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Floor Debate
February 11, 2019

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FOLEY: Good morning, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber for the twenty-third day of the One Hundred Sixth Legislature, First Session. Our chaplain for today is Reverend Kent Little of the First United Methodist Church in Omaha, Nebraska, Senator McCollister's district. Please rise.

REVEREND LITTLE: (Prayer offered.)

FOLEY: Thank you, Reverend Little. I call to order the twenty-third day of the One Hundred Sixth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

FOLEY: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections.

FOLEY: Thank you, sir. Are there any messages, reports, or announcements?

CLERK: Mr. President, series of appointment letters from the Governor, appointments to the -- as executive director of the Nebraska Crime Commission, the Nebraska Educational Telecommunications Commission, to the Games and Parks Commission, to the Power Review Board, Nebraska State Fair Board and the Boiler Safety Code Advisory Board. Those appointees will be referred to standing committee for confirmation hearing. An announcement, Mr. President. The Economic Development Task Force will meet at 9:30 underneath the north balcony. That's all that I have.

FOLEY: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR18 and LR19. We will now proceed with the first item on the agenda, legislative confirmation reports. Mr. Clerk.

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CLERK: Mr. President, Senator Groene, as Chair of Education reports on three appointments to the Technical Advisory Committee for Statewide Assessment.

FOLEY: Senator Groene, you're recognized to open on the confirmation report of Education Committee.

GROENE: Thank you, Mr. President. These appointments are for the Technical Advisory Committee for Statewide Assessment. This committee was created in 2008 and is responsible for the reviewing of the statewide assessment plan, state assessment instruments, and the accountability system developed under the Quality Education Accountability Act. The committee advises the Governor, the State Board of Education, and the State Department of Education on the development of statewide assessment instruments, and the statewide assessment plans. Committee members serve a term of three years and the committee is made up of three nationally recognized experts in educational assessment and measurement. One administrator from the school in Nebraska--

FOLEY: Excuse me, Senator Groene. [GAVEL] Continue, please.

GROENE: --and one teacher from a school in Nebraska. The reports we have before us are for two national experts and for the teacher on the committee. The national experts Jeffrey -- the first is Jeffrey Nellhaus. This is a new appointment. And as you will note, he's not from Nebraska. It's hard to find national recognized experts who live in Nebraska, so it's open for national appointments. Jeffrey Nellhaus is one of the experts being newly appointed to the committee. He has a masters degree in environmental education from the Antioch Graduate School of Education and a masters degree in education from Harvard Graduate School of Education. He has been the deputy commissioner of education in Massachusetts, the director of policy research and design at Achieve and company, which is a nonprofit organization that focuses on raising academic standards and approving assessments. He was also chief of the assessment at Partnership for Assessment of Readiness for College and Careers, which works with states to develop assessments. Since then, he has been an education consultant and has worked with a variety of states on their technical advisory committees, including Maine, Rhode Island, Kentucky and

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New Hampshire. I would appreciate a green vote on the appointment of Mr. Nellhaus. Thank you.

FOLEY: Thank you, Senator Groene. Is there any discussion of the confirmation report from the Education Committee? I do not see any members wishing to speak, Senator Groene, you're recognized to close. He waives closing. The question for the body is the adoption of the confirmation report from the Education Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 40 ayes, 0 nays, Mr. President, on the adoption of the confirmation report.

FOLEY: The confirmation report is adopted. Next report. Mr. Clerk.

CLERK: Mr. President, the Natural Resources Committee reports on the appointment of Loren Taylor to the Natural Resources Commission.

FOLEY: Thank you, Mr. Clerk. Senator Hughes, you're recognized to open on the confirmation report of the Natural Resources Committee.

HUGHES: Thank you, Mr. President, and members of the Legislature. I present for your approval the reappointment of Loren Taylor to the Nebraska Natural Resources Commission. Mr. Taylor came before the Natural Resources Committee for his confirmation hearing on February 6. Mr. Taylor lives in Broken Bow, Nebraska, and is working part-time as a consultant and advisor and also serving as vice-president of Sargent Pipe Company and Sargent Irrigation Company and spends most of his time on water issues. Mr. Taylor is looking forward to continuing his service on the groundwater irrigators as the groundwater irrigators' representative on the commission. His impressive well drilling career began in 1955 at Sargent Irrigation Company. Loren is a long-time member of the national Groundwater Association as well as the Nebraska Well Drillers Association. He has served in a variety of other committees and boards as well. Over the last 25 years, Mr. Taylor has worked with the Legislature on numerous water-related issues and testified before the Legislature on behalf of both the Well Drillers Association and Sargent Irrigation Company. The Nebraska Natural Resources Commission is comprised of

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14 members appointed by the Governor representing different areas of interest. There are also 13 members that are elected by natural resource districts to represent different river basins. The committee advanced Mr. Taylor's appointment by a 7-0-1 vote with one member absent. I ask for your confirmation of Loren Taylor to the Nebraska Natural Resources Commission. Thank you, Mr. President.

FOLEY: Thank you, Senator Hughes. Is there any discussion to the confirmation report from the Natural Resources Committee? Seeing no members wishing to speak, Senator Hughes -- he waives closing. The question for the body is the adoption of the confirmation report of the Natural Resources Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 41 ayes, 0 nays, Mr. President, on the adoption of the confirmation report.

FOLEY: The confirmation report of the Natural Resources Committee has been adopted. Members, we're now going to move to Select File, which requires voice votes. Mr. Clerk, the first bill is LB193.

CLERK: LB193, there are E&R amendments pending, Senator Slama.

FOLEY: Senator Slama, you're recognized.

SLAMA: Mr. President, I move that the E&R amendments to LB193 be adopted.

FOLEY: Members, you heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Senator Wayne would move to amend with AM87.

FOLEY: Senator Wayne, you're recognized to open on AM87.

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WAYNE: Thank you, Mr. President. Members of the Legislature, AM87 is a technical amendment that was recommended by Bill Drafting Office and makes several nonsubstantive changes. First, the amendment repeals additional references to the City of the Primary Class Development Fund and the City of the Metropolitan Class Development Fund. These two funds were terminated in 2007, and in the green copy of the bill outright repeals the entire sections of a statute which establishes those funds. Second, the amendment restores a reference to county boards that was inadvertently eliminated from the statute dealing with interjurisdictional planning commissions. Third, the amendment clarifies references to a section of the statute that was actually repealed in 1967. Finally, the amendment will classify an unclassified misdemeanor for removing, mutilating, destroying, and changing posted notices regarding zoning changes in municipalities. With the amendment, the penalties for such violations would be the same for similar zone-related misdemeanors in the same area of the statute. I would ask for a green vote on AM87.

FOLEY: Thank you, Senator Wayne. Is there any discussion on AM87? I do not see any. Senator Wayne, waives closing. The question for the body is the adoption of AM87. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 40 ayes, 0 nays on adoption of Senator Wayne's amendment.

FOLEY: AM87 is adopted. Mr. Clerk.

CLERK: Nothing further on the bill, Mr. President.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB193 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill to E&R for engrossing. Those in favor say aye. Those opposed say nay. The bill advances. Next bill is LB194. Mr. Clerk.

CLERK: LB194, Senator, I have no amendments to the bill.

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FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB194 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB194 advances. Proceeding to LB196. Mr. Clerk.

CLERK: LB196, Senator, I have no amendments to the bill.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB196 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance LB196 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB196 advances. Proceeding to LB61. Mr. Clerk.

CLERK: LB61 does have Enrollment and Review amendments, Senator.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that the E&R amendments to LB61 be adopted.

FOLEY: Motion before you is to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Anything further, Mr. Clerk.

CLERK: Nothing further, Mr. President.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB61 be advanced to E&R for engrossing.

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FOLEY: Members, you heard the motion to advance LB61. Those in favor say aye. Those opposed say nay. LB61 advances. LB70, Mr. Clerk.

CLERK: LB70, Senator, does have E&R amendments.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that the E&R amendments to LB70 be adopted.

FOLEY: Motion before you is to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Nothing further.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB70 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB70 advances. LB78, Mr. Clerk.

CLERK: LB78 does have Enrollment and Review amendments, Senator.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that the E&R amendments to LB78 be adopted.

FOLEY: Motion before you is to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: I have nothing further on the bill, Senator.

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FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB78 be advanced to E&R for engrossing.

FOLEY: The motion is to advance the bill. Those in favor say aye. Those opposed say nay. LB78 advances. LB221, Mr. Clerk.

CLERK: LB221, I have no amendments to the bill, Senator.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB221 be advanced to E&R for engrossing.

FOLEY: Motion before you to advance the bill. Those in favor say aye. Those opposed say nay. LB221 advances. Proceeding to LB42. Mr. Clerk.

CLERK: LB42, first of all, has E&R amendments pending, Senator.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that the E&R amendments to LB42 be adopted.

FOLEY: The motion before you is to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Senator Hilkemann would move to amend with AM195.

FOLEY: Senator Hilkemann, you're recognized to open on AM195. Is Senator Hilkemann on the floor? While we're waiting for a moment, the treats being distributed on the floor this morning are in honor of Senator Matt Hansen's 31st birthday. Happy birthday, Senator Matt Hansen. Members, Senator Hilkemann is not available to speak to his amendment. We're going to pass over this bill and come back to it and proceed on to LB115, I believe is the next bill, Mr. Clerk.

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CLERK: Mr. President, LB115, I do have E&R amendments, Senator.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that the E&R amendments to LB115 be adopted.

FOLEY: Motion before you is to adopt the E&R amendments to LB115. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Nothing further on the bill, Senator.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB115 be advanced to E&R for engrossing.

FOLEY: The motion before you is to advance the bill. Those in favor say aye. Those opposed say nay. LB115 advances. Next bill is LB188.

CLERK: LB188, Senator, I have no amendments to the bill.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB188 be advanced to E&R for engrossing.

FOLEY: It's a debatable motion. Senator Brandt, you're recognized.

BRANDT: Thank you, Mr. President. I was the lone, no vote on this in General. And after reviewing this, this bill just doesn't get any better at this stage of the debate. And what this bill does is it changes interest rates on installment loans from 24 to 29 percent for the first thousand dollars. That was the old bill. On the new one, under the old bill, installment rates then dropped to 21 percent after the first thousand dollars. Under the new bill, it raises it 8 percent for the

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balance, from 21 to 29 percent. And I cannot in good conscience support this bill, and I would ask my colleagues to take a look at this. Thank you.

FOLEY: Thank you, Senator Brandt. Senator Chambers.

CHAMBERS: Thank you. Mr. President and members of the Legislature, I missed the debate on this bill, but I heard about it. I would like to ask Senator Lindstrom a question or two if he's here.

FOLEY: Senator Lindstrom, will you yield, please?

LINDSTROM: I will.

CHAMBERS: Senator Lindstrom, to me, this is such a high increase, that I think it amounts to usury. I don't care what other people call it. So will you explain briefly why you want to make this 8 percent increase?

