

**SIXTY-SEVENTH DAY - APRIL 19, 2007**

**LEGISLATIVE JOURNAL**

**ONE HUNDREDTH LEGISLATURE  
FIRST SESSION**

**SIXTY-SEVENTH DAY**

Legislative Chamber, Lincoln, Nebraska  
Thursday, April 19, 2007

**PRAYER**

The prayer was offered by Senator Wallman.

**ROLL CALL**

Pursuant to adjournment, the Legislature met at 9:00 a.m., Senator Langemeier presiding.

The roll was called and all members were present except Senators Hansen and Johnson who were excused; and Senators Carlson, Gay, Heidemann, Pankonin, Preister, and White who were excused until they arrive.

**CORRECTIONS FOR THE JOURNAL**

The Journal for the sixty-sixth day was approved.

**SPEAKER FLOOD PRESIDING**

**REPORT OF REGISTERED LOBBYISTS**

Following is a list of all lobbyists who have registered as of April 18, 2007, in accordance with Section 49-1481, Revised Statutes of Nebraska. Additional lobbyists who have registered will be filed weekly.

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

Landis, David  
Medical Center, Nebraska

Becker, Jill  
Aquila

Crawford, Kristin Lawson  
Engineers, Nebraska Society of Professional  
(Withdrawn 04/13/2007)

**REPORTS**

The following reports were received by the Legislature:

**Attorney General**

2006 Annual Report

**Health and Human Services System**

Relative Foster Parent Training Waivers

**RESOLUTIONS**

Pursuant to Rule 4, Sec. 5(b), LRs 69, 70, 71, and 72 were adopted.

**SPEAKER SIGNED**

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LRs 69, 70, 71, and 72.

**BILLS ON FINAL READING**

The following bills were read and put upon final passage:

**LEGISLATIVE BILL 232.**

A BILL FOR AN ACT relating to the Building Entrepreneurial Communities Act; to amend sections 81-12,126 and 81-12,127, Revised Statutes Cumulative Supplement, 2006; to change provisions relating to matching funds as prescribed; to define a term; 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, 41:

Adams	Dubas	Hudkins	McGill	Schimek
Aguilar	Engel	Janssen	Mines	Stuthman
Ashford	Erdman	Karpisek	Nantkes	Synowiecki
Avery	Fischer	Kopplin	Nelson	Wallman
Burling	Flood	Kruse	Pahls	Wightman
Chambers	Friend	Langemeier	Pedersen	
Christensen	Fulton	Lathrop	Pirsch	
Cornett	Harms	Louden	Raikes	
Dierks	Howard	McDonald	Rogert	

Voting in the negative, 0.

Excused and not voting, 8:

Carlson	Hansen	Johnson	Preister
Gay	Heidemann	Pankonin	White

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

### **LEGISLATIVE BILL 415.**

A BILL FOR AN ACT relating to motor vehicles; to amend sections 60-463 and 60-4,118.05, Reissue Revised Statutes of Nebraska, and sections 60-462, 60-4,120.01, 60-4,123, and 60-4,124, Revised Statutes Cumulative Supplement, 2006; to change provisions relating to operator's licenses, provisional operator's permits, school permits, and learner's permits; to harmonize provisions; to provide an operative date; 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, 32:

Adams	Dierks	Howard	Nantkes	Schimek
Aguilar	Dubas	Hudkins	Nelson	Stuthman
Ashford	Engel	Janssen	Pahls	Synowiecki
Avery	Fischer	Kruse	Pedersen	Wightman
Carlson	Flood	Lathrop	Pirsch	
Christensen	Fulton	Louden	Raikes	
Cornett	Harms	McDonald	Regot	

Voting in the negative, 5:

Chambers	Erdman	Karpisek	Langemeier	Wallman
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Present and not voting, 5:

Burling	Friend	Kopplin	McGill	Mines
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Excused and not voting, 7:

Gay	Heidemann	Pankonin	White
Hansen	Johnson	Preister	

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

### **LEGISLATIVE BILL 415A.**

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 415, One Hundredth Legislature, First Session, 2007.

