. The Legislature shall
20 appropriate each fiscal year all sums inuring to the fund, plus
21 interest earnings for the Task Force for Building Renewal to be
22 used to carry out its duties and to fulfill the purposes of the
23 Deferred Building Renewal Act. Unexpended balances existing at the
24 end of each fiscal year shall be, and are hereby, reappropriated.
25 For fiscal year distributions occurring after FY1998-99, the
26 distribution under this subdivision shall not be less than
27 five-sevenths of the amount distributed under this subdivision for
1 FY1997-98. Any money needed to increase the amount distributed
2 under this subdivision to five-sevenths of the FY1997-98 amount
3 shall reduce the distribution to the General Fund;

4 (d) Fourth, until October 1, 2002, and beginning on
5 October 1, 2004, the State Treasurer shall place the difference
6 between the equivalent of thirteen cents of such tax and the sum of
7 the amounts distributed pursuant to subdivisions (a) through (c)
8 and (f) through (h) of this subsection in a special fund to be
9 known as the Nebraska Capital Construction Fund. Beginning October
10 1, 2002, and continuing until October 1, 2004, the State Treasurer
11 shall place the difference between the equivalent of forty-three
12 cents of such tax and the sum of the amounts distributed pursuant
13 to subdivisions (a) through (c) and (f) through (i) of this
14 subsection in the Nebraska Capital Construction Fund;

15 (e) Fifth, continuing until July 1, 2005, the State
16 Treasurer shall place in the Municipal Infrastructure Redevelopment
17 Fund the sum of five hundred twenty thousand dollars each fiscal
18 year to carry out the Municipal Infrastructure Redevelopment Fund
19 Act, and beginning July 1, ~~1994~~ 2005, and continuing until July 1,
20 2009, the State Treasurer shall place in the Municipal
21 Infrastructure Redevelopment Fund the sum of three million dollars
22 each fiscal year to carry out the Municipal Infrastructure
23 Redevelopment Fund Act. The Legislature shall appropriate the sum
24 of five hundred twenty thousand dollars each year for fiscal years
25 2003-04 and 2004-05. The Legislature shall appropriate the sum of
26 three million dollars each year for fiscal year ~~1994-95~~ 2005-06
27 through fiscal year 2008-09;

1 (f) Sixth, beginning July 1, 2001, the State Treasurer
2 shall place the equivalent of two cents of such tax in the
3 Information Technology Infrastructure Fund;

4 (g) Seventh, beginning July 1, 2001, and continuing until
5 June 30, 2016, the State Treasurer shall place one million dollars
6 each fiscal year in the City of the Primary Class Development Fund.
7 If necessary, the State Treasurer shall reduce the distribution of
8 tax proceeds to the General Fund pursuant to this subsection by
9 such amount required to fulfill the one million dollars to be
10 distributed pursuant to this subdivision;

11 (h) Eighth, beginning July 1, 2001, and continuing until

12 June 30, 2016, the State Treasurer shall place one million five
13 hundred thousand dollars each fiscal year in the City of the
14 Metropolitan Class Development Fund. If necessary, the State
15 Treasurer shall reduce the distribution of tax proceeds to the
16 General Fund pursuant to this subsection by such amount required to
17 fulfill the one million five hundred thousand dollars to be
18 distributed pursuant to this subdivision; and

19 (i) Ninth, beginning October 1, 2002, and continuing
20 until October 1, 2004, the State Treasurer shall place the
21 equivalent of twenty-eight cents of such tax in the Cash Reserve
22 Fund.

23 (2) The Legislature hereby finds and determines that the
24 projects funded from the Municipal Infrastructure Redevelopment
25 Fund and the Building Renewal Allocation Fund are of critical
26 importance to the State of Nebraska. It is the intent of the
27 Legislature that the allocations and appropriations made by the
1 Legislature to such funds or, in the case of allocations for the
2 Municipal Infrastructure Redevelopment Fund, to the particular
3 municipality's account not be reduced until all contracts and
4 securities relating to the construction and financing of the
5 projects or portions of the projects funded from such funds or
6 accounts of such funds are completed or paid or, in the case of the
7 Municipal Infrastructure Redevelopment Fund, the earlier of such
8 date or July 1, 2009, and that until such time any reductions in
9 the cigarette tax rate made by the Legislature shall be
10 simultaneously accompanied by equivalent reductions in the amount
11 dedicated to the General Fund from cigarette tax revenue. Any
12 provision made by the Legislature for distribution of the proceeds
13 of the cigarette tax for projects or programs other than those to
14 (a) the General Fund, (b) the Nebraska Outdoor Recreation
15 Development Cash Fund, (c) the Department of Health and Human
16 Services Finance and Support Cash Fund, (d) the Municipal
17 Infrastructure Redevelopment Fund, (e) the Building Renewal
18 Allocation Fund, (f) the Information Technology Infrastructure
19 Fund, (g) the City of the Primary Class Development Fund, (h) the
20 City of the Metropolitan Class Development Fund, and (i) the Cash
21 Reserve Fund shall not be made a higher priority than or an equal
22 priority to any of the programs or projects specified in
23 subdivisions (a) through (i) of this subsection.