LINDSTROM: Sure. So there are ten installment loans, brick and mortar installment loan facilities across the state. Most people that will seek out installment loans will go online where it's 36 percent and unregulated by the Department of Banking. With these, eight of the ten are OneMain Financial and to compete with overhead costs, the increase is necessary for that. We have seen a decline, and folks going out of business that have brick and mortar stores, and this, again, I want to make it clear that this is not payday lending. This sits in-between your regular loan that you would get and payday lending. So these are people, these are folks that are seeking credit that can't get a typical bank loan, and so they typically have lower credit scores, and this is their ability to access capital, and that's where this comes from.

CHAMBERS: So what the Legislature is doing is finding people who are in a bind and allowing these loan sharks to gouge them. That's what I consider anybody who charges this high rate of interest. This is gouging. Why do you think the Legislature had capped the rate at 24 percent?

LINDSTROM: Are you asking me that question? Well, that was back in 1984, I believe, is the last time that we did anything with the interest rates. It was before the Internet and everything.

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CHAMBERS: You would not have to get a loan at one of these operations, would you?

LINDSTROM: No, you would not, but if you don't have the brick and mortar stores, you're going to go online and get charged 36 percent. Again, the 29 percent is up to. It doesn't mean you automatically get 29 percent, but the companies are taking the risk because of the percentage of defaults that could potentially happen. That's where the interest rate comes from.

CHAMBERS: But even if they get the amount of the original principal back, interest is going to make them pay considerably more. So these loan sharks will get their money back long before the term of the loan is reached. When I said you, I mean you, Senator Lindstrom, you would not get a loan and pay 29 percent for that loan would you?

LINDSTROM: Would I personally go and seek, no, I wouldn't, because my credit -- I have good credit. So, no, I wouldn't be paying 29 percent.

CHAMBERS: I believe I'm the only person in the world who has been certified by the F.B.I. as a man who always pays his bills on time. I found this out when I got the papers that they had to give me for the research they were doing on me, and that was one of the notations they made for some reason. That's all I will ask you, Senator Lindstrom. Members of the Legislature, had I been up here when this bill was debated, I would have joined Senator Brandt in opposing it. You're going to say that if a woman is being beaten by her husband and she gets slapped--

FOLEY: One minute.

CHAMBERS: --25 times by him, then if you come along and slap her 20 times, then you're not an abuser, because you didn't do it to the extent that the obvious batterer did. I'm trying to use a graphic example. This Legislature will stick it to the public in this state. One loan shark came here and told the people on that committee that they were in dire straights. Where were the others? I think it is unconscionable for the Legislature to do this. It is not the first time the Legislature has done something unconscionable, and it will not be the last. But somebody, somebody's, in this instance, need to speak against it. I have my light on. Thank you, Mr. President.

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FOLEY: Thanks, Senator Chambers, Senator Lathrop.

LATHROP: Thank you, Mr. President, and colleagues. I would like to see if Senator Williams will yield to a question.

FOLEY: Senator Williams, will you yield, please? Senator Williams? Would you yield, please?

WILLIAMS: Yes, I would.

LATHROP: Senator Williams, the justification for this bill is that there are online lenders who are charging even more, and I don't understand how that makes this compelling. So Senator Lindstrom says they can charge up to 29 percent and the implication there is, they may not charge 29 percent. It used to be 24 percent and the fact that they want more suggests to me that 24 percent in their view isn't enough. So we're likely to see these folks with the brick and mortar shops take advantage of this and be charging people in this state, our citizens and our voters, 29 percent for these loans. And the justification that I heard for this bill was that there are online folks that are doing it at 36 percent. My question for you is, can't we just outlaw a transaction done on the Internet with people who are entering into those transactions or basically a contract within the state, admittedly on the Internet, but the transaction or the contracts being entered into in the state, can't we just make that unlawful or make the online loan people subject to our banking regulations?

WILLIAMS: Senator Lathrop, I do not know specifically the answer to that of how we could regulate companies that do not have a nexus in our state that are simply doing it online. What this is an attempt to do is continue to give people an opportunity for credit that are potentially closed out of credit by the elimination of installment loan companies. We've lost -- back about ten or fifteen years ago, we had 33 of these companies licensed in Nebraska that were highly regulated by our State Department of Banking. That is now down to ten, eight of which are the company that did come and testify at the hearing. And they are struggling to keep their doors open because of the quality of credits that come in because these are people that don't typically qualify for bank loans because of their underwriting, and yet if we close all of our installment loan companies, their options become more limited. They are not just the online lenders that we

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are talking about, they are also the payday lenders, which is another much higher option of credit costs to them. But the answer specifically to whether we could eliminate or regulate the online, I just do not know the answer to that question.

LATHROP: Okay. Thank you. I'm not sure that we're benefiting this group of people. They are almost by definition folks that have poor credit, probably financially illiterate. They're desperate, and what we're doing is providing sort of the sanction of this process and the state for these folks to charge 29 percent. And I don't know if we're doing a benefit to these people with poor credit or facilitating them being locked into a loan at a rate of interest that is ridiculous. Twenty-nine percent on a loan is to me usurious, and the fact that it is the--

FOLEY: One minute.

LATHROP: --person with poor credit and the person who is probably financially illiterate doesn't really appreciate that, what it means to enter into a loan for 29 percent or how they're going to be locked up and tied up their limited resources. These people by definition probably don't make much. They probably don't have-- obviously they don't qualify for a regular loan from a regular place, and I don't know if we're doing them a service by giving them access to capital when it costs so much and they are the very group of people that probably don't appreciate what it means to enter into such a transaction and then they're locked into it, and all of what little income they have is now committed to paying off somebody who is charging 29 percent. So I'll listen, continue to listen. I'm inclined to oppose the bill only because I think this interest rate is too high, and the argument that somebody is charging more-- if someone online was charging less--

FOLEY: Time, Senator. It's time, Senator.

LATHROP: --then I could see them moving down but not the other way. Thank you.

FOLEY: Thank you, Senator Lathrop. Senator Chambers.

CHAMBERS: Thank you. Mr. President and members of the Legislature, this is the first bill that I'm really going to go all out on. I know we only get three hours of debate on Select File, but I'm

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going to make sure that we expend those three hours. This bill is immoral. I'm shocked at some of the people on this floor who support it. I'm extremely disappointed, and I'm questioning the values they suggested to me that they have. This is usurious. Your "Bibble" makes it an immoral act to charge usury. That's what's being done here, and you Christians are doing it. I'd like to ask Senator Lindstrom a question.

FOLEY: Senator Lindstrom, would you yield, please?

LINDSTROM: Yes, I will.

CHAMBERS: Senator Lindstrom, when one of these suckers comes in for one of these usurious loans, does he or she have to put up any collateral?

LINDSTROM: No.

CHAMBERS: What happens if the person defaults on the loan?

LINDSTROM: Well, then they will, I would assume, go to a collector.

CHAMBERS: And that would--

LINDSTROM: But that's why the interest rate is higher, because of the percentage that could default. The average income, and this is why the brick and mortar are important because these individuals come in, and the companies work with them to make sure that they can pay it. An average income that uses these installment loans is \$40,000. The average credit score is--

CHAMBERS: Okay, but my time will run out. What is the collector going to charge for doing this for the usurer because the collector wants some money too.

LINDSTROM: I don't know what they would charge.

CHAMBERS: Well, whatever that charge is be tacked on to the borrower?

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LINDSTROM: Not that I'm aware of.

CHAMBERS: So then it would be advantageous for a person who gets one of these loans to default on it, wouldn't it?

LINDSTROM: No, I think that it's in their best interest to keep that individual paying because they want a repeat customer.

CHAMBERS: No, I'm saying the borrower. It would be in the interest of the borrower who cannot borrow anything at a reasonable rate anyway to get that money and then just don't pay it back.

LINDSTROM: Yes, but so if these go out of business, then where does that individual go for credit or any capital?

CHAMBERS: Well, the same place they'd go if they can't get a loan.

LINDSTROM: Payday lender because they charge 400 percent.

CHAMBERS: Well, that's tough. We do something about payday lender.

LINDSTROM: And we have. We did it last year. But what I'm saying, if these don't exist, then they go online, then it's unregulated by the bank, and they charge more. So shut the doors on going from 33 to ten and potentially zero, where do those people go to get credit?

CHAMBERS: Well, I think you should ask those who are pulling your string if they're willing to let you lay this bill over in the interest of our process and then we can talk about it. But if they don't want to do it and the Legislature and its members are complicit in this, this is not the only bill I'm going to take time on. That first day that I was trying to make a point, I was not trying to kill a bill, I was killing time. If I can kill that much time to make a point on a bill that was not mine, but strictly one of principle in terms of how we function as a Legislature, then you will have an opportunity to see me on this bill, and I'll talk about anything I want to. I will talk about

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the invitation that I'm going to give to the Lieutenant Governor and the Governor to come testify against the death penalty on my death penalty bill. I know the Governor testifies on legislation because he did it the other day. He bills himself as a man of faith.

FOLEY: One minute.

CHAMBERS: Former Governor Orr went out to Lexington and introduced him as a man of faith. His faith has made it against that faith to go for the death penalty. Our Lieutenant Governor can come back home. He forsook his position on the death penalty in order to get a job with the Governor. Now he can choose between the Governor on this earth to give him some money in exchange for his immortal soul. What does it profit a man to gain the whole world and lose his soul, but a job with the Governor? So there are plenty of things I'm going to talk about, including papa Joe Ricketts. All of the matters that I think need to be discussed because we are dealing with a moral issue on this bill, and it opens the way for it and invites it. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers, Senator Williams.

WILLIAMS: Thank you, Mr. President, and I would like to just make a few comments on this as Chairman of the Banking Committee. Again, this came before the Banking Committee. There was no opposition testimony as noted in your information, and it was voted out of committee with no dissenting votes. The comment was made that the borrowers from installment lending companies are oftentimes illiterate. I would certainly dispute that. Installment loan companies in our state are regulated by the Department of Banking, meaning that they have to comply with all the rules and regulations that are set forward. They are examined by the Department of Banking. In their institutions they have disclosures that are available and presented to those that are borrowing the money, and they also have to sign the same types of documents that are often signed by borrowers in banking operations. I would like to just point out, also, the limitation of access to credit that certain people have. There are two issues that we have here. One are people that simply do not qualify with the underwriting standards of a bank, and the second factor that we have is that many banks now do not choose to make small dollar loans, meaning loans of \$5,000 or less. Most of our community banks, our smaller banks, do continue to make those

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loans, but in many of our larger areas, our larger financial institutions have created other products, which have a higher interest rate, be they credit cards or whatever for those people wanting those small dollar loans. So we really have a dilemma and an access problem then for this group of potential people with need. The example I would throw out is the single mom working a job that has her furnace go out and needs four or \$5,000 worth of furnace repair or a new furnace. And because of her situation, she does not qualify, or does not have the availability at a bank. She has exhausted friends and family, and yet she needs heat in her house. The alternatives that she currently has here in Nebraska are going online at a high interest rate, going to a payday lender, which is going to not be able to help her because the dollar limits don't allow her to get a four or \$5,000 loan, or she goes to a regulated installment loan company. Contrary to the information that was provided, many of the loans that are granted by these installment loan companies are collateralized, and therefore when they are collateralized, the interest rates are not generally at the highest limits. Installment loan companies have a significant default rate as compared to a commercial banking operation. Because of that default rate, and because of the access of credit that they offer, they do charge higher interest rates.