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, 35:

Adams	Dierks	Harms	Louden	Pirsch
Aguilar	Dubas	Howard	McDonald	Raikes
Ashford	Engel	Hudkins	McGill	Schimek
Avery	Fischer	Janssen	Nantkes	Stuthman
Carlson	Flood	Kopplin	Nelson	Synowiecki
Chambers	Friend	Kruse	Pahls	White
Cornett	Fulton	Lathrop	Pedersen	Wightman

Voting in the negative, 4:

Erdman	Karpisek	Langemeier	Wallman
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Present and not voting, 4:

Burling	Christensen	Mines	Rogert
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Excused and not voting, 6:

Gay	Heidemann	Pankonin
Hansen	Johnson	Preister

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

### **LEGISLATIVE BILL 457.**

A BILL FOR AN ACT relating to foster care; to amend section 43-1314, Revised Statutes Cumulative Supplement, 2006; to require questioning of certain persons at a court review; 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, 39:

Adams	Dierks	Howard	McDonald	Raikes
Aguilar	Dubas	Hudkins	McGill	Rogert
Ashford	Engel	Janssen	Mines	Schimek
Avery	Erdman	Karpisek	Nantkes	Stuthman
Burling	Fischer	Kopplin	Nelson	Synowiecki
Chambers	Flood	Langemeier	Pahls	White
Christensen	Friend	Lathrop	Pedersen	Wightman
Cornett	Fulton	Louden	Pirsch	

Voting in the negative, 0.

Present and not voting, 4:

Carlson	Harms	Kruse	Wallman
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Excused and not voting, 6:

Gay	Heidemann	Pankonin
Hansen	Johnson	Preister

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

### **LEGISLATIVE BILL 502.**

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2004, 77-2005, 77-2006, 77-2010, and 77-2040, Reissue Revised Statutes of Nebraska; to change inheritance tax provisions; to provide for applicability; 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:

Adams	Dierks	Howard	McGill	Schimek
Aguilar	Dubas	Hudkins	Mines	Stuthman
Ashford	Engel	Janssen	Nantkes	Synowiecki
Avery	Erdman	Kopplin	Nelson	Wallman
Burling	Fischer	Kruse	Pahls	White
Carlson	Flood	Langemeier	Pedersen	Wightman
Chambers	Friend	Lathrop	Pirsch	
Christensen	Fulton	Louden	Raikes	
Cornett	Harms	McDonald	Rogert	

Voting in the negative, 1:

Karpisek

Excused and not voting, 6:

Gay	Heidemann	Pankonin
Hansen	Johnson	Preister

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 562 with 33 ayes, 4 nays, 6 present and not voting, and 6 excused and not voting.

The following bill was put upon final passage:

### **LEGISLATIVE BILL 562.**

A BILL FOR AN ACT relating to the Community Development Law; to amend sections 18-2101, 18-2103, 18-2107, 18-2111, 18-2116, 18-2119, and 18-2130, Reissue Revised Statutes of Nebraska; to define and redefine terms; to provide powers and duties and change provisions relating to authorities, redevelopment plans, redevelopment contract proposals, bonds, occupation tax, and eminent domain as prescribed; to harmonize provisions; to provide severability; 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, 43:

Adams	Dierks	Howard	McDonald	Rogert
Aguilar	Dubas	Hudkins	McGill	Schimek
Ashford	Engel	Janssen	Mines	Stuthman
Avery	Erdman	Karpisek	Nantkes	Synowiecki
Burling	Fischer	Kopplin	Nelson	Wallman
Carlson	Flood	Kruse	Pahls	White
Chambers	Friend	Langemeier	Pedersen	Wightman
Christensen	Fulton	Lathrop	Pirsch	
Cornett	Harms	Louden	Raikes	

Voting in the negative, 0.

Excused and not voting, 6:

Gay	Heidemann	Pankonin
Hansen	Johnson	Preister

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 232, 415, 415A, 457, 502, and 562.

### **SENATOR FRIEND PRESIDING**

#### **SELECT FILE**

**LEGISLATIVE BILL 701.** ER8070, printed separately and referred to on page 1181, was adopted.

Senator Flood asked unanimous consent to withdraw his amendment, AM999, found on page 1176, and replace it with his substitute amendment, AM1073. No objections. So ordered.  
AM1073

(Amendments to E & R amendments, ER8070)