24 Sec. 3. Original sections 18-2603 and 77-2602, Revised
25 Statutes Supplement, 2002, are repealed."

UNANIMOUS CONSENT - Member Excused

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

GENERAL FILE

LEGISLATIVE BILL 806. Title read. Considered.

The Standing Committee amendment, AM0932, found on page 1041, was considered.

Senator Chambers offered the following amendment to the Standing Committee amendment:

AM1652

(Amendments to Standing Committee amendments, AM0932)

- | | | |
|----|--|----------|
| 1 | 1. On page 1, after line 10 insert | |
| 2 | 2 "Claim No. 01-323, against the Office of the | |
| 3 | 3 Attorney General, pay to <u>Hall County Attorney</u> , | |
| 4 | 4 c/o Jerom Janulewicz, | |
| 5 | 5 P.O. Box 367, | |
| 6 | 6 Grand Island, NE 68802, | |
| 7 | 7 out of the General Fund. | 90.00 |
| 8 | 8 Claim No. 01-352, against the Office of the Attorney | |
| 9 | 9 General, pay to <u>Edmond Talbot</u> , | |
| 10 | 10 Washington County Attorney, | |
| 11 | 11 1555 Colfax, | |
| 12 | 12 Blair, NE 68008, | |
| 13 | 13 out of the General Fund | 227.50 |
| 14 | 14 Claim No. 01-377, against the Office of the Attorney | |
| 15 | 15 General, pay to <u>Keith County Attorney</u> , | |
| 16 | 16 c/o Deborah Gilg, | |
| 17 | 17 P.O. Box 29, | |
| 18 | 18 Ogallala, NE 69153, | |
| 19 | 19 out of the General Fund. | 1,500.00 |
| 20 | 20 Claim No. 01-450, against the Office of the Attorney | |
| 21 | 21 General, pay to <u>Hall County Attorney</u> , | |
| 22 | 22 c/o Jerom Janulewicz, | |
| 23 | 23 P.O. Box 367, | |
| | 1 Grand Island, NE 68802, | |
| | 2 out of the General Fund. | 117.00 |
| | 3 Claim No. 01-473, against the Office of the Attorney | |
| | 4 General, pay to <u>Melodie Bellamy</u> , | |
| | 5 Buffalo County Attorney's Office, | |
| | 6 P.O. Box 67, | |
| | 7 Kearney, NE 68848, | |
| | 8 out of the General Fund. | 150.00 |
| | 9 Claim No. 01-474, against the Office of the Attorney | |
| | 10 General, pay to <u>Melodie Bellamy</u> , | |
| | 11 Buffalo County Attorney's Office, | |
| | 12 P.O. Box 67, | |
| | 13 Kearney, NE 68848, | |
| | 14 out of the General Fund | 150.00 |
| | 15 Claim No. 01-475, against the Office of the Attorney | |

16 General, pay to <u>Melodie Bellamy</u> ,	
17 Buffalo County Attorney's Office,	
18 P.O. Box 67,	
19 Kearney, NE 68848,	
20 out of the General Fund.	100.00
21 Claim No. 01-476, against the Office of the Attorney	
22 General, pay to <u>Melodie Bellamy</u> ,	
23 Buffalo County Attorney's Office,	
24 P.O. BOX 67,	
25 Kearney, NE 68848,	
26 out of the General Fund.	300.00
27 Claim No. 01-786, against the Office of the Attorney	
1 General, pay to <u>John Freudenberg</u> ,	
2 Box 490,	
3 Rushville, NE 69360,	
4 out of the General Fund.	450.00
5 Claim No. 02-075, against the Office of the Attorney	
6 General, pay to <u>Melanie Young</u> ,	
7 Buffalo County Attorney's Office,	
8 P.O. Box 67,	
9 Kearney, NE 68848,	
10 out of the General Fund.	33.00
11 Claim No. 02-181, against the Office of the Attorney	
12 General, pay to <u>McPherson County Attorney</u> ,	
13 P.O. Box 1605,	
14 North Platte, NE 69103,	
15 out of the General Fund.	500.00
16 Claim No. 02-276, against the Office of the Attorney	
17 General, pay to <u>Melodie Bellamy</u> ,	
18 Buffalo County Attorney's Office,	
19 P.O. Box 67,	
20 Kearney, NE 68848,	
21 out of the General Fund.	175.00
22 Claim No. 02-277, against the Office of the Attorney	
23 General, pay to <u>Melodie Bellamy</u> ,	
24 Buffalo County Attorney's Office,	
25 P.O. Box 67,	
26 Kearney, NE 68848,	
27 out of the General Fund.	225.00
1 Claim No. 02-278, against the Office of the Attorney	
2 General, pay to <u>Melodie Bellamy</u> ,	
3 Buffalo County Attorney's Office,	
4 P.O. Box 67,	
5 Kearney, NE 68848,	
6 out of the General Fund.	400.00
7 Claim No. 02-279, against the Office of the Attorney	
8 General, pay to <u>Melodie Bellamy</u> ,	
9 Buffalo County Attorney's Office,	
10 P.O. Box 67,	