FOLEY: One minute.

WILLIAMS: We can certainly differ-- thank you, Mr. President. We can certainly differ in our judgment of what we think is, quote, too high, end quote, an interest rate. But I would also just have you think for a minute about again the access to credit or the elimination of an opportunity or access to credit and where that does put these people. So I would encourage you to vote in favor of LB188. Thank you, Mr. President.

FOLEY: Thank you, Senator Williams. Senator Moser.

MOSER: Good morning, colleagues. Is it smart to borrow money at 29 percent? No. Is it an opportunity we want to offer our citizens in our state? I would say maybe. When I was working for the city of Columbus, we had around 10,000 water and sewer accounts, and the water and sewer bills are not that high. They average probably 75, some of them are a couple hundred bucks, and every month out of that 10,000 accounts, we had over -- most months, we had over 100 shut-offs, people who were not paying their water bill. These are people that are having

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financial problems. They've had some disaster happen in their life. They've got medical bills, they've got children that are sick or they make poor decisions. I don't want to overlook that. But nonetheless, this raising of this interest rate gives these people another avenue for them to borrow money. Is it smart? No. Would they be better off to just let their water get shut off? You know, maybe so. Maybe go to the neighbors to get a drink or go to the bathroom, I don't know what they're going to do. But these are people who have problems, and if they don't get money from this kind of a high, but not the highest lender, they're going to have to go to a higher interest lender to get money if they can qualify there. The interest rate is based on what the likelihood is of them, the bank being paid back. And they have to factor in their losses and their collection expenses and all those things into the interest rate they charge. Yeah, it does sound embarrassingly high. But if your water is going to be shut off, or if your car is broken down and you can't get to work, you know, those are problems that might be solved by borrowing money at these crazy-high rates. So I just want you to think. I think you're thinking all of it from the bank's perspective and that it was greedy banks are charging too much interest. It's a product that's made available to people who have no other avenue of solving their problem. I listened to, I don't know how many single mothers cry about their babies not being able to get water, can't flush their toilet. I mean, that was half a dozen times I had, please come in where they wanted me to waive their water bill. And I think you need to look at it from the borrower's perspective and what dire straights they're in. Is it sensible? No. But if it solves a worse problem, it might be something they want to do.

FOLEY: Thank you, Senator Moser. Senator Cavanaugh.

CAVANAUGH: Thank you. Would Senator Lindstrom yield for a question?

FOLEY: Senator Lindstrom, would you yield, please?

LINDSTROM: Yes, I will.

CAVANAUGH: Thank you, Senator. Were there any credit card advocacy groups that testified in favor or against or spoke on the record at all about this?

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LINDSTROM: No, there was no opposition to the bill.

CAVANAUGH: Was there any support from credit card advocacies?

LINDSTROM: No, no. It was -- OneMain was the main proponent.

CAVANAUGH: Right. Okay. I was just wondering if there were any consumer groups that spoke in favor or against either way.

LINDSTROM: No.

CAVANAUGH: Thank you. That's all I have so I will yield the remainder of my time to Senator Chambers.

FOLEY: Thank you, Senator Cavanaugh. Senator Chambers, 4:15.

CHAMBERS: Thank you, Senator Cavanaugh. Thank you, Mr. President. And I'm going to extract from this body some interest. We're dealing with Shylock here in this bill. A combination, Shylock and Scrooge. Scrooge was said to be as hard as Flint, a tightfisted greedy, grasping old sinner, and this Legislature, which supposedly represents the people, is going to fall into the clutches of these loan sharks and stick it to the people who cannot afford to have this done to them. Senator Lindstrom won't have to get a loan at 29 percent. Nobody on this floor will. There was some person, he was a writer and a moralist obviously, he said he has never in his life come across a man who could not bear the burdens of others, meaning watching them suffer, without it being in the manner of a good Christian. In other words, when somebody else is under the burden, it's easy for these righteous people to watch that and not be bothered. Senator Moser talked about these poor women who need water for their children, who may have their water shut off. If that is happening, we as the Legislature should do something about making assistance available to those people. These, that we're dealing with today, are among the least, the last, and the lost. So I will give you all an opportunity to see just how much stamina I have. We're going to have just half-day sessions for a good amount of time, and I'm not going to burden myself and my mind and tax my brain trying to come up with arguments of a moral nature, philosophical

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dissertations about justice, fairness, and what the commonwealth ought to do for the people. I'm going to simply read word for word the bills that are before us, and I'll comment along the way, and I'll offer amendments. I'm going to take this bill this morning and show you what I can do in terms of taking time. Shylock is abroad, and I'm going to have to withstand which Shylock and his minions on this floor are attempting to do. If we're talking about big farmers, --

FOLEY: One minute.

CHAMBERS: --you want to talk about giving them property tax relief. They're not in danger of their water being cut off, women not being able to get a drink of water for herself and her little children. But that's all the rage in terms of the discussion here. They could get Joe Ricketts to put up some money. He could start a loan company and lend at reasonable rates, and maybe to some extent and degree rehabilitate his no longer existent image as a philanthropist. But you're going to pay one way other the other. You ought to think it a privilege to pay at my hand when all I can do is take time rather than go to hell and burn forever which you Christians say is in store for those who violate the word of God.

FOLEY: Time, Senator.

CHAMBERS: Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Wayne.

WAYNE: I was going to yield my time to Senator Chambers if he would like it.

FOLEY: Senator Chambers, you've been yielded 4:50.

CHAMBERS: Thank you, Senator Wayne. Thank you, Mr. President. Think about, they called a poem The Night before Christmas, but it's really the visit of St. Nicholas, a saint, coming to bring toys and joys to little children throughout the world. So these people, or at least one of them, the narrator, indicated they had settled their brains for a long winter's nap, so settle your brains for a long time on the floor on this bill. I don't think anybody in here has legs which are

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paralyzed. There are three doors through which you can enter or leave. Nobody is going to prevent you from leaving. And I don't need you here. As long as we are in session, I will talk and talk and talk some more. I've offered on a motion to indefinitely postpone this bill. That's not going to go because the bankers are for it. I would like to ask Senator Williams a question if he's still on the floor.

FOLEY: Senator Williams, would you yield, please? I'm not sure he's on the floor, Senator.

CHAMBERS: He's ignoring me.

FOLEY: Oh, I'm sorry. He is on the floor. Senator Williams, would you yield to a question, please?

WILLIAMS: I would be happy to.

CHAMBERS: I hope that's your attitude when I get through with you. But in all seriousness, Senator Williams, you mentioned that there was nobody who testified against this bill, correct?

WILLIAMS: That's correct.

CHAMBERS: Do you think the people who are going to be most affected by it even knew about this bill?

WILLIAMS: They were given the same notice as anyone else would have been given.

CHAMBERS: That's not an answer because for some of them it would be no-- how is notice given to the public about these bills and the hearings? How is that notice given?

WILLIAMS: As far as I know, it's published on the Web site by the Legislature.

CHAMBERS: Suppose they don't have a computer. What other way? We're talking about poor people. How else is it noticed for the public?

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WILLIAMS: As far as I know, it's put out so that they could pick it up at the office here in the Capitol, but other than that, Senator, I'm not sure how else it's notified.

CHAMBERS: Thank you. Members of the Legislature, to say that they get the notice that everybody else gets, we know good and well that ordinary people don't have notice of what's going on in this Legislature. We know they're not going to be here. They don't have a representative as such on this floor. I do the best that I can to represent poor people, but to be completely honest, I'm not poor, but I can still be a voice. Jesus didn't suffer a hungry day in his life that would not have been voluntary, but he understood what it meant for other people to be hungry. So what did he do? He fed them. He didn't have a sickness during his entire life that was recorded. Yet, when there were sick people, and Jesus was approached about it, he healed them. What about those who have severe mental illness? There was one man who had it to such a degree that he lived in caves. He was like an animal, and people were afraid of him. And what did Jesus do? Jesus healed him. The devils were cast into the swine, and they all ran into the river. If I was there, I would have told Jesus.

FOLEY: One minute.

CHAMBERS: I would have tried to reason with him. These poor animals didn't do anything wrong. Don't punish them. But that's the way the "Bibble" works. The people who need government the most are the ones who are trod upon by the government and I'm going to make it as difficult for that trodding upon as I can. And there are some of you who have been here and know that I'm not going to get tired. I'm not going to lose my voice. I will not lose my will. I've got to spend 90--

FOLEY: Senator Chambers, that's time. You're now on your third opportunity. Your time starts now for five minutes.

CHAMBERS: It's my time?

FOLEY: Yes, sir.

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CHAMBERS: Thank you, Mr. President. I've got to spend 90 legislative days here. It doesn't matter to me what I'm doing during those 90 days. Ordinarily, I don't have to do everything for each of those days. But maybe I can learn something about myself, just how long can I carry out my opposition to what the Legislature is doing, because I visualize it as trampling upon the poor. Jesus said the poor, you'll have with you always, probably because there are people like those in this Legislature who could alleviate poverty, but instead of fighting poverty, they fight the poor. The people who support this bill will talk about how downtrodden the individuals are who need to get these loans, and because of their bad situation, the Legislature is justified in doing bad things to them to make their circumstances worse. I'm not going to mention the name of a woman in a song who was supposed to be one so cold she poured water on a drowning man. He probably deserved worse than that, so she was being merciful to him. Men run this Legislature, and I don't care how offended any woman gets from me pointing that out. Women don't have to be in a minority in this Legislature if women would vote. Get out and vote. And just because you get a place in this Legislature doesn't mean that every woman individually can do it the way you did. You may have had people donating to you. You may have had a recognizable name. The poor have numbers. Those numbers have to be marshaled, given direction. Then those people have to be persuaded to take action. They're not going to get any consideration from a hardhearted Legislature such as this. You know what makes you all exceedingly hardhearted? The fact that you pray every morning and then do your viciousness. Most people on the street don't say prayers and then go do the wrong they're going to do. They just go and do it. They don't want to think about God. They don't want to think about Christ. They don't want to think about anything except what they are going to do. They're better than you all. They are what they are. You all wear the livery of a hypocrite. The prayers, what are they for? You all pray, and then you're going to pass a bill like this and make it harder on the poor than it is already. If getting a loan from one of these online users, and you say that's bad, but the Legislature is less bad because it doesn't allow a rate of usury quite at that level. Twenty-nine percent for every dollar that you borrow, you've got to give 29 cents for it, and this is a moral, Christian universe, Legislature? Where are the Catholics? You all have a philosophy--

FOLEY: One minute.

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CHAMBERS: --of social justice. You all are taught to be concerned about the poor and to help the poor. But I venture to say there are Catholics on this floor who voted for this usurious bill. So all of that is wind, blowing in the wind. It means nothing. The trees with the most leaves and the least fruit make the most noise when the wind blows through, but they're of no value. So I am going to have to show by my example that if I cannot persuade you to do the right thing, then I'm going to punish you. Doesn't that sound arrogant? One man out of 49, and he's talking about punishing people in the Legislature? The Legislature which has--

FOLEY: That's time, Senator.