- 1 1. Insert the following section:
- 2 Sec. 21. Section 46-702, Reissue Revised Statutes of
- 3 Nebraska, is amended to read:
- 4 46-702 The Legislature finds that ownership of water is
- 5 held by the state for the benefit of its citizens, that ground
- 6 water is one of the most valuable natural resources in the state,
- 7 and that an adequate supply of ground water is essential to the
- 8 general welfare of the citizens of this state and to the present
- 9 and future development of agriculture in the state. The Legislature
- 10 recognizes its duty to define broad policy goals concerning the
- 11 utilization and management of ground water and to ensure local
- 12 implementation of those goals. The Legislature also finds that
- 13 natural resources districts have the legal authority to regulate
- 14 certain activities and, except as otherwise specifically provided
- 15 by statute, as local entities are the preferred regulators of
- 16 activities which may contribute to ground water depletion.
- 17 Every landowner shall be entitled to a reasonable and
- 18 beneficial use of the ground water underlying his or her land
- 19 subject to the provisions of Chapter 46, article 6, and the
- 20 Nebraska Ground Water Management and Protection Act and the
- 21 correlative rights of other landowners when the ground water
- 22 supply is insufficient for all users. The Legislature determines
- 1 that the goal shall be to extend ground water reservoir life to the
- 2 greatest extent practicable consistent with beneficial use of the
- 3 ground water and best management practices.
- 4 The Legislature further recognizes and declares that the
- 5 management, protection, and conservation of ground water and the
- 6 beneficial use thereof are essential to the economic prosperity
- 7 and future well-being of the state and that the public interest
- 8 demands procedures for the implementation of management practices

9 to conserve and protect ground water supplies and to prevent  
 10 the contamination or inefficient or improper use thereof. The  
 11 Legislature recognizes the need to provide for orderly management  
 12 systems in areas where management of ground water is necessary to  
 13 achieve locally determined ground water management objectives and  
 14 where available data, evidence, or other information indicates  
 15 that present or potential ground water conditions, including  
 16 subirrigation conditions, require the designation of areas with  
 17 special regulation of development and use.

18 The Legislature finds that given the impact of extended  
 19 drought on areas of the state, the economic prosperity and  
 20 future well-being of the state is advanced by providing economic  
 21 assistance in the form of providing bonding authority for certain  
 22 natural resources districts as defined in section 6 of this act  
 23 and in the creation of the Water Resources Cash Fund to alleviate  
 24 the adverse economic impact of regulatory decisions necessary  
 25 for management, protection, and conservation of limited water  
 26 resources. The Legislature specifically finds that, consistent with  
 27 the public ownership of water held by the state for the benefit of  
 1 its citizens, any action by the Legislature, or through authority  
 2 conferred by it to any agency or political subdivision, to provide  
 3 economic assistance does not establish any precedent that the  
 4 Legislature in sections 6 and 23 of this act or in the future  
 5 must or should purchase water or compensate for any economic impact  
 6 resulting from regulation necessary pursuant to the terms of this  
 7 legislative bill.

8 2. On page 1, line 18, strike "Fund"; in line 20 after  
 9 the first period insert "For administrative and budgetary purposes  
 10 only, the task force shall be housed within the Department of  
 11 Agriculture."; and in line 23 after "objectives" insert ", analyze  
 12 the cost effectiveness of available vegetation treatment.".

13 3. On page 2, line 1, after the period insert "Any plan  
 14 shall utilize the principles of integrated vegetation management  
 15 and sound science.".

16 4. On page 5, line 16, strike "including" and after  
 17 "authorities" insert an underscored comma.

18 5. On page 6, line 27, before "In" insert "(1)".

19 6. On page 7, line 8, strike "(1)" and insert "(a)"; in  
 20 line 10 strike "(2)" and insert "(b)"; in line 11 strike "(3)" and  
 21 insert "(c)"; in line 14 after "13-803" insert "whose member public  
 22 agencies consist only of qualified natural resources districts"; in  
 23 line 15 after "13-2503" insert "whose participating public agencies  
 24 consist only of qualified natural resources districts."; in line  
 25 17, strike "the district" and insert "its member natural resources  
 26 districts"; after line 19 insert:

27 "(2) Within forty-five days after receipt of a written  
 1 request by the Natural Resources Committee of the Legislature, the  
 2 qualified natural resources districts shall submit a written report  
 3 to the committee containing an explanation of existing or planned