11 Kearney, NE 68848, 12 out of the General Fund.	225.00
13 Claim No. 02-280, against the Office of the Attorney 14 General, pay to <u>Melodie Bellamy</u> , 15 Buffalo County Attorney's Office, 16 P.O. Box 67, 17 Kearney, NE 68848, 18 out of the General Fund.	125.00
19 Claim No. 02-281, against the Office of the Attorney 20 General, pay to <u>Melodie Bellamy</u> , 21 Buffalo County Attorney's Office, 22 P.O. Box 67, 23 Kearney, NE 68848, 24 out of the General Fund.	325.00
25 Claim No. 02-282, against the Office of the Attorney 26 General, pay to <u>Melodie Bellamy</u> , 27 Buffalo County Attorney's Office, 1 P.O. Box 67, 2 Kearney, NE 68848, 3 out of the General Fund.	100.00
4 Claim No. 02-283, against the Office of the Attorney 5 General, pay to <u>Melodie Bellamy</u> , 6 Buffalo County Attorney's Office, 7 P.O. Box 67, 8 Kearney, NE 68848, 9 out of the General Fund.	450.00
10 Claim No. 02-284, against the Office of the Attorney 11 General, pay to <u>Melodie Bellamy</u> , 12 Buffalo County Attorney's Office, 13 P.O. Box 67, 14 Kearney, NE 68848, 15 out of the General Fund.	325.00
16 Claim No. 02-285, against the Office of the Attorney 17 General, pay to <u>Melodie Bellamy</u> , 18 Buffalo County Attorney's Office, 19 P.O. Box 67, 20 Kearney, NE 68848, 21 out of the General Fund.	200.00
22 Claim No. 02-286, against the Office of the Attorney 23 General, pay to <u>Melodie Bellamy</u> , 24 Buffalo County Attorney's Office, 25 P.O. Box 67, 26 Kearney, NE 68848, 27 out of the General Fund.	250.00
1 Claim No. 02-287, against the Office of the Attorney 2 General, pay to <u>Melodie Bellamy</u> , 3 Buffalo County Attorney's Office, 4 P.O. Box 67, 5 Kearney, NE 68848,	

6 out of the General Fund.	175.00
7 Claim No. 02-288, against the Office of the Attorney	
8 General, pay to <u>Melodie Bellamy</u> ,	
9 Buffalo County Attorney's Office,	
10 P.O. Box 67,	
11 Kearney, NE 68848,	
12 out of the General Fund.	250.00
13 Claim No. 02-289, against the Office of the Attorney	
14 General, pay to <u>Melodie Bellamy</u> ,	
15 Buffalo County Attorney's Office,	
16 P.O. Box 67,	
17 Kearney, NE 68848,	
18 out of the General Fund.	250.00
19 Claim No. 02-290, against the Office of the Attorney	
20 General, pay to <u>Melodie Bellamy</u> ,	
21 Buffalo County Attorney's Office,	
22 P.O. Box 67,	
23 Kearney, NE 68848,	
24 out of the General Fund.	100.00
25 Claim No. 02-291, against the Office of the Attorney	
26 General, pay to <u>Melodie Bellamy</u> ,	
27 Buffalo County Attorney's Office,	
1 P.O. Box 67,	
2 Kearney, NE 68848,	
3 out of the General Fund.	150.00
4 Claim No. 02-310, against the Office of the Attorney	
5 General, pay to <u>John Freudenberg</u> ,	
6 Box 490,	
7 Rushville, NE 69360,	
8 out of the General Fund.	540.00
9 Claim No. 02-400, against the Office of the Attorney	
10 General, pay to <u>John Freudenberg</u> ,	
11 Box 490,	
12 Rushville, NE 69360,	
13 out of the General Fund.	434.00
14 Claim No. 02-401, against the Office of the Attorney	
15 General, pay to <u>John Freudenberg</u> ,	
16 Box 490,	
17 Rushville, NE 69360,	
18 out of the General Fund.	448.00";
19 and after line 21 insert	
20 "Claim No. 02-452, against the Office of the	
21 Attorney General, pay to <u>John Freudenberg</u> ,	
22 Box 490,	
23 Rushville, NE 69360,	
24 out of the General Fund.	262.50".
25 2. On page 2, after line 3 insert	
26 "Claim No. 02-510, against the Office of the	
27 Attorney General, pay to <u>John Freudenberg</u> ,	