CHAMBERS: Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Mr. Clerk.

CLERK: Mr. President, Senator Chambers would move to indefinitely postpone the bill. Senator Lindstrom, you have the option to take that motion up now or lay the bill over.

LINDSTROM: I'll take it up.

FOLEY: Senator Chambers, you're recognized to open on your motion.

CHAMBERS: Thank you, Mr. President. I listen to words, I listen to construction of words, and sometimes I add to them. Senator Lindstrom said about this bill, he'll take it up. And I'll add to that, I'll take up the time. You all don't want to hear my moralizing, but since you love this bill, it's like a love letter straight from the heart? No. It's like a dagger into the heart. But this bill says, what I can read, introduced by Lindstrom, 18. Read first time January 11, 2019.

Committee: Banking, Commerce and Insurance. Now I could take those letters BCI and put together three words that would apply to you all and fit you like a glove. There was a piece of paper glued on here and I've got to get some of that off so that I can see what this next word is. I believe it says, a bill for an act, all of those in capital letters, relating to the Nebraska Installment Loan Act; to amend Section 45-1024, Revised Statutes Cumulative Supplement, 2018; to change the rate of interest to be charged on installment loans; to harmonize provisions; and to repeal the

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original section. Be it enacted by the people of the state of Nebraska. Now, brothers and sisters, I must take issue with that. The people of the state of Nebraska are not here. The language does not say, enacted on behalf of the people, but it says enacted by the people. Only some of the people in this state comprise this Legislature, so it's enacted by some of the people of the state of Nebraska. That is being said in the interest of precision and accuracy. Even these hypocritical Christians in here wouldn't say that all of the people of Nebraska are in this Chamber even when everybody's been elected is here. There are only 49 people elected to the Legislature. There is no second house. So everybody here is designated by the word, Senator. There are, therefore, 49 Senators who comprise this Legislature. Nobody would say that all of the one million-plus people in this state have somehow been melted down and their substance distributed among the 49 people who are called Senators, and thereby all of the people of Nebraska are here. Not even metaphorically does that happen. I ought to go get that big set of the Oxford English dictionary so I could read the definition of metaphor. There is another word, analogy. There are similes, and there are figures of speech. And dictionaries are able because they have boards of very-- consisting of very intelligent people who can very precisely define words so that if a person is of a mind, he or she can speak with greater precision than anybody in America thinks with. But let me go on. Be it enacted by some of the people of the state of Nebraska. There is nothing that indicates that the intention of the people, these 49, is to act in a way that benefits the people of the state of Nebraska. This bill, obviously, benefits some people, the loan sharks. So maybe you could say that the loan sharks converted that committee that heard this bill, the Banking Committee, into the shark tank. It was very welcoming to the loan sharks. People sitting on that committee who took an oath. I know they took the oath because I've seen it done numerous times. They all line up in front of this Chamber. They all face that wall. An elderly gentleman comes here in a gown, which some people might equate with a dress, and he'll stand up there, and he'll survey these people who are going to take the oath of office. He doesn't have to think about it because it is laid out precisely and explicitly in the Constitution of the state of Nebraska and it's referred to as the oath of office. And to put it in a nutshell, he tells all of them to raise their right hand. And so all of them, and some of them do like this, and he'll look over his eyeglasses-- see, when you wear eyeglasses, you put them on in this manner and when you want to emphasize something, you drop it down lower on your nose and look over the top. And he drops it down over so he can look over the top and he says without pointing anybody out, your other right hand,-- oh, then they put the other one up. That's like in the Army when they're

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teaching you to march, putting one foot in front of the other. If Senator Brewer were here, he could tell you which is the foot you always begin on when you're going to begin marching. Some people say that there's a certain foot you start on when you're going to dance. But at any rate, when they are all assembled and all have the proper hand raised, then he begins. And he will tell them by reading those words that you, when you take this oath, are swearing or giving an affirmation--

FOLEY: One minute.

CHAMBERS: --that you will discharge the responsibilities and duties of this office to the best of your ability. And then there is some silliness about never having accepted anything in exchange for a vote or promising this or that, which nobody pays attention to anyway. And after they all get through going through that ritual, which means nothing, it's perfunctory, it's a ceremony, then they all take their seats. Sometimes people cheer. Because it is such an auspicious-- I didn't say suspicious-- it's such an auspicious occasion, family members, friends, and miscellaneous spectators and watchers will fill the balconies. Balconies on either side of the Chamber--

FOLEY: That's time, Senator.

CHAMBERS: --and in the back. You said time?

FOLEY: Yes, sir.

CHAMBERS: Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Lindstrom.

LINDSTROM: Thank you, Mr. President. I stand in opposition to the IPP motion. I did want to touch on who is the average customer that comes into the installment loan facilities, the brick and mortar facilities. These individuals on average have an annual income of \$49,000. They have had their same job, 62 percent for five years or longer. The breakdown of what they typically use these loans for, debt consolidation is the main one at 38 percent. To pay household bills is 19

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percent; auto repair, 11 percent; home repair, 9 percent. So these are individuals that, again, are seeking credit and that's what it comes down to. If these businesses go out of business, then they're left with either, one, going to a payday loan facility where they're going to get charged up to 400-plus percent, or they're going to go online and get charged up to 36 percent on an unregulated platform. So if these businesses go out of business, you're essentially pushing these folks to get charged 36 percent. But I understand this is not an easy bill, but it comes down to business, and how to keep the doors open. And what they feel is their break-even is that 29 percent. So I urge the body to vote no on the IPP motion and vote yes on LB188. Thank you, Mr. President.

FOLEY: Thank you, Senator Lindstrom. Senator Groene.

GROENE: Thank you, Mr. President. I just wanted to stand and give a little cause and effect. Back before 2009, did you see these payday loans on every street corner? No, you didn't. But in the wisdom of Washington, D.C. when we had the bank crisis in 2009, in 2010 they passed Dodd-Frank. It was going to solve it all. They put a lot of restrictions on credit card companies, and guess what? The credit card companies no longer offered credit cards to people with high risk because they couldn't get the interest rates they needed, but guess what also? Because the credit cards had a bigger pool of clients and a bigger pool of money, they could manage it, and the interest rates were 25 percent, maybe 20 percent. And guess what? The single mother with a washing machine could make a \$10 payment one month and \$100 the next month. That doesn't work with payday loans. So this is cause and effect, because of what happened in Washington, D.C., when they passed Dodd-Frank. So now these folks are desperate and they are victims of whatever, of high interest loans. You can thank Washington, D.C., and the President and majority Congress at that time for saving all of these folks from high credit card interest, which were a lot less than this. Thank you. I'm not-- I am still undecided how to vote. Somebody needs a washing machine, but gosh, you don't want to get them stuck either. Thank you.

FOLEY: Thank you, Senator Groene. Senator Moser.

MOSER: Thank you, Mr. President. The interest rates charged on loans vary from-- I'm not 100 percent knowledgeable about the market at the moment, but I would guess somewhere around 5

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or 6 percent for the people who have the very best credit. And then, kind of sky is the limit for the people who really get themselves into a predicament. And a prudent person would go and try to borrow money at the lowest interest rate that you can, but in order to get us a good interest rate, you need to have a good credit score or a credit score commensurate with the interest rate that they're offering. And that's all based on the likelihood that they're going to default on the loan. And so these are desperate people. People who have a problem that only this level of desperation is appropriate for. Something was said before about whether the likely people who would borrow money at this interest rate would have known that this was coming before the Legislature, and, you know, I might stipulate to the point that they probably don't know that we were going to talk about that. But I think if they were here and you knew the desperation that some of these lenders had, I think they would support this, crazy as it may sound. And I'm sure when our constituents read this in the newspaper that we're talking about almost 30 percent interest rates on installment loans, they're going to think that's crazy, but that's because they haven't been in that situation. I have had people who wrote me bad checks in my business and I've heard all kinds of stories. And I've worked them all out. Luckily, I haven't had to take anybody to court in a long time to try to collect the bad check. But you just don't know the desperation that some of these people feel, the situation that they get themselves in. If you could-- if you had the authority to control loans from all across the world or across the country and control those interest rates, I'd talk about that. But we have to live in the world that we're in. We have to deal with the hand we're dealt. And I just don't see how depriving these people of this interest rate is helping them when they're going to have to go to somebody who charges them even more. Yes, they need counseling. Yes, they need to decide to get their bills under control. You know, they need help. But I think we're all thinking from our perspective where we have reasonable credit. We can borrow money if we need to. These are people who have nowhere else to go. And, you know, you're pushing them to an even higher level of interest and from that standpoint, you know, crazy as it is, I think I'd still vote to allow the interest rate to increase. Thank you.

FOLEY: Thank you, Senator Moser. Senator Chambers.

CHAMBERS: Thank you. Mr. President and members of the Legislature, no paupers have been in this Legislature. Usually if you get a pink slip, it's bad news. You all got a pink slip the other

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day. You know what it told you? It told you that you're going to be able to collect some expense money while you are in this Legislature in session. You know why? Because a black man who speaks for the poor took it all the way to the Supreme Court and won. And you all benefit from it. None of you on this floor did anything about it to bring it about. I did. And I'm the villain, until I do something that helps you. Your pink slip every time you get it and you sign it, look at that bottom line of yours and see how much more money you get because of the expenses you're allowed to claim. And the farther you live from here, if you drive regularly, the more you get, and you don't turn it down. You got somebody looking out for you, but you don't look out for the unfortunate people we say we're here for. Well, there's a guy who wrote *Invictus*. I think his name was something like Ernest Thompson, Thomas Henley, or something. And one line said, I thank what, out of the night that covers me, black as the pitch from pole to pole, I thank whatever gods may be. That's what I want to tell you. If there are Gods, I thank them that they made me the way I am and not like you all. And you all reciprocate. You're glad that you're not like me. But there are people who need help and they're happier that I'm here than you're here. I pay attention to people who speak on this floor. Senator Moser the other day was giving a talk and said that if all somebody has is a hammer, everything looks like a nail. His perspective is business, so he brings a business perspective to things that he deals with. And if you ask him, he'd say, I got it right. That's what he said. The rest of you couldn't say what he said because you don't pay attention to anybody, and I pay attention to all of you. My brain is like a Rolodex. That's where I put information, and when I need it, I can pull it out at my advanced age. And the older I get, the more I put into it. And the more I remember and the sharper it makes my judgment and my ability to divide a straw between the north and the northwest side. That's what Jesuits were supposed to do. So, I told you what I intend to do. Senator Groene said he's not sure how he's going to vote for this bill. I have to put my glasses on. That's the way you can take time and be dramatic. What Clarence Darrow did one time, cross-examining a witness and he wore glasses, and he took his glasses off. He went over and there was a large window through which sunlight was coming. And he took his glasses and pulled out his handkerchief. I don't have a handkerchief because I don't blow snot on a handkerchief and then stick it back in my pocket. Clarence Darrow's handkerchief was like this cloth that I have. Nothing was blown on it, and he blew on his glasses in the following way.