- 4 activities for river-flow enhancement, the revenue source for  
 5 implementing such activities, and a description of the estimated  
 6 benefit or benefits to the district or districts.  
 7 (3) Beginning on April 1, 2008, if a district uses the  
 8 proceeds of a bond issued pursuant to this section for the purposes  
 9 described in subdivision (1) of section 9 of this act or the state  
 10 uses funds for those same purposes, such district shall restrict  
 11 the use of ground water from water wells used on acres certified  
 12 for both ground water use and surface water use to no greater than  
 13 the total ground water allocation previously permitted by district  
 14 rule or regulation less any surface water purchased, leased, or  
 15 otherwise acquired for implementation of the project entered into  
 16 by the district. "; in line 22 after "that" insert "(1)" and strike  
 17 "in existence" and insert "outstanding"; and strike beginning with  
 18 "projects" in line 23 through line 25 and insert "as of such date  
 19 are permitted to remain outstanding and the district shall retain  
 20 all powers of taxation provided for in section 6 of this act to  
 21 provide for the payment of principal and interest on such bonds and  
 22 (2) refunding bonds may continue to be issued and outstanding as  
 23 of January 1, 2023, including extension of principal maturities if  
 24 determined appropriate."  
 25 7. On page 8, line 7, strike "and ownership" and insert  
 26 "by purchase or lease"; and in line 17 after "flows" insert  
 27 "consistent with the authority granted under Chapter 2, article  
 1 32".  
 2 8. On page 9, line 5, strike "collected" and insert  
 3 "certified to, collected by,"; and in line 8 after the period  
 4 insert "Such occupation taxes shall become delinquent at the same  
 5 time as general real property taxes.".  
 6 9. On page 11, line 9, strike "such tax", show as  
 7 stricken, and insert "the tax levies authorized in subdivisions  
 8 (1)(a) through (c) of this section"; and in line 11 strike "levy",  
 9 show as stricken, and insert "tax levies authorized in subdivisions  
 10 (1)(a) through (d) of this section".  
 11 10. On page 20, line 26; and page 21, line 4, strike  
 12 "director" and insert "department".  
 13 11. On page 32, line 25, after "46-714" insert "and water  
 14 wells of public water suppliers".  
 15 12. On page 39, line 15, strike "determination" and  
 16 insert "forecast".  
 17 13. On page 40, line 18, strike "to"; in line 19 after  
 18 "(a)" insert "to"; and in line 24 after "(b)" insert "to".  
 19 14. On page 41, strike beginning with "Any" in line  
 20 16 through line 27 and insert "The department shall, no later  
 21 than August 1 of each year, beginning in 2007, determine the  
 22 amount of funding that will be made available to natural resources  
 23 districts from the Water Resources Cash Fund and notify natural  
 24 resources districts of this determination. The department shall  
 25 adopt and promulgate rules and regulations governing application

26 for and use of the Water Resources Cash Fund by natural resources  
 27 districts. Such rules and regulations shall, at a minimum, include  
 1 the following components:

2 (i) Require an explanation of how the planned activity  
 3 will assure compliance with an interstate compact or decree or a  
 4 formal state contract or agreement as required by section 46-715  
 5 and the controls, rules, and regulations designed to carry out the  
 6 activity; and

7 (ii) A schedule of implementation of the activity or its  
 8 components.

9 (b) Any natural resources district that fails to  
 10 implement and enforce its controls, rules, and regulations as  
 11 required by section 46-715 shall not be eligible for funding  
 12 from the Water Resources Cash Fund until it is determined by the  
 13 department that compliance with the provisions required by section  
 14 46-715 has been established.

15 (6) The Department of Natural Resources shall submit an  
 16 annual report to the Legislature no later than October 1 of each  
 17 year, beginning in the year 2007, that shall detail the use of the  
 18 Water Resources Cash Fund in the previous year. The report shall  
 19 provide:

20 (a) Details regarding the use and cost of activities  
 21 carried out by the department; and

22 (b) Details regarding the use and cost of activities  
 23 carried out by each natural resources district that received funds  
 24 from the Water Resources Cash Fund."

25 15. On page 42, strike lines 1 through 6.

26 16. On page 47, line 19, strike "one-half" and insert  
 27 "three-fifths".

1 17. On page 58, line 22, after the first comma insert  
 2 "46-702".

3 18. Renumber the remaining sections accordingly.

Senator Chambers offered the following amendment to the Flood  
 amendment:

FA83

Amend AM1073 Page 1, line 22 strike and show as stricken "for" and  
 insert "to meet the reasonable needs of".

The Chambers amendment was adopted with 35 ayes, 0 nays, 9 present and  
 not voting, and 5 excused and not voting.

Senator Chambers offered the following amendment to the Flood  
 amendment:

FA84

Amend AM1073 P. 2, line 2 after "with" and in line 5 after "the" insert  
 "reasonable and".

The Chambers amendment was adopted with 38 ayes, 0 nays, 7 present and

not voting, and 4 excused and not voting.