1 Box 490,	
2 Rushville, NE 69360,	
3 out of the General Fund.	133.00
4 Claim No. 02-511, against the Office of the Attorney	
5 General, pay to <u>John Freudenberg</u> ,	
6 Box 490,	
7 Rushville, NE 69360,	
8 out of the General Fund.	371.00
9 Claim No. 02-512, against the Office of the Attorney	
10 General, pay to <u>John Freudenberg</u> ,	
11 Box 490,	
12 Rushville, NE 69360,	
13 out of the General Fund.	189.00
14 Claim No. 02-513, against the Office of the Attorney	
15 General, pay to <u>John Freudenberg</u> ,	
16 Box 490,	
17 Rushville, NE 69360,	
18 out of the General Fund.	196.00
19 Claim No. 02-542, against the Office of the Attorney	
20 General, pay to <u>John Freudenberg</u> ,	
21 Box 490,	
22 Rushville, NE 69360,	
23 out of the General Fund.	342.00
24 Claim No. 02-543, against the Office of the Attorney	
25 General, pay to <u>John Freudenberg</u> ,	
26 Box 490,	
27 Rushville, NE 69360,	
1 out of the General Fund.	357.00
2 Claim No. 02-583, against the Office of the Attorney	
3 General, pay to <u>John Freudenberg</u> ,	
4 Box 490,	
5 Rushville, NE 69360,	
6 out of the General Fund.	448.00";
7 after line 15 insert	
8 "Claim No. 02-652, against the Office of the	
9 Attorney General, pay to <u>John Freudenberg</u> ,	
10 Box 490,	
11 Rushville, NE 69360,	
12 out of the General Fund.	1,190.00";
13 after line 22 insert	
14 "Claim No. 02-732, against the Office of the	
15 Attorney General, pay to <u>Thomas Donner</u> ,	
16 Cuming County Attorney,	
17 137 S. Main Street, Suite 2,	
18 West Point, NE 68788,	
19 out of the General Fund.	198.00
20 Claim No. 02-733, against the Office of the Attorney	
21 General, pay to <u>Thomas Donner</u> ,	
22 Cuming County Attorney,	

23 137 S. Main Street, Suite 2,
 24 West Point, NE 68788,
 25 out of the General Fund. 45.00
 26 Claim No. 02-734, against the Office of the Attorney
 27 General, pay to Thomas Donner,
 1 Cuming County Attorney,
 2 137 S. Main Street, Suite 2,
 3 West Point, NE 68788,
 4 out of the General Fund. 396.00
 5 Claim No. 02-735, against the Office of the Attorney
 6 General, pay to Thomas Donner,
 7 Cuming County Attorney,
 8 137 S. Main Street, Suite 2,
 9 West Point, NE 68788,
 10 out of the General Fund. 153.00
 11 Claim No. 02-736, against the Office of the Attorney
 12 General, pay to Thomas Donner,
 13 Cuming County Attorney,
 14 137 S. Main Street, Suite 2,
 15 West Point, NE 68788,
 16 out of the General Fund. 252.00
 17 Claim No. 02-737, against the Office of the Attorney
 18 General, pay to Thomas Donner,
 19 Cuming County Attorney,
 20 137 S. Main Street, Suite 2,
 21 West Point, NE 68788,
 22 out of the General Fund. 171.00
 23 Claim No. 02-738, against the Office of the Attorney
 24 General, pay to Thomas Donner,
 25 Cuming County Attorney,
 26 137 S. Main Street, Suite 2,
 27 West Point, NE 68788,
 1 out of the General Fund. 207.00
 2 Claim No. 02-739, against the Office of the Attorney
 3 General, pay to Thomas Donner,
 4 Cuming County Attorney,
 5 137 S. Main Street, Suite 2,
 6 West Point, NE 68788,
 7 out of the General Fund. 126.00";
 8 and after line 27 insert
 9 "Claim No. 02-761, against the Office of the
 10 Attorney General, pay to John Freudenberg,
 11 Box 490,
 12 Rushville, NE 69360,
 13 out of the General Fund. 382.50
 14 Claim No. 02-762, against the Office of the Attorney
 15 General, pay to John Freudenberg,
 16 Box 490,
 17 Rushville, NE 69360,