FOLEY: One minute.

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CHAMBERS: Hah. Hah. Checked it out. Hah. And everybody knows that he's going to skewer this witness. And after he had his glasses polished appropriately, he didn't even put them back on. He just dropped his arm to his side, looked at the judge, looked at the witness, looked at the people in the courtroom and said, no questions, your honor. That's what lawyers do, that's what dramatic people do, actors and actresses. This is a play and you're all but poor actors spending your few moments on the stage. And your lines are as a tale told by an idiot full of sound and fury signifying nothing.

FOLEY: Time, Senator.

CHAMBERS: Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Walz.

WALZ: Thank you, Mr. President. Well, I just wanted to stand up real quick. I've been listening to the debate and I certainly understand and agree that there are people who have emergency situations. I know that there are a few times that my husband and I when we were young had a lot of times when we needed some cash because something broke down and I know a lot of people also who are in that situation. But I want to remind you that this is not a debate on whether or not there are people who are in desperate need of some help. We all know that there are a lot of people who need help and this is not a debate about the lenders themselves. And this certainly isn't a debate about a bill about depriving people. This bill is about the amount of interest that can be charged to people, and that is the thing that concerns me. I looked up a quick example of, if a person took out a \$5,000-- of the loan amount was \$5,000, at 36 percent interest for five years or sixty months, the total amount of interest paid is \$5,839.89. That's \$839 more than the loan itself. And that is the thing that concerns me about this. Again, I don't think this is a debate about whether or not there should be places available to people who are in emergency situations, this is a debate about the amount of interest that can be charged. And I think that's something that we all need to think about. Thank you, and I would like to yield the rest of my time to Senator Chambers.

FOLEY: Thank you, Senator Walz. Senator Chambers, 3:00.

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CHAMBERS: Thank you, Senator Walz. Members of the Legislature, Senator Walz hit the nail on the head to tailgate on what Senator Moser said about you have a hammer. What was described by Senator Williams is the perfect description of extortion. You get somebody in a totally helpless, defenseless position, then you extort from them what you want. It's always somebody's strong taking advantage of somebody weak. The mob used to do it. And now they don't call themselves La Coso Nostra, our thing. They call them banks. The mobsters are bankers and they have little subfamilies called the loan sharks. And the reputable bankers come here and front for the loan sharks. That doesn't fool me. Their product is money. They make money off money. When I put money in any establishment, whether it's bank or credit union, they don't give me the amount of interest for using my money that they charge somebody if that person borrows my money. So the institution makes money off my money. Then they're going to gouge everybody else and come on this floor. It wouldn't matter to me if nobody votes on any of the offerings that I make whether they're motions or amendments. La Coso means "the thing." Nostra, "ours". La Coso Nostra is, our thing. That's what the mobsters called their operation. Well, when I'm on this floor, it's La Coso Mea.

FOLEY: One minute.

CHAMBERS: Not our. I don't need any help. Mea is "mine". This is my thing. La Cosa Mea. And I'm going to take my time and exercise every prerogative that I have. And you all get upset with this, but you don't stop to think about the harm you're doing to people out there who are just trying to scrape and make a living, and you're going to be the handmaidens, and hand whatever they call men, of the loan sharks. I don't respect you. How can I respect you? And you don't want my respect. You just don't want me to talk about you on the floor in a disrespectful way, but if your conduct doesn't merit respect, I'm not going to act like I respect you, but I'm not going to call you names like your President. I wouldn't call anybody anywhere an S.O.B. and use the words. I wouldn't boast about grabbing a woman by her genitals which your President did, and you all don't even talk about that.

FOLEY: Time, Senator. That's time, Senator.

SENATOR CHAMBERS: Thank you, Mr. President.

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FOLEY: Thank you, Senator Chambers. Senator Morfeld.

MORFELD: Thank you, Mr. President. And colleagues, I was not voting on the original bill because it came up fairly quickly and I wanted time to consider it and also do some research. I have done that research, I've considered it. I'm in support of the motion to indefinitely postpone and in opposition to the bill for a few different reasons. First, for me this is a moral issue. I don't think that we should be allowing lenders to charge more in interest with the loan than the actual loan itself. I think that that's a problem. Senator Walz did a quick calculation, she noted on the floor here, if you have 30 percent on a five-year, \$5,000 loan, you're paying more in interest than the loan itself. And I understand the arguments that there needs to be accessible credit and accessible resources, particularly for people who have bad credit, but there are other ways of building up good credit-- getting other cosigners, other individuals, paying your bills on time over the course of several years, to be able to build that credit to be able to get back in to a situation where you can be able to have a better credit score and have a greater ability to get that type of credit. There are other ways to do that than simply participating in what I call here a race to the bottom. This is a race to the bottom. Because we're going to increase-- if we increase it right now to 30 percent, the same people are going to be back here five years from now saying the online folks are squeezing us again, we got to be up to 35 percent. That's exactly what has led to our payday lending problem that is squeezing constituents in my district in particular and in many of your guys' districts dry. It's a race to the bottom and every year they'll keep coming back, stating, oh, gosh, you know what, the people out of state, they're able to charge more in interest, we need it to be able to survive. Colleagues, I'll commit to you right now that I'll work with Senator Lindstrom and other folks to make it so that we come up with strong regulations that makes it so that outside lenders, out of the state, online lenders, cannot operate with residents in the state of Nebraska. We can empower the Attorney General and the Consumer Protection Division in his office to be able to go after those folks and be able to stop this type of loan. And then we can level the playing field for those that operate in state. Now I know that that's not the bill before us right now and I know that that doesn't solve some of the problems that some of these operators that are operating in state are currently facing financially. That being said, if you can't make money off of 24 percent interest loan, then that person needs to work, we need to provide them other options to build up their credit instead of getting locked into a loan where you're paying more interest than the loan itself on the terms of the loan. This is not the

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solution, colleagues. This is a race to the bottom. I urge you to support the motion to indefinitely postpone, and I urge you to vote against the bill. Thank you.

FOLEY: Thank you, Senator Morfeld. Senator Chambers.

CHAMBERS: Thank you, Mr. President. I don't think people believe what I say on this floor. I'm going to direct your attention to something I'm going to read from your Constitution. Article XV, miscellaneous provisions. Section 1. Official oath. And this is what the man in the dress or gown administers to you all and you lie when you take it. Executive and judicial officers and members of the Legislature, before they enter upon their official duties shall take and subscribe the following oath, which you all do and lie, or affirmation, which I do and tell the truth and exemplify by my conduct here. Going back. Quote. "I do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the state of Nebraska, and will faithfully discharge the duties of whatever office it is, according to the best of my ability, and that at the election at which I was chosen to fill said office, I have not improperly, not improperly-- hum-- so there's a proper way to do this. Influence in my way, in anyway the vote of any elector and have not accepted nor will I accept or receive, directly or indirectly, any money or other valuable thing from any corporation, company, or person, or any promise of office for any official act or influence, (for my vote I may give or withhold on any bill, resolution, or appropriation) end of quote, as far as the words I was going to read. You swore to carry out the duties of this office to the best of your ability. If this is the best of your ability, you shouldn't even be here. What about all that stuff you used to talk about family values. You know what the typical businessman is. He's such a liar, thief, and dishonest man that in a movie, It's a Mad, Mad, Mad, Mad World, there were all these people trying to find a treasure. And there were hints given along the way. And when they finally came across it, everybody was talking about what they were going to do with their money and Jonathan Winters wanted to know if they were going to pay taxes and everybody laughed. And Jonathan Winters said, well, even businessmen who lie, cheat, and steal, they pay taxes, but they pay them under duress and probably under protest. And you dumbbells who love Trump, you're now being told on television that your income tax returns when filed, if you have something coming back, it's going to be a lesser amount than it was before Trump did what he did to you all with his tax bill.

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FOLEY: One minute.

CHAMBERS: But you all don't pay attention to anything because you're wrapped up in him. I'm wrapped up in people who have no voice, who cannot stand up for themselves, who if they spoke would not be listened to. I've heard so many fine speeches given on this floor when other issues were under discussion. I'm going to hear a lot of people talking about the pitiful plight of the farmer and how property tax relief must be granted. But you don't care about these people who are worse off than that. The farmer's got a place to live, hasn't he? A farmer can grow his own food, can he not? Does he not? You all don't care about the people and you lied when you took that oath. Talking about you're going to do this job to the best of your ability. From having listened to you, I know despite my criticisms and ridiculing of you on occasion, that you all have more ability than what you're manifesting on these types of bills. You have great compassion, great empathy for the big shots and those who don't need it. They are what you aspire to.

FOLEY: Time, Senator.

CHAMBERS: Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Hunt.

HUNT: Thank you, Mr. President. I rise in support of this IPP motion and in opposition to the underlying bill. I hear a lot of people on floor who all of a sudden really want to help single mothers and really want to help people in poverty and we think that the brilliant way that we're going to do this is to allow people to borrow at a 29 percent interest rate. And the people I talk to in my community, the people from my district, it's not going to help them to be able to go deeper and deeper into debt. What they're asking for is access to health care. What they're asking for is access to child care, to be able to make a living wage. Single mothers are disproportionately more likely to work for a tipped wage, to work for the subminimum wage, which is 3.12, 3.14 an hour. And that hasn't even gone up since 1991. So I just want to say that there are a lot of things that we can do to help people out of poverty, that the state can do to help them succeed, not helping them go further into debt. And I agree that we have a lot of problems with other loan operators, whether they're online or out of state. And I agree with Senator Morfeld and Senator

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Walz who want to work toward a solution on those issues, but this is not a solution I can support. And with that, I would yield the rest of my time to Senator Lindstrom. Thank you.

FOLEY: Thank you, Senator Hunt. Senator Lindstrom, you're recognized.

LINDSTROM: Thank you, Mr. President. Thank you, Senator Hunt. In having several discussions this morning, I appreciate the debate this morning. I understand that it's a difficult issue, but I did talk to the Speaker and would like to hold the bill over to try to make it better between now and the next time we talk about it, and I'll work with anybody that wants to. Senator Morfeld, Senator Vargas, I know are interested in that. So, I appreciate the debate, and I'll yield my time back to the Chair. Thank you.

FOLEY: Thank you, Senator Lindstrom. Speaker Scheer.

SCHEER: Thank you, Mr. President. Mr. Clerk, we will put a Speaker's hold on this bill and move back to the agenda items. Thank you.

FOLEY: Thank you, Mr. Speaker. Members, you recall that we were on LB42 earlier this morning and Senator Hilkemann was not available at that time, so we're going to go back to LB42. Mr. Clerk.

CLERK: Mr. President, with respect to LB42, Senator Hilkemann would move to amend with AM195.

FOLEY: Senator Hilkemann, you're recognized to open on AM195.