Senator Chambers offered the following amendment to the Flood amendment:

FA85

Amend AM1073 Page 2, line 13, after "locally" insert "and regionally"

The Chambers amendment was adopted with 32 ayes, 0 nays, 13 present and not voting, and 4 excused and not voting.

Senator Chambers offered the following amendment to the Flood amendment:

FA87

Amend AM1073 P. 3, line 5, strike "compensate" and insert "provide compensation"

The Chambers amendment was adopted with 35 ayes, 0 nays, 10 present and not voting, and 4 excused and not voting.

The Flood amendment, as amended, was adopted with 33 ayes, 0 nays, 12 present and not voting, and 4 excused and not voting.

Senator Flood withdrew his amendment, AM998, found on page 1176.

Advanced to E & R for engrossment.

**LEGISLATIVE BILL 701A.** Advanced to E & R for engrossment.

**NOTICE OF COMMITTEE HEARING**  
**Government, Military and Veterans Affairs**  
Room 1507

Friday, May 4, 2007

8:45 a.m.

Paul Hosford - Accountability and Disclosure Commission

(Signed) Ray Aguilar, Chairperson

**AMENDMENTS - Print in Journal**

Senator Schimek filed the following amendment to LB 405:  
AM1070

(Amendments to E & R amendments, ER8059)

- 1 1. Strike sections 1 to 4 and insert the following new
- 2 sections:
- 3 Section 1. Section 14-201.03, Revised Statutes Cumulative
- 4 Supplement, 2006, is amended to read:
- 5 14-201.03 ~~The election commissioner in any county in~~
- 6 ~~which is situated a~~ A city of the metropolitan class shall

7 ~~divide the city be divided~~ into seven city council districts of  
 8 compact and contiguous territory. Such districts shall be numbered  
 9 consecutively from one to seven. One council member shall be  
 10 elected from each district. Any city of the first or second class  
 11 or village annexed by a city of the metropolitan class after  
 12 January 1, 2005, shall be included within a single city council  
 13 district. City council district boundaries shall be redrawn to  
 14 comply with this requirement by November 1, 2007, or within sixty  
 15 days after the effective date of the ordinance annexing the city or  
 16 village, whichever is later. The city council shall be responsible  
 17 for redrawing the city council district boundaries pursuant to  
 18 section 32-553.

19 Sec. 2. Original section 14-201.03, Revised Statutes  
 20 Cumulative Supplement, 2006, is repealed.

Senators Kopplin and Synowiecki filed the following amendment to  
LB 596:

AM1015

1 1. Insert the following new sections:

2 Sec. 2. Section 79-958, Revised Statutes Cumulative  
 3 Supplement, 2006, is amended to read:

4 ~~79-958 (1) Prior to September 1, 2005, and after August~~  
 5 ~~31, 2007, for the purpose of providing the funds to pay for formula~~  
 6 ~~annuities, every employee shall be required to deposit in the~~  
 7 ~~School Retirement Fund seven and twenty five hundredths percent of~~  
 8 ~~compensation. Beginning on September 1, 2005, and ending August 31,~~  
 9 ~~2006, for the purpose of providing the funds to pay for formula~~  
 10 ~~annuities, every employee shall be required to deposit in the~~  
 11 ~~School Retirement Fund seven and ninety eight hundredths percent of~~  
 12 ~~compensation. Beginning on September 1, 2006, and ending August 31,~~  
 13 ~~2007, for the purpose of providing the funds to pay for formula~~  
 14 ~~annuities, every employee shall be required to deposit in the~~  
 15 ~~School Retirement Fund seven and eighty-three hundredths percent of~~  
 16 ~~compensation. Beginning on September 1, 2007, for the purpose of~~  
 17 ~~providing the funds to pay for formula annuities, every employee~~  
 18 ~~shall be required to deposit in the School Retirement Fund seven~~  
 19 ~~and twenty-eight hundredths percent of compensation. Such deposits~~  
 20 ~~shall be transmitted at the same time and in the same manner as~~  
 21 ~~required employer contributions.~~

22 (2) For the purpose of providing the funds to pay for  
 23 formula annuities, every employer shall be required to deposit  
 1 in the School Retirement Fund one hundred one percent of the  
 2 required contributions of the school employees of each employer.  
 3 Such deposits shall be transmitted to the retirement board at  
 4 the same time and in the same manner as such required employee  
 5 contributions.