18 out of the General Fund.	382.50
19 Claim No. 02-763, against the Office of the Attorney	
20 General, pay to <u>John Freudenberg</u> ,	
21 Box 490,	
22 Rushville, NE 69360,	
23 out of the General Fund.	165.00
24 Claim No. 02-764, against the Office of the Attorney	
25 General, pay to <u>John Freudenberg</u> ,	
26 Box 490,	
27 Rushville, NE 69360,	
1 out of the General Fund.	497.00
2 Claim No. 02-765, against the Office of the Attorney	
3 General, pay to <u>John Freudenberg</u> ,	
4 Box 490,	
5 Rushville, NE 69360,	
6 out of the General Fund.	187.50
7 Claim No. 02-800, against the Office of the Attorney	
8 General, pay to <u>John Freudenberg</u> ,	
9 Box 490,	
10 Rushville, NE 69360,	
11 out of the General Fund.	301.00
12 Claim No. 02-804, against the Office of the Attorney	
13 General, pay to <u>John Freudenberg</u> ,	
14 Box 490,	
15 Rushville, NE 69360,	
16 out of the General Fund.	280.00
17 Claim No. 02-891, against the Office of the Attorney	
18 General, pay to <u>John Freudenberg</u> ,	
19 Box 490,	
20 Rushville, NE 69360,	
21 out of the General Fund.	350.00
22 Claim No. 03-040, against the Office of the Attorney	
23 General, pay to <u>John Freudenberg</u> ,	
24 Box 490,	
25 Rushville, NE 69360,	
26 out of the General Fund.	203.00
27 Claim No. 03-041, against the Office of the Attorney	
1 General, pay to <u>John Freudenberg</u> ,	
2 Box 490,	
3 Rushville, NE 69360,	
4 out of the General Fund.	343.00
5 Claim No. 03-113, against the Office of the Attorney	
6 General, pay to <u>John Freudenberg</u> ,	
7 Box 490,	
8 Rushville, NE 69360,	
9 out of the General Fund.	630.00".
10 3. On page 3, after line 5 insert	
11 "Claim No. 03-292, against the Office of the	
12 Attorney General, pay to <u>John Freudenberg</u> ,	

13 Box 490,
 14 Rushville, NE 69360,
 15 out of the General Fund. 574.00
 16 Claim No. 03-325, against the Office of the Attorney
 17 General, pay to John Freudenberg,
 18 Box 490,
 19 Rushville, NE 69360,
 20 out of the General Fund. 1,470.00";
 21 in line 22 strike "140,547.58" and insert "160,114.08"; and in line
 22 24 strike "357,597.58" and insert "377,164.08".
 23 4. On page 4, line 19, strike "271,692.73" and insert
 24 "236,047.17".

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

The Chambers amendment was adopted with 34 ayes, 2 nays, 9 present and not voting, and 4 excused and not voting.

The Standing Committee amendment, as amended, was adopted with 41 ayes, 0 nays, 4 present and not voting, and 4 excused and not voting.

Senators Janssen and Landis asked unanimous consent to be excused. No objections. So ordered.

Advanced to E & R for review with 34 ayes, 0 nays, 10 present and not voting, and 5 excused and not voting.

LEGISLATIVE BILL 513. Senator Chambers asked unanimous consent to withdraw his pending amendment, FA1269, found on page 1191, as amended. No objections. So ordered.

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

Senator Byars renewed his pending amendment, AM1475, found on page 1404.

The Byars amendment was adopted with 30 ayes, 0 nays, 13 present and not voting, and 6 excused and not voting.

Advanced to E & R for review with 31 ayes, 0 nays, 12 present and not voting, and 6 excused and not voting.

LEGISLATIVE BILL 574. The Standing Committee amendment, AM0816, printed separately and referred to on page 855 and considered on page 1494, was renewed.

Senator Raikes withdrew his pending amendment, AM1153, found on page

1162 and considered on page 1494.

Senator Raikes offered the following amendment to the Standing Committee amendment:

AM1658

(Amendments to Standing Committee amendments, AM0816)