HILKEMANN: Thank you, Mr. President. Good morning to you all. As you may remember, LB42 is a bill that applies to condominiums and would require an annual registration of the condominium board or other administrative body to be filed with the register of deeds office in the county where the condominium is located. This would clarify who should receive legal notices involving the common elements for all condominiums with this registration. Currently, if an entity such as a city needs to serve notices following complaints of things such as weed

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control or litter in the common area of the condominium, it can be nearly impossible for the city to determine the appropriate responsible party for whom to serve this notice. The amendment on the board addresses two minor issues that were brought to our attention during General File. First, it adds additional language that the filing is a condominium statement listing the name of such board or other administrative body. The second change addresses the issue of the notice in the absence of a filing. Rather than posting at the entrance of each building in the condominium, we amended it to say at the entrance of the condominium at main office or other prominent locations in the common area of the condominium. I believe this allows Senator Clements concern of a notice being placed on structures such as garages and sheds. Senator Clements and I have discussed the issues he brought on General File. I won't speak for him, I think he's going to be speaking on this as well, but I will say that it's important that we apply this to all condominiums whether incorporated or not. Unfortunately, the filings with the Secretary of State's Office on corporations are not always sufficient. There's sometimes there's the lag in that. So a final reminder that LB42 received no opposition at the public hearing, was advanced unanimously by the Banking, Commerce and Insurance Committee, and I would be grateful for the support to advance LB42 to General File and accept this amendment as presented.

FOLEY: Thank you, Senator Hilkemann. Debate is now open on AM195. Senator Clements.

CLEMENTS: Thank you, Mr. President. I stand in support of AM195. It may not have been everything that I wanted, but it's satisfactory to meet my situation of the posting of notice in one place rather than on every building, that was important. And I'm glad that that was inserted. Also there is no penalty for a condominium who fails to make this filing annually. And that was important to me if they just choose not to file, then the notice can just be put on the property and main location. My condominium may or may not file and I don't think we have a problem with any nuisances anyway. The one thing I see, that this, for a condominium is incorporated and in good standing with the Secretary of State, this does not require a filing with their registered agent which frequently I think corporations receive notice through their registered agent. They're going to have to be aware that the board itself will be the ones getting notice if they fail to file their annual statement. So the amendment satisfies the objections I had satisfactorily and I stand in favor of it and I yield my time to the Chair. Thank you.

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FOLEY: Thank you, Senator Clements. Is there any further discussion to AM195? I see none, Senator Hilkemann, you're recognized to close on your amendment. He waives closing. The question for the body is the adoption of AM195 to LB42. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 37 ayes, 0 nays on the adoption of Senator Hilkemann's amendment.

FOLEY: AM195 is adopted. Anything further on the bill, Mr. Clerk?

CLERK: Nothing further, Mr. President.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB42 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB42 advances. Now we'll proceed back to the agenda where we left off, LB258. Mr. Clerk.

CLERK: LB258, Senator, does have Enrollment and Review amendments.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that the E&R amendments to LB258 be adopted.

FOLEY: Motion is to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Nothing further, Senator.

FOLEY: Senator Slama.

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SLAMA: Mr. President, I move that LB258 be advanced to E&R for engrossing.

FOLEY: It's a debatable motion. Senator Chambers, you're recognized.

CHAMBERS: Thank you. Mr. President and members of the Legislature, and Senator Williams, he and I are going to have a conversation not on the mike, but if I was engaged in the kind of discussion I was this morning and was a one idea individual, this bill would be in my sights for doing everything I could to stop it. But that is not the way I operate across the board. But I do have to say this, and I say it in front of the person that it will concern. Ever since I became aware of Senator Williams aside from just being a member of the Legislature, I have had profound respect for him. I still respect him, but I think that the way he makes his living sometimes will put a little smudge on his moral eyeglasses. But if he will listen to me and borrow my smudge remover cloth, I think we can restore his vision to where it ought to be. I don't look for much out of people on this floor. And I'm not disappointed. But Senator Williams kind of threw me a curve and the reason I'm speaking now is because I had made some comments that were relatively harsh during the discussion of that other bill. From now on, I will have to review some bills more carefully than I had done thus far in the session. This particular bill would not have gotten my attention because of the name of the person who is the introducer. But I'm going to read it and I would be better situated to determine whether there are things that I find fault with when it comes up on Final Reading. And that is all that I have to say. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Members, the motion before you is to advance the bill to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB258 advances. Next bill is LB259. Mr. Clerk.

CLERK: Senator, I have no amendments to the bill.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB259 be advanced to E&R for engrossing.

FOLEY: It's a debatable motion. Senator Chambers, you're recognized.

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CHAMBERS: Thank you. Mr. President and members of the Legislature, I would like to ask Senator Lindstrom, who is the introducer of this bill, a question or two.

FOLEY: Senator Lindstrom, would you yield, please?

LINDSTROM: Yes, I will.

CHAMBERS: Senator Lindstrom, this is what is stated on the agenda sheet following your name. Change consumer protection provisions under the Securities Act of Nebraska, the Commodity Code, and the Consumer Rental Purchase Agreement Act. Which special interest groups will benefit from this bill that you're bringing?

LINDSTROM: I don't know about special interest, but it does allow certain sectors in the financial world to operate, gets them in line with the federal changes. So investment advisors are a part of this bill.

CHAMBERS: Are you saying that it primarily brings Nebraska in line with the federal rules, regulations, and whatnot?

LINDSTROM: That's correct.

CHAMBERS: And do you agree with those federal standards?

LINDSTROM: I do.

CHAMBERS: If you didn't agree with them, would you bring this bill anyway?

LINDSTROM: No.

CHAMBERS: So then the bill is not necessary, is it, to be in compliance with any federal requirements?

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LINDSTROM: It is necessary.

CHAMBERS: It is or isn't?

LINDSTROM: It is.

CHAMBERS: Why?

LINDSTROM: Because if we are not in compliance, then those individuals cannot operate in a legal way. This deals with the federal Securities and Exchange Commission, things of that nature.

CHAMBERS: So there's a limit to what the state can do because there are federal rules and regulations, is that correct?

LINDSTROM: Right.

CHAMBERS: But that is not the case with that last bill we had. It's just our moral and ethical standards that will set the limit as to what we might do when it comes to these lending operations.

LINDSTROM: From a certain point of view, yes.

CHAMBERS: Thank you. How much time do I have, Mr. President?

FOLEY: About 2:35.

CHAMBERS: What I am allowed to do under the rules is present my opinion in any way that I choose, and if I want to cogitate for a while to make sure that I have my words ordered in such a manner, that when I utter them they will convey to whoever might be listening the thought that is in my mind. Then I might have to just stand for a short time and riffle through my Rolodex until I come to the right spot and I will stop and I will look at what is on that particular mental card.

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I'm giving an analogy. I'm formulating a metaphor, and when I get through, it might even be a parable. There are so many different words that have been contrived to describe when we're speaking and not saying what we mean. And if we attach one of those words to it, we're not considered to be lying, we're not considered to be intentionally deceiving, but we're not saying what we mean.

FOLEY: One minute.

CHAMBERS: If I say Senator Lowe has a mind as sharp as a tack, his mind is not a tack. Tacks are not sharp. They might have a point, but there's a difference between a fine point and something being sharp. But we're not that careful when we speak, and people who listen are as fuzzy in their thinking as we are in our speaking and it's why a lot of times misunderstandings develop when in reality the two people are hand in glove. But one does not express himself or herself clearly and the listener does not perceive what it is that speaker is really trying to say. Friends have falling outs.

FOLEY: It's time, Senator.

CHAMBERS: Thank you, Mr. President.

FOLEY: Senator Chambers, you're recognized.

CHAMBERS: I'm not going to spend a lot of time on this bill, but this morning there are some things that I have to say. When the friends cool down and they talk, then the one who spoke says, well, what you understood was not what I meant. And then the one you heard it said, if you had said it that way, I wouldn't have been upset. You weren't clear. Then they're friends again and do whatever friends do when they make up. There are so many problems which could be avoided if in the schools our children were taught by teachers. And when I say schools, I don't just mean grade school and high school. Even at the university's level, emphasize the importance of language, and that can best be achieved by having people write, write, and write some more, but those things are not done. When I look at the technology that people are becoming so enamored of-- oh, and by the way, you're not enamored with something, you're enamored of it, and the way

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that will help you remember is to substitute the word fond. You are fond of, not fond with. Who even cares about things like that? I do, and it causes me to wonder about this society which will put somebody like Donald Trump in office and then lick his spit. Slurp up his vomit. The moral filth that this man symbolizes. And your Governor embraces him, follows him. White people have the privilege of doing that. And I don't apply that to all white people because people don't mention it, but Hillary Clinton got more votes than Donald Trump did. Did you all know that? And when he talks about all these votes he got, she got more votes from the public than he did. And what women ought to be doing is pointing out that history is going to be kinder to Hillary Clinton. You know what her problem was? Not with her, but with the weak, sniveling men who couldn't deal with an intelligent, forceful, determined woman. And the women who are conditioned to follow what these men tell them. And if nuns who are supposed to be following God can be set aside to service these priests sexually and it was known in the church, why do you all be Catholics? Why do you want somebody else to get into that kind of a situation? But Catholics are not alone. There's information after an investigation that among the Southern Baptists, during the last 20 years, hundreds and hundreds of their leaders and workers were involved in sexual misconduct. See they trick women.

FOLEY: One minute.

CHAMBERS: Trick little boys and then they commit every manner of wickedness, then they're going to stand up there and preach to you about how you ought to behave. That's why you know people by their works. Watch people. Don't listen to what they say. Kids used to say, I can't hear you for seeing what you do. And then if a child said anything, the adult might slap the child into the middle of next week as they called it. The cruelty, the viciousness, the readiness to do bad things to those who are weak, and either don't know how to fight or cannot fight. There need to be more people like me. There are people smarter than I am, I presume, but they won't speak up. They won't convert their supposed principles into action--

FOLEY: Time, Senator.

CHAMBERS: --toward solving problems. Thank you, Mr. President.

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FOLEY: Senator Chambers, you may continue on your third opportunity.

CHAMBERS: And this is the last time I'll speak on this one because it's my third time. I'm going to take opportunities to try to persuade, goad, challenge you all to be what you can become. Not stay what you are. You should always be trying to move forward and higher. You have a neck at the end of which is your head. You can bend your neck in such a way that you can look down at the ground all the time. You can hold it level and look straight ahead. You can even elevate it and look at the stars. But what happens in this country? What happens in countries all over the world and throughout history? Bad things. They talk about the migrant crisis in Europe. You know what's ironic to me? The people coming to Europe come from countries where the white Europeans went, colonized, exploited, and now those chickens are coming home to roost and the white Europeans don't like it. Africans didn't invade Europe. Europeans invaded Africa, India, the so-called Orient. Everywhere there were not white Europeans, the Europeans went. And they would get a map, and all these white men would get together, smoking pipes, cigars, full of themselves, lay that map on the table, they say, ahem, this is what Africa looks like, we're going to draw this line here and we'll intersect it with that one and then bisect it with the other one. And somebody from Belgium says, no, I don't want-- no, you're not going to do that because what I want is here. They say, well, if I give you that, then are you going to give me this. And the people who are embraced within that map have nothing to say about it, don't even know that they're being bartered and sold by white men who are going to come, destroy their culture, rape their women, enslave the men, and bring so-called Christianity, which is rotten to the core. All of the so-called explorers were Christians and brought that pestiferous, infectious disease every place they went. No place was better after they came. And the white people who tried to speak up were treated very, very harshly. So not all white people agreed with what their so-called supposed leaders were doing. But they developed a fearfulness because to speak was to put yourself in a position to be annihilated while accomplishing nothing. So they were like those people who are beaten down, bridled, saddled, ready to be ridden. Wherever the Europeans went. In this country they wiped out mountain lions in certain areas. They stood on top of thousands of skulls of bison which they slaughtered because they loved to kill for the love of killing.