6 (3) The employer shall pick up the member contributions  
 7 required by this section for all compensation paid on or after  
 8 January 1, 1986, and the contributions so picked up shall

9 be treated as employer contributions in determining federal tax  
10 treatment under the Internal Revenue Code as defined in section  
11 49-801.01, except that the employer shall continue to withhold  
12 federal income taxes based upon these contributions until the  
13 Internal Revenue Service or the federal courts rule that, pursuant  
14 to section 414(h) of the code, these contributions shall not be  
15 included as gross income of the member until such time as they  
16 are distributed or made available. The employer shall pay these  
17 member contributions from the same source of funds which is used  
18 in paying earnings to the member. The employer shall pick up these  
19 contributions by a compensation deduction through a reduction in  
20 the cash compensation of the member. Member contributions picked  
21 up shall be treated for all purposes of the School Employees  
22 Retirement Act in the same manner and to the same extent as member  
23 contributions made prior to the date picked up.

24 (4) The employer shall pick up the member contributions  
25 made through irrevocable payroll deduction authorizations pursuant  
26 to sections 79-921, 79-933.03 to 79-933.06, and 79-933.08, and  
27 the contributions so picked up shall be treated as employer  
1 contributions in the same manner as contributions picked up under  
2 subsection (3) of this section.

3 Sec. 4. Section 79-9,113, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5 79-9,113 (1) If, at any future time, a majority of the  
6 eligible members of the retirement system votes to be included  
7 under an agreement providing old age and survivors insurance under  
8 the Social Security Act of the United States, the contributions  
9 to be made by the member and the school district for membership  
10 service, from and after the effective date of the agreement with  
11 respect to services performed subsequent to December 31, 1954,  
12 shall each be reduced from five to three percent but not less than  
13 three percent of the member's salary per annum, and the credits  
14 for membership service under this system, as provided in section  
15 79-999, shall thereafter be reduced from one and one-half percent  
16 to nine-tenths of one percent and not less than nine-tenths of  
17 one percent of salary or wage earned by the member during each  
18 fiscal year, and from one and sixty-five hundredths percent to one  
19 percent and not less than one percent of salary or wage earned  
20 by the member during each fiscal year and from two percent to  
21 one and two-tenths percent of salary or wage earned by the member  
22 during each fiscal year, and from two and four-tenths percent to  
23 one and forty-four hundredths percent of salary or wage earned by  
24 the member during each fiscal year, except that after September  
25 1, 1963, and prior to September 1, 1969, all employees of the  
26 school district shall contribute an amount equal to the membership  
27 contribution which shall be two and three-fourths percent of salary  
1 covered by old age and survivors insurance, and five percent above  
2 that amount. Commencing September 1, 1969, all employees of the  
3 school district shall contribute an amount equal to the membership

4 contribution which shall be two and three-fourths percent of the  
5 first seven thousand eight hundred dollars of salary or wages  
6 earned each fiscal year and five percent of salary or wages earned  
7 above that amount in the same fiscal year. Commencing September  
8 1, 1976, all employees of the school district shall contribute  
9 an amount equal to the membership contribution which shall be  
10 two and nine-tenths percent of the first seven thousand eight  
11 hundred dollars of salary or wages earned each fiscal year and  
12 five and twenty-five hundredths percent of salary or wages earned  
13 above that amount in the same fiscal year. Commencing on September  
14 1, 1982, all employees of the school district shall contribute  
15 an amount equal to the membership contribution which shall be  
16 four and nine-tenths percent of the compensation earned in each  
17 fiscal year. Commencing September 1, 1989, all employees of the  
18 school district shall contribute an amount equal to the membership  
19 contribution which shall be five and eight-tenths percent of the  
20 compensation earned in each fiscal year. Commencing September  
21 1, 1995, all employees of the school district shall contribute  
22 an amount equal to the membership contribution which shall be  
23 six and three-tenths percent of the compensation earned in each  
24 fiscal year. Commencing September 1, 2007, all employees of the  
25 school district shall contribute an amount equal to the membership  
26 contribution which shall be seven and three-tenths percent of the  
27 compensation paid in each fiscal year. The contributions by the  
1 school district in any fiscal year beginning on or after September  
2 1, 1999, shall be the greater of (a) one hundred percent of  
3 the contributions by the employees for such fiscal year or (b)  
4 such amount as may be necessary to maintain the solvency of the  
5 system, as determined annually by the board upon recommendation  
6 of the actuary and the trustees. The contributions by the school  
7 district in any fiscal year beginning on or after September 1,  
8 2007, shall be the greater of (i) one hundred and one percent of  
9 the contributions by the employees for such fiscal year or (ii)  
10 such amount as may be necessary to maintain the solvency of the  
11 system, as determined annually by the board upon recommendation  
12 of the actuary and the trustees. The employee's contribution shall  
13 be made in the form of a monthly deduction from compensation as  
14 provided in subsection (2) of this section. Every employee who  
15 is a member of the system shall be deemed to consent and agree  
16 to such deductions and shall receipt in full for compensation,  
17 and payment to such employee of compensation less such deduction  
18 shall constitute a full and complete discharge of all claims and  
19 demands whatsoever for services rendered by such employee during  
20 the period covered by such payment except as to benefits provided  
21 under the Class V School Employees Retirement Act. After September  
22 1, 1963, and prior to September 1, 1969, all employees shall  
23 be credited with a membership service annuity which shall be  
24 nine-tenths of one percent of salary or wage covered by old age  
25 and survivors insurance and one and one-half percent of salary or