1 1. Strike original section 39 and insert the following
2 new sections:
3 "Sec. 20. The Nebraska Scholarship Fund is created.
4 Money in the fund shall include amounts transferred from the State
5 Lottery Operation Trust Fund pursuant to section 9-812. For fiscal
6 years 2003-04 and 2004-05, two million dollars shall be used to
7 carry out the Nebraska Scholarship Act, and the remainder accruing
8 to the Nebraska Scholarship Fund shall be transferred to the
9 General Fund. For fiscal year 2005-06, two million five hundred
10 thousand dollars shall be used to carry out the Nebraska
11 Scholarship Act, and the remainder accruing to the Nebraska
12 Scholarship Fund shall be transferred to the General Fund. For
13 fiscal year 2006-07 and each fiscal year thereafter, all amounts
14 accruing to the Nebraska Scholarship Fund shall be used to carry
15 out the Nebraska Scholarship Act. Any money in the fund available
16 for investment shall be invested by the state investment officer
17 pursuant to the Nebraska Capital Expansion Act and the Nebraska
18 State Funds Investment Act.
19 Sec. 21. Section 9-812, Revised Statutes Supplement,
20 2002, is amended to read:
21 9-812. (1) All money received from the operation of
22 lottery games conducted pursuant to the State Lottery Act in
23 Nebraska shall be credited to the State Lottery Operation Trust
1 Fund, which fund is hereby created. All payments of expenses of
2 the operation of the lottery games shall be made from the State
3 Lottery Operation Cash Fund. In accordance with legislative
4 appropriations, money for payments for expenses of the division
5 shall be transferred from the State Lottery Operation Trust Fund to
6 the State Lottery Operation Cash Fund, which fund is hereby
7 created. All money necessary for the payment of lottery prizes
8 shall be transferred from the State Lottery Operation Trust Fund to
9 the State Lottery Prize Trust Fund, which fund is hereby created.
10 The amount used for the payment of lottery prizes shall not be less
11 than forty percent of the dollar amount of the lottery tickets
12 which have been sold. At least twenty-five percent of the dollar
13 amount of the lottery tickets which have been sold on an annualized
14 basis shall be transferred from the State Lottery Operation Trust
15 Fund to the Education Innovation Fund, the Nebraska Scholarship
16 Fund, the Nebraska Environmental Trust Fund, and the Compulsive
17 Gamblers Assistance Fund. Of the money available to be transferred
18 to the Education Innovation Fund, the Nebraska Scholarship Fund,
19 the Nebraska Environmental Trust Fund, and the Compulsive Gamblers
20 Assistance Fund, the first five hundred thousand dollars shall be

21 transferred to the Compulsive Gamblers Assistance Fund to be used
22 as provided in sections 83-162.01 to 83-162.04. Thereafter,
23 ~~forty-nine and one-half~~ twenty-four and three-fourths percent of
24 the money remaining after the payment of prizes and operating
25 expenses and the initial transfer to the Compulsive Gamblers
26 Assistance Fund shall be transferred to the Education Innovation
27 Fund. Twenty-four and three-fourths percent of the money remaining
1 after the payment of prizes and operating expenses and the initial
2 transfer to the Compulsive Gamblers Assistance Fund shall be
3 transferred to the Nebraska Scholarship Fund. Forty-nine and
4 one-half percent of the money remaining after the payment of prizes
5 and operating expenses and the initial transfer to the Compulsive
6 Gamblers Assistance Fund shall be transferred to the Nebraska
7 Environmental Trust Fund to be used as provided in the Nebraska
8 Environmental Trust Act. One percent of the money remaining after
9 the payment of prizes and operating expenses and the initial
10 transfer to the Compulsive Gamblers Assistance Fund shall be
11 transferred to the Compulsive Gamblers Assistance Fund to be used
12 as provided in sections 83-162.01 to 83-162.04.

13 (2) The Education Innovation Fund is hereby created. At
14 least seventy-five percent of the lottery proceeds allocated to the
15 Education Innovation Fund shall be available for disbursement. For
16 each fiscal year except fiscal years 2001-02, 2002-03, 2003-04, and
17 2004-05, the Education Innovation Fund shall be allocated in the
18 following manner: Up to ~~ten~~ twenty percent to fund the mentor
19 teacher program pursuant to the Quality Education Accountability
20 Act; ~~up to sixty percent as quality education incentives pursuant~~
21 ~~to the act;~~ up to ~~twenty~~ forty percent to the Attracting Excellence
22 to Teaching Program Cash Fund to fund the Attracting Excellence to
23 Teaching Program Act; and up to ~~ten~~ forty percent of the fund shall
24 be allocated by the Governor. For fiscal years 2001-02 and
25 2002-03, the Education Innovation Fund shall be allocated in the
26 following manner by the Excellence in Education Council: Up to one
27 million five hundred thousand dollars per fiscal year, as a
1 distance education network completion grant pursuant to section
2 79-1328; and, after operating expenses for the Excellence in
3 Education Council are deducted, the remainder to the General Fund.
4 For fiscal years 2003-04 and 2004-05, the Education Innovation Fund
5 shall be allocated to the General Fund after operating expenses for
6 the Excellence in Education Council are deducted. The State
7 Treasurer shall transfer two million eighteen thousand one hundred
8 ninety-nine dollars from the Education Innovation Fund to the
9 General Fund within five days after August 16, 2002.
10 Allocations by the Governor shall be through incentive
11 grants to encourage the development of strategic school improvement
12 plans by school districts for accomplishing high performance
13 learning and to encourage schools to establish innovations in
14 programs or practices that result in restructuring of school
15 organization, school management, and instructional programs which

16 bring about improvement in the quality of education. Such
17 incentive grants allocated by the Governor are intended to provide
18 selected school districts, teachers or groups of teachers,
19 nonprofit educational organizations, educational service units, or
20 cooperatives funding for the allowable costs of implementing pilot
21 projects and model programs.