FOLEY: One minute.

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CHAMBERS: Everywhere they go, and they're doing it now. One dentist went to Africa. There was this iconic lion with the black mane. He was almost tame. And he went there and with one of these high-powered rifles shot him, to vindicate his manhood. His manhood, that's what I see, these cowards. Now, I'd think more of them if they wanted to hunt mountain lions with a dagger, but they're not going to do that. They hunt men. And they hunted us with dogs, and let the dogs rip us to shreds. I'm going to share an article with you all where a governor pardoned some black men, one of them-- all of them had been falsely accused of doing something bad to a white woman. One of them was chased down by 1,000 white men and shot more than 400 times.

FOLEY: Time, Senator.

CHAMBERS: One man more than 400 times. Thank you Mr. President.

FOLEY: Thank you Senator Chambers. Members, you heard the motion to advance LB259 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB259 advances. Proceeding now to LB355. Mr. Clerk.

CLERK: Senator, I have no amendments to LB355.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB355 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB355 advances. Next bill is LB56.

CLERK: Senator, LB56, I have no amendments to the bill.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB56 be advanced to E&R for engrossing.

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FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB56 advances. LB75. Mr. Clerk.

CLERK: LB75, Senator, I have no amendments to the bill.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB75 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance LB75 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB75 advances. LB11, Mr. Clerk.

CLERK: LB11, Senator, has no amendments.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB11 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance LB11. Those in favor vote aye. Those opposed say nay. LB11 advances. Next bill, Mr. Clerk.

CLERK: LB57, Senator, I have no amendments to the bill.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB57 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB57 advances. Proceeding to LB121. Mr. Clerk.

CLERK: LB121, Senator, I have no amendments to the bill.

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FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB121 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance LB121 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB121 advances. LB63. Mr. Clerk.

CLERK: LB63, Senator, it does have Enrollment and Review amendments pending.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that the E&R amendments to LB63 be adopted.

FOLEY: Motion before you is to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Anything further, Mr. Clerk?

CLERK: I do, Mr. President. Senator Groene would move to amend with AM187.

FOLEY: Senator Groene, you're recognized to open on your amendment.

GROENE: Thank you, Mr. President. The state treasurer brought us an amendment because they oversee the documentation and the filing of the mutual finance organizations. AM187 is a simple amendment. It amends Section 5, statute 35-1207. It clarifies their rural or suburban fire protection districts or mutual finance organizations, seeking funds pursuant to the Mutual Finance Assistance Act must submit any forms required by the state treasurer. Current statute only refer to an application making it unclear that multiple forms must be provided. The intent of this amendment is to ensure that the state treasurer receives all necessary material from applicants. These necessary materials are the application for rural fire district assistance, the mutual finance organization affidavit, the calculation spreadsheet and a distribution of prior year funding. It just clarifies to those fire districts that are traded in MFO, which forms and information they need to have when they apply for payment from the treasurer. I appreciate a green vote on AM187.

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FOLEY: Thank you, Senator Groene. Is there any discussion on AM187? I see none, Senator Groene, you're recognized to close on your amendment. He waives closing. The question for the body is the adoption of AM187. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 39 ayes, 0 nays on adoption of Senator Groene's amendment.

FOLEY: AM187 is adopted. Anything further on the bill, Mr. Clerk?

CLERK: Nothing further, Mr. President.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB63 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB63 advances. Proceeding to LB32, Mr. Clerk.

CLERK: LB32, Senator, I have no amendments to the bill.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB32 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB32 advances. LB65, Mr. Clerk.

CLERK: LB65, I have no amendments to the bill, Senator.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB65 be advanced to E&R for engrossing.

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FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB65 advances. Finally, LB102. Mr. Clerk.

CLERK: LB102, Senator, I have no Enrollment and Review amendments.

FOLEY: Senator Slama.

SLAMA: Mr. President, I move that LB102 be advanced to E&R for engrossing.

FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB102 advances. Pursuant to the agenda, we will now move to General File. But first, we have items for the record.

CLERK: Thank you, Mr. President. A series of items. Enrollment and Review reports LB71 and LB146 to Select File. New A bills. Senator Stinner offers LB4A, a bill for an act to appropriate funds to implement LB4. Senate Wishart, LB450A, a bill for an act to appropriate funds to implement LB450. Senator Crawford offers a new resolution, LR23. That will be laid over. I have a series of hearing notices from both the Judiciary Committee and the Government, Military and Veterans Affairs Committee. Committee reports. Natural Resources reports LB319 to General File. That's offered by Senator Hughes as Chair. Transportation Committee offers LB156 and-- LB156, LB699, and LB8. Those reports signed by Senator Friesen. And, Mr. President, an amendments to be printed, Mr. President, to LB122, by Senator Crawford, and LB614 by Senator Crawford. That's all that I have, Mr. President.

FOLEY: Thank you, Mr. Clerk. Now proceed to General File, LB103, Mr. Clerk.

CLERK: LB103, is a bill by Senator Linehan. (Read title.) Introduced on January 10, referred to the Revenue Committee. The bill was advanced to General File. There are Revenue Committee amendments pending, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Linehan, you're recognized to open on LB103.

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LINEHAN: Thank you, Mr. President. Good morning, colleagues. The committee amendment, AM116, will become the bill. It's to address the issues that were brought up in the hearing regarding the timing and having enough time to be able to get a hearing in-between the time they realized what the valuations were and when they had to set the levy. AM116 will continue to require every county, municipality, school district, learning community, SID, NRD, ESU, and a community college to decrease its tax rate if their taxable valuation increases. An increase in taxable value may not translate into an increase in property dollars from the prior year. This happens automatically. There's nothing in this bill that keeps the NRD, or the school board, or the city council, or the county board from voting to raise the levy back up. One of the reasons I brought this bill is the number of people -- and I'm sure this is true of many of you -- that contacted me concerned about property taxes. Well, I go back when I first got here when Douglas County, especially western Douglas County was experiencing 20 and 30 percent increases in their valuations. And people were legitimately very concerned their property taxes were going up 20 to 30 percent and I tried to make the case that just because the valuations go up the taxes don't have to go up. They have an option of lowering the rates. And everybody-- first of all, there was huge confusion as to how it works. So what I'm trying to do here is to make it much more transparent about how this whole process works. The valuations and levy are two-- neither one is what-- obviously multiplied together equal your property taxes. So political subdivision must hold a hearing on any of the three scenarios requesting property tax dollars as I have outlined. Holding a hearing on requested property tax dollars is a current requirement for these public subdivisions. Notice of this hearing shall be published in a paper of general circulation five days prior to the hearing. If the public subdivision has a budget that does not exceed \$10,000 per year, or \$20,000 biennial period, the notice may be posted at the headquarters five days prior to the hearing. Additional language-- and we did that because the small villages that don't have a paper, they can just put it at the community building or the gas station or wherever they put their notices. Additional language has been added to the notice for special hearing to set the tax request. This notice must contain the certified taxable value for the prior year and the current year, and the percentage increase or decrease in the certified taxable value; the percentage increase or decrease in the property tax rate from the prior year to the current year; the percentage increase or decrease in the total operating budget from the prior year to the current year. Each public-- excuse me, each political subdivision is required to file a resolution or ordinance with the county clerk requesting property tax dollars. The resolution or

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ordinance must be filed on or before October 13th. The committee amendment includes specific information that must be contained in the resolution or ordinance. The resolution or ordinance shall include the name of the public subdivision, the percentage difference in the certified taxable value, the property tax rate that would fund the prior year's tax request using the current year's taxable value; the amount of proposed property tax request; the property tax rate for the proposed property tax request; the percentage increase or decrease in the total operating budget, and a record vote of the governing body. The committee amendment contains feedback we heard at the hearing on LB103, as well as my intentions when I introduced LB103. So this is the other thing I've noticed, and I'm assuming this is your shared experience. People hear that the levy went down or the tax rate was cut and they expect, therefore, that their taxes will go down. So they're delighted. My property tax is going to drop because that's what the headline says. And I have several headlines here that make the point. Tax rate cut. But then when they get their property tax bill, their taxes have actually gone up. So they believe, somehow, they're getting taken to the cleaners and everybody else got a deal, because the paper said the rates were going down. So I just think there's a lot of confusion. And I think if people are going to spend 10 percent or 6 percent or 5 percent more money, that there ought to be a vote to spend more money. Because it actually is a tax increase, because as we all know, we pay our taxes with real money, not by levies or rates. So with that I would ask your green vote on AM116. Thank you.

FOLEY: Senator Lindstrom, did you need additional time to speak to the amendment or does that cover it? Very good. Proceeding now to debate on LB103 and the pending Revenue Committee amendment. Senator Blood.

BLOOD: Thank you, Mr. President. I would ask that Senator Linehan yield to a question.

FOLEY: Senator Linehan, would you yield, please?

LINEHAN: Certainly.

BLOOD: Thank you, Senator. I see why you're bringing this bill forward and I definitely support the effort behind it but I do have a concern and I would ask, have you had an opportunity to speak to anybody from Sarpy County on this bill?

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LINEHAN: I talked to Senator Crawford this morning.

BLOOD: And she is from Sarpy County. I meant more from our municipalities.

LINEHAN: Well, they did submit a letter for the record.

BLOOD: Okay. So the concern that I have and I'm hoping that maybe you can speak with them in reference between General File and Select, is that it does appear that there's some unintended consequences for municipalities that result in a higher bond issuance rate. And that means that could potentially be an increase cost for taxpayers.

LINEHAN: I don't-- she did bring that concern to me and I reread the letter this morning. And I don't-- I don't quite agree with that and even if that is the case, as I explained to Senator Crawford, that would mean when they're issuing the bonds, they're assuming that people's taxes are going to go up. Which is a little disingenuous because when they pass a bond, they say it's only going to cost, as we all know, it's going to be \$50 for a \$150,000 house. So if they're actually passing the bond thinking that it's going to cost more than \$50 for a \$150,000 house, I think that's a little disingenuous.

BLOOD: That's fair enough, but I think there's more issues involved in that. So all I would ask as one of the Senators from Sarpy County is that you do take a moment once we're off the floor and perhaps chat with them about this. The information we got was from their bondsman and there was concern expressed.

LINEHAN: I'd be happy to talk with them.

BLOOD: Thank you, Senator.

FOLEY: Thank you, Senators Blood and Linehan. Senator Friesen.

FRIESEN: Thank you, Mr. President. I stand in support of AM116 and LB103. And in the past, I mean, if any of you have been on boards, you have all had these hearings and nobody shows up.