26 wages above that amount, except that those employees who retire  
27 on or after August 31, 1969, shall be credited with a membership  
1 service annuity which shall be one percent of salary or wages  
2 covered by old age and survivors insurance and one and sixty-five  
3 hundredths percent of salary or wages above that amount for service  
4 performed after September 1, 1963, and prior to September 1, 1969.  
5 Commencing September 1, 1969, all employees shall be credited  
6 with a membership service annuity which shall be one percent  
7 of the first seven thousand eight hundred dollars of salary or  
8 wages earned by the employee during each fiscal year and one and  
9 sixty-five hundredths percent of salary or wages earned above that  
10 amount in the same fiscal year, except that all employees retiring  
11 on or after August 31, 1976, shall be credited with a membership  
12 service annuity which shall be one and forty-four hundredths  
13 percent of the first seven thousand eight hundred dollars of salary  
14 or wages earned by the employee during such fiscal year and two  
15 and four-tenths percent of salary or wages earned above that amount  
16 in the same fiscal year and the retirement annuities of employees  
17 who have not retired prior to September 1, 1963, and who elected  
18 under the provisions of section 79-988 as such section existed  
19 immediately prior to February 20, 1982, not to become members  
20 of the system shall not be less than they would have been had  
21 they remained under any preexisting system to date of retirement.  
22 Members of this system having the service qualifications of members  
23 of the School Retirement System of the State of Nebraska, as  
24 provided by section 79-926, shall receive the state service annuity  
25 provided by sections 79-933 to 79-935 and 79-951.

26 (2) The school district shall pick up the employee  
27 contributions required by this section for all compensation paid  
1 on or after January 1, 1985, and the contributions so picked up  
2 shall be treated as employer contributions in determining federal  
3 tax treatment under the Internal Revenue Code, except that the  
4 school district shall continue to withhold federal income taxes  
5 based upon these contributions until the Internal Revenue Service  
6 or the federal courts rule that, pursuant to section 414(h)  
7 of the Internal Revenue Code, these contributions shall not be  
8 included as gross income of the employee until such time as  
9 they are distributed or made available. The school district shall  
10 pay these employee contributions from the same source of funds  
11 which is used in paying earnings to the employee. The school  
12 district shall pick up these contributions by a salary deduction  
13 either through a reduction in the cash salary of the employee  
14 or a combination of a reduction in salary and offset against a  
15 future salary increase. Beginning September 1, 1995, the school  
16 district shall also pick up any contributions required by sections  
17 79-990, 79-991, and 79-992 which are made under an irrevocable  
18 payroll deduction authorization between the member and the school  
19 district, and the contributions so picked up shall be treated as  
20 employer contributions in determining federal tax treatment under

21 the Internal Revenue Code, except that the school district shall  
 22 continue to withhold federal and state income taxes based upon  
 23 these contributions until the Internal Revenue Service rules that,  
 24 pursuant to section 414(h) of the Internal Revenue Code, these  
 25 contributions shall not be included as gross income of the employee  
 26 until such time as they are distributed from the system. Employee  
 27 contributions picked up shall be treated for all purposes of the  
 1 Class V School Employees Retirement Act in the same manner and to  
 2 the extent as employee contributions made prior to the date picked  
 3 up.

4 2. On page 12, line 19, strike "section" and insert  
 5 "sections" and before the second comma insert "and 79-9,113"; and  
 6 in line 20 strike "section" and insert "sections" and before the  
 7 second comma insert "and 79-958".

8 3. Renumber the remaining sections accordingly.

Senator Avery filed the following amendment to LB 551:  
 AM1009

1 1. On page 4, line 11, after "publicly" insert "or  
 2 privately".