22 From the funds allocated by the Governor, minigrants
23 shall be available to school districts to support the development
24 of strategic school improvement plans which shall include
25 statements of purposes and goals for the districts. The plans
26 shall also include the specific statements of improvement or
27 strategic initiatives designed to improve quality learning for
1 every student.

2 In addition to the minigrants granted for the development
3 of strategic school improvement plans, school districts with annual
4 budget expenditures of three hundred fifty thousand dollars or less
5 are eligible for minigrants from the funds allocated by the
6 Governor for the purposes allowed in subdivisions (2)(a) through
7 (q) of this section. The amount of this type of minigrant shall
8 not exceed five thousand dollars. The school district shall
9 present a curriculum support plan with its application for the
10 grant. The curriculum support plan must show how the district is
11 working to achieve one or more of the allowed purposes and how the
12 grant will be used to directly advance the plan to achieve one or
13 more of these purposes. The plan must be signed by the school
14 administrator and a school board representative. The application
15 for the grant shall be brief. The Excellence in Education Council
16 shall select the recipients of this type of minigrant and shall
17 administer such minigrants.

18 From the funds allocated by the Governor, major
19 competitive grants shall be available to support innovative
20 programs which are directly related to the strategic school
21 improvement plans. The development of a strategic school
22 improvement plan by a school district shall be required before a
23 grant is awarded. Annual reports shall be made by program
24 recipients documenting the effectiveness of the program in
25 improving the quality of education as designed in the strategic
26 school improvement plans. Special consideration shall be given to
27 plans which contain public or private matching funds and

1 cooperative agreements, including agreements for in-kind services.
2 Purposes for which such major competitive grants would be offered
3 shall include:

4 (a) Professional staff development programs to provide
5 funds for teacher and administrator training and continuing
6 education to upgrade teaching and administrative skills;

7 (b) The development of strategic school improvement plans
8 by school districts;

9 (c) Educational technology assistance to public schools
10 for the purchase and operation of computers, telecommunications

11 equipment and services, and other forms of technological innovation
12 which may enhance classroom teaching, instructional management, and
13 districtwide administration. Telecommunications equipment,
14 services, and forms of technical innovation shall be approved only
15 after review by the technical panel created in section 86-521;

16 (d) An educational accountability program to develop an
17 educational indicators system to measure the performance and
18 outcomes of public schools and to ensure efficiency in operations;

19 (e) Alternative programs for students, including
20 underrepresented groups, at-risk students, and dropouts;

21 (f) Programs that demonstrate improvement of student
22 performance against valid national and international achievement
23 standards;

24 (g) Early childhood and parent education which emphasizes
25 child development;

26 (h) Programs using decisionmaking models that increase
27 involvement of parents, teachers, and students in school
1 management;

2 (i) Increased involvement of the community in order to
3 achieve increased confidence in and satisfaction with its schools;

4 (j) Development of magnet or model programs designed to
5 facilitate desegregation;

6 (k) Programs that address family and social issues
7 impairing the learning productivity of students;

8 (l) Programs enhancing critical and higher-order thinking
9 capabilities;

10 (m) Programs which produce the quality of education
11 necessary to guarantee a competitive work force;

12 (n) Programs designed to increase productivity of staff
13 and students through innovative use of time;

14 (o) Training programs designed to benefit teachers at all
15 levels of education by increasing their ability to work with
16 educational technology in the classroom;

17 (p) Approved accelerated or differentiated curriculum
18 programs under sections 79-1106 to 79-1108.03; and

19 (q) Programs for children from birth to age twenty-one
20 years with disabilities receiving special education under the
21 Special Education Act and children from birth to age twenty-one
22 years needing support services as defined in section 79-1125.01,
23 which programs demonstrate improved outcomes for children from
24 birth to age twenty-one years through emphasis on prevention and
25 collaborative planning.

26 The Governor shall establish the Excellence in Education
27 Council. The Governor shall appoint eleven members to the council
1 including representatives of educational organizations,
2 postsecondary educational institutions, the business community, and
3 the general public, members of school boards and parent education
4 associations, school administrators, and at least four teachers who
5 are engaged in classroom teaching. The State Department of

6 Education shall provide staff support for the council to administer
7 the Education Innovation Fund, including the Quality Education
8 Accountability Act. The council shall have the following powers
9 and duties:

- 10 (i) In consultation with the department, develop and
11 publish criteria for the awarding of incentive grants allocated by
12 the Governor for programs pursuant to this subsection, including
13 minigrants;
- 14 (ii) Provide recommendations to the Governor regarding
15 the selection of projects to be funded and the distribution and
16 duration of project funding;
- 17 (iii) Establish standards, formats, procedures, and
18 timelines for the successful implementation of approved programs
19 funded by incentive grants allocated by the Governor from the
20 Education Innovation Fund;
- 21 (iv) Assist school districts in determining the
22 effectiveness of the innovations in programs and practices and
23 measure the subsequent degree of improvement in the quality of
24 education;
- 25 (v) Consider the reasonable distribution of funds across
26 the state and all classes of school districts;
- 27 (vi) Carry out its duties pursuant to the Quality
1 Education Accountability Act; and
- 2 (vii) Provide annual reports to the Governor concerning
3 programs funded by the fund. Each report shall include the number
4 of applicants and approved applicants, an overview of the various
5 programs, objectives, and anticipated outcomes, and detailed
6 reports of the cost of each program.