### PRESENTED TO THE GOVERNOR

Presented to the Governor on April 19, 2007, at 9:43 a.m. were the  
 following: LBs 232, 415, 415A, 457, 502, and 562.

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

### SENATOR LANGEMEIER PRESIDING

#### GENERAL FILE

**LEGISLATIVE BILL 316.** Title read. Considered.

### SENATOR ERDMAN PRESIDING

Committee AM765, found on page 945, was considered.

Senator Raikes offered the following amendment to the committee  
 amendment:

AM1074

(Amendments to Standing Committee amendments, AM765)

1 1. On page 2, line 7, after the period insert "The member  
 2 listed in subdivision (10) of this section shall be appointed by  
 3 the Commissioner of Education.".

Senator Chambers offered the following motion:  
 Bracket until April 23, 2007.

Senator Chambers withdrew his motion to bracket.



The Raikes amendment was adopted with 29 ayes, 0 nays, 13 present and not voting, and 7 excused and not voting.

The committee amendment, as amended, was adopted with 33 ayes, 0 nays, 9 present and not voting, and 7 excused and not voting.

Advanced to E & R for review with 33 ayes, 0 nays, 9 present and not voting, and 7 excused and not voting.

**LEGISLATIVE BILL 316A.** Title read. Considered.

Advanced to E & R for review with 32 ayes, 0 nays, 10 present and not voting, and 7 excused and not voting.

### AMENDMENTS - Print in Journal

Senator Avery filed the following amendment to LR 6CA:  
AM1078

(Amendments to E & R amendments, ER8056)

- 1 1. Strike the original sections and all amendments
- 2 thereto and insert the following new sections:
- 3 Section 1. At the general election in November 2008 the
- 4 following proposed amendment to the Constitution of Nebraska shall
- 5 be submitted to the electors of the State of Nebraska for approval
- 6 or rejection:
- 7 To amend Article XI, section 1:
- 8 XI-1 No city, county, town, precinct, municipality, or
- 9 other ~~sub division~~ subdivision of the state, shall ever become
- 10 a subscriber to the capital stock, or owner of such stock, or
- 11 any portion or interest therein of any railroad, or private
- 12 corporation, or association, except that, notwithstanding any other
- 13 provision of this Constitution, the Legislature may authorize
- 14 the investment of public endowment funds by any city which is
- 15 authorized by this Constitution to establish a charter, in the
- 16 manner required of a prudent investor who shall act with care,
- 17 skill, and diligence under the prevailing circumstance and in
- 18 such investments as the governing body of such city, acting in
- 19 a fiduciary capacity for the exclusive purpose of protecting
- 20 and benefiting such investment, may determine, subject to such
- 21 limitations as the Legislature may by statute provide.
- 22 Sec. 2. The proposed amendment shall be submitted to the
- 1 electors in the manner prescribed by the Constitution of Nebraska,
- 2 Article XVI, section 1, with the following ballot language:
- 3 A constitutional amendment to allow the investment of
- 4 public endowment funds by cities authorized by the Nebraska
- 5 Constitution to establish a charter.
- 6 For
- 7 Against.

Senator Harms filed the following amendment to LB 603:  
AM1075

(Amendments to Standing Committee amendments, AM754)

- 1 1. On page 28, lines 4 and 9; page 36, line 26; and page
- 2 37, line 5, strike "two", show as stricken, and insert "three".
- 3 2. On page 31, line 26, strike "two" and insert "three".

### VISITORS

Visitors to the Chamber were members of the Omaha Association for the Education of Young Children; Senator Christensen's cousins, Neal and Karen Christensen, from Lincoln; Jane Langemeier from Hooper; 30 fourth-grade students and teachers from Christ Lutheran School, Norfolk; former Lt. Governor and former Senator David Maurstad and wife, Karen, from Washington D.C.; 15 fourth-grade students, teacher, and sponsors from St. Patrick's School, Lincoln; 28 seventh- and eighth-grade students, teacher, and sponsors from St. John's Lutheran School, Battle Creek; and 44 third-grade students, teachers, and sponsors from Hawthorne Elementary, Lincoln.

The Doctor of the Day was Dr. Nathan Haecker from Lincoln.

### ADJOURNMENT

At 12:32 p.m., on a motion by Speaker Flood, the Legislature adjourned until 10:00 a.m., Monday, April 23, 2007.

Patrick J. O'Donnell  
Clerk of the Legislature