7 To assist the council in carrying out its duties, the
8 State Board of Education shall, in consultation with the council,
9 adopt and promulgate rules and regulations establishing criteria,
10 standards, and procedures regarding the selection and
11 administration of programs funded from the Education Innovation
12 Fund, including the Quality Education Accountability Act.

13 (3) Recipients of incentive grants allocated by the
14 Governor from the Education Innovation Fund shall be required to
15 provide, upon request, such data relating to the funded programs
16 and initiatives as the Governor deems necessary.

17 (4) Any money in the State Lottery Operation Trust Fund,
18 the State Lottery Operation Cash Fund, the State Lottery Prize
19 Trust Fund, or the Education Innovation Fund available for
20 investment shall be invested by the state investment officer
21 pursuant to the Nebraska Capital Expansion Act and the Nebraska
22 State Funds Investment Act.

23 (5) Unclaimed prize money on a winning lottery ticket
24 shall be retained for a period of time prescribed by rules and
25 regulations. If no claim is made within such period, the prize
26 money shall be used at the discretion of the Tax Commissioner for
27 any of the purposes prescribed in this section.

- 1 Sec. 44. Since an emergency exists, this act takes
 2 effect when passed and approved according to law."
 3 2. On page 1, line 3, strike "19" and insert "20".
 4 3. On page 1, line 10; page 2, line 2; page 4, line 17;
 5 and page 7, lines 12 and 19, strike "2007-08" and insert "2006-07".
 6 4. On page 1, lines 14, 15, and 22; page 3, lines 19 and
 7 26; page 5, lines 6 and 12; and page 6, line 3, strike "2003-04"
 8 and insert "2002-03".
 9 5. On page 5, lines 7 and 22; and page 6, line 15,
 10 strike "2004-05" and insert "2003-04".
 11 6. On page 5, lines 12, 17, and 25; and page 6, lines 3,
 12 11, and 18, strike "2002-03" and insert "2001-02".
 13 7. On page 5, line 19; and page 6, line 8, strike
 14 "2005-06" and insert "2004-05".
 15 8. On page 6, line 5, strike "2006-07" and insert
 16 "2005-06".
 17 9. On page 10, line 5, before "The" insert "(1)"; in
 18 line 6 strike "(1)" and insert "(a)"; strike beginning with "(2)"
 19 in line 8 through the semicolon in line 13; in line 14 strike "(3)"
 20 and insert "(b)"; and after line 17 insert the following new
 21 subsection: "(2) The commission may adopt and promulgate rules and
 22 regulations necessary to carry out the act, including such rules
 23 and regulations for maintenance of fiscal controls and fund
 24 accounting procedures as may be necessary to assure proper
 25 disbursement of funds and to assure that the eligible postsecondary
 26 educational institutions, as agents of the commission, have
 27 complied with the act.".
 1 10. On page 32, line 25, strike "shall" and insert
 2 "may".
 3 11. On page 33, line 14, after "Nebraska" insert "and
 4 section 79-758, Revised Statutes Supplement, 2002".
 5 12. Renumber the remaining sections and correct internal
 6 references accordingly.

The Raikes amendment was adopted with 39 ayes, 0 nays, 4 present and not voting, and 6 excused and not voting.

The Standing Committee amendment, as amended, was adopted with 42 ayes, 0 nays, 1 present and not voting, and 6 excused and not voting.

Advanced to E & R for review with 42 ayes, 0 nays, 1 present and not voting, and 6 excused and not voting.

UNANIMOUS CONSENT - Add Cointroducer

Senator Redfield asked unanimous consent to have her name added as cointroducer to LB 513. No objections. So ordered.

VISITORS

Visitors to the Chamber were 45 fourth-grade students and teachers from Meadows Elementary School, Omaha; 50 third- through fifth-grade students and teachers from Bryan Elementary School, Lexington; 9 eighth-grade students, teacher, and sponsors from Lake Minatare School, District 64; and Olga Chyzh from Ukraine.

ADJOURNMENT

At 6:13 p.m., on a motion by Senator Cudaback, the Legislature adjourned until 9:00 a.m., Thursday, May 1, 2003.

Patrick J. O'Donnell
Clerk of the Legislature