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And so I've been to-- I've been on numerous boards, city councils, NRD board, and one time we did have, I think, three individuals showed up and they were just there to listen, no comments. Most of them don't understand the process. I think they want to come and talk, they want to discuss it. But it's-- it gets too deep for them. So when I was on a board, any board we were on, if the valuations went up, when you let out that press release that said, hey, guys, we're doing a fantastic job, we're holding the levy the same as last year, but we're bringing in a quarter million dollars more money. I want that to be in the press release. I want them to-- I made them say, we raised taxes. Because me as a board member has to justify that, and I did. We have to raise taxes sometimes, costs go up. All this does, it doesn't help with property tax relief, but it's transparency. Too many times you read the ads in the paper and it all brags about how they held the levy the same or even decreased it by a quarter point, and yet taxes they collected went up. And it's-- it's not transparent, it's not fair to the taxpayer. I think this just promotes transparency. It does not limit them in their ability to go up, and a good board member who has done their job is going to justify that they have to raise taxes 2 percent, 2.5 percent, because they've gone through the budget, they've worked on these things hard, they've had the fights in committee, and now they've decided spending has to go up, and they vote to do it. It's a transparency issue and I think it's one that the citizens understand. And if they want to come to a meeting and say, why are you raising my taxes 3 percent? You, as a board member, should be able to answer that question because you've been working on this for probably 3 to 6 months, designing that budget that was going to raise spending. And this just puts it on paper now that this is how much money you're going to need because your expenses have gone up. So I-- I don't think this bill does any harm. It doesn't really help us with property taxes, but it will help with the perception that we all know that any entity out there, their costs over time do increase, or if you want to tackle new projects, those costs go up. And this just puts you on notice that you're going to have to vote to raise that levy which is what you're doing when you approve a budget. It's just not as transparent as when you actually put it to a levy increase. And so, to me again, this is a transparency issue. You no longer will be able to see these press releases bragging how they held their levy down and yet they were still increasing spending, increasing revenue that they were taking from property taxes. It just puts them on the record. It will put one more place in there where citizens can go in, in a very simplistic way, and say, why are my taxes going up 3 percent? And if a board member can't answer that question, then you haven't done your job. Thank you, Mr. President.

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FOLEY: Thank you, Senator Friesen. Senator Cavanaugh.

CAVANAUGH: Thank you, Mr. President. Would Senator Linehan yield for a question?

FOLEY: Senator Linehan, would you yield, please?

LINEHAN: Certainly.

CAVANAUGH: Thank you, Senator. So I was looking at who testified in opposition to this bill. After you did your amendment, did you have any more communication with those that were opponents for this, and are they still in opposition?

LINEHAN: Nobody since we filed the amendment, nobody has come to me personally and said that this is problematic. That we-- we have answered the questions about the extra cost and specifically municipalities we're concerned for the little towns, which I said I got. My mother was city clerk for 28 years and she used to post handwritten-- well, she had my sister type it and then they would post it at the garage and the community building and the post office. And everybody in town would see it. So clearly, if that's your situation, you don't have to put it in the newspaper.

CAVANAUGH: Okay. I guess, I understand what you're trying to do, especially with the-- when your taxes, your valuation goes up but your taxes don't. So I'm just kind of trying assess through this, it's how it's going to work, as quickly as I can.

LINEHAN: Well, I just got an e-mail this morning from a constituent who said that their valuation has gone up \$36,000, which meant their taxes were going to go up. And that's the disconnect. Their taxes don't have to go up.

CAVANAUGH: Right.

LINEHAN: And that's what I'm trying to clarify for people. But there's not-- it doesn't have to be automatic. Shouldn't be automatic, actually.

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CAVANAUGH: So what was the main concern for like the schools? The School Board Association and the--

LINEHAN: It was the timing issue which we've handled in the amendment.

CAVANAUGH: Okay. Thank you.

LINEHAN: You're welcome.

FOLEY: Thank you, Senator Cavanaugh and Linehan. Senator Kolterman.

KOLTERMAN: Good morning, Mr. President. Thank you, colleagues. If you look at the committee statement, I was the one, present not voting. It's a nice way of saying no, as you all know. I don't see the value of this bill. I think there's a lot of redundance that's being accomplished by putting this bill into place. I've served on public boards. Everybody that serves on a public board knows that if valuations go up and you leave the levy the same, there's going to be a tax increase. The only thing this does is it makes you sign off and have another hearing that says, there is a tax increase. Maybe that's transparent, maybe it isn't. A lot of people know that when their levy stays the same and your valuations go up, that means there's more money coming in. I don't have a problem with that. I voted to increase taxes the same way. I just think this is redundance. With that, I would yield the rest of my time to Senator Linehan if she wants to dispute me. We've already had this discussion. But at the same time, redundance, redundance, redundance. We're supposed to be cutting back on what we do as government. And now we're forcing people to have one more hearing. Thank you very much.

FOLEY: Thank you, Senator Kolterman. Senator Linehan, you've been yielded three and a half minutes if you care to use it.

LINEHAN: Thank you, Senator Kolterman. I will use it. There are other states that do this. This idea was not-- I didn't dream this up on my own. I've actually lived in Virginia, the state of Virginia for 12 years and this is exactly how it works in Virginia. And our property taxes in Virginia were half of what they are in Elkhorn. So it-- it may be redundant. I don't think so

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because people, if they have to vote to raise your taxes, there will be much more hesitancy than if they just come-- come to the meeting and they find an extra million dollars. I can-- here's a headline. Lincoln Public School-- and I'm not, this is just because I have this one and I remembered it. I could find this for probably dozens of other entities across the state. So this is not peculiar to Lincoln Public Schools. But the board approved a \$443 million budget with a lower tax levy. So I read that, I think oh, my taxes are going down because it says right here, there's a lower tax levy. But then you turn and you start reading the first paragraph. The Lincoln Board of Education unanimously approved a \$443.2 million General Fund budget Tuesday, a 5.3 percent increase in spending that will pay for salary increases, new staff, and the district's share of an interlocal agreement to address security issues. The school board lowered the tax rate 1 cent this year to a \$1.04, per \$100 of assessed valuation, a reduction tied to a substantial increase in the districts two main resources of revenue for the second consecutive year. Last year, the budget from the school board meetings group have-- both supporters and critics, when the school board adopted to keep the tax rate the state-imposed lid of \$1.05 despite a 9 percent increase in property evaluations. Now, I think, if I remember right, newspapers are supposed to write a story generally for high school education, right? If you don't live and breathe this stuff, how do you understand that?

FOLEY: One minute.

LINEHAN: And they're writing it as clear as they think they can. They're telling you, your taxes are going up, but the board is saying they're going down. So I just think this is not okay, and we need to be crystal clear if we're going to spend more money, and we're going to raise your taxes, because we are raising-- they are raising taxes in this case, that the public has a right to know that their taxes are being raised. So, thank you.

FOLEY: Thank you, Senator Linehan. Senator Groene.

GROENE: Thank you, Mr. President. I'll repeat the story I said on this floor before about, I don't know 20 years ago, I ran into a county commissioner and I said, oh, you'd raised my taxes. He said no, no, no, we lowered the levy. I said when you can show me what a levy looks like and what I can buy with it, I will agree with you. Until then I pay my taxes in dollars. And that's how

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I judge my tax-- what taxes I pay. Levies are meaningless. It is what you pay, and they are skyrocketing. I was going to hope to have a handout before this debate is over to show you what local entities have done over the last 10 and 20 years. Other levies-- I'll guarantee if I had a chart-- which I should put together, that same period what their levies did, it probably graphs down a little bit. But what we pay has skyrocketed. This is a very good bill. And I appreciate Senator Linehan coming up with it. We got-- we need to stop seeing headlines saying they lowered your taxes because they lowered the levy. Absolutely false in most cases. The only taxing entity that has a little bit of an excuse is public schools. Because they are tied to state funding, and we mandate that a school, the number one resource is property taxes. And if you don't levy to a certain amount, you lose state aid because valuations go up, the amount that valuations times levy will yield, subtracts how much state aid you get. So they do have a little bit of an excuse for keeping their levies at a dollar five or whatever. But the rest of them don't. They've taken advantage of valuation increases to increase spending and claim they have not raised your taxes because they didn't raise your levy. Now, they'll have to take a vote to raise a levy. And the headline will say, a local cemetery board raised your taxes, your levy, from the expected 80 cents to 92. It's a very good bill, a very good bill. Needed to be done long ago. So I encourage a vote of green on AM116 and LB103. One last comment. This bill doesn't take away their taxing authority at all. Doesn't change that at all. It's transparency. That's what this bill is about, transparency. No levy is changed, no yield that they can gain from those levies and from those valuation is changing this bill, this is just transparency. Thank you, Mr. President.

FOLEY: Thank you, Senator Groene. Senator Erdman.

ERDMAN: Thank you, Lieutenant Governor. Been listening to the discussion. I have a few questions that I would like to ask Senator Linehan if I could.

FOLEY: Senator Linehan, would you yield, please?

LINEHAN: Certainly.

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ERDMAN: Senator Linehan, when one sends out the publication or notice that we're going to have a hearing, is it to be included in there the percentage raise they're going to raise the mill levy or the dollars collected, or how is that going to be distributed?

LINEHAN: Right. It is-- let me find my paperwork here. All of it will be laid out that is new -- can go through the list again. The percentage difference in the certified taxable value, the property tax rates that would fund the prior year's tax, request using the current year certified taxable value, the amount of the proposed property tax request, the property tax rate for the proposed tax request, the percentage increase or decrease in the total operating budget, and the record of the governing body.

ERDMAN: Okay. So that will be in the notice when it gets in the paper.

LINEHAN: Yes.

ERDMAN: Okay. Thank you for answering that. The reason that I ask those questions is because in my prior life I served on a Class 1 school board and that little district when we had our budget hearing, we would have 40 people show up, 40. And the room was full of people and they were asking questions how we were spending their money. We consolidated with the Baird Public Schools. I became a board member at the Baird Public Schools. I served 12 years on that board and in 12 years, we had 12 budget hearings and a person showed up one night and I thanked him for coming to the budget hearing, and he said, what are you talking about? I said tonight's the budget hearing. He said I didn't come for that, I just came to see how things are going. So the point is, unless we can provoke these people to come to these budget hearings and share their concerns with the board, I don't know that it will do a lot of good. But I do believe if we send out a notice that says this is how much your taxes are going to go up, the new valuation is this, this is how many dollars we collected last year, and this is how many we're going to collect next year, we'll have some people show up. And so I appreciate that she has that in the bill and I appreciate that will stir people's curiosity to show up and share their opinions because it will make a difference. And if you don't believe me that will make a difference, they tried this in a little district in my district, a little school district, and they were going to raise the mill levy and a bunch of people showed up and they postponed the decision until the next week, and more

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people showed up. And not only did they not raise the mill levy, they lowered the mill levy. And so your participation does make a difference. And I think if we could provoke those people to show up it will make a difference, so I appreciate you bringing this Senator Linehan, and I'm going to support the bill. Thank you.

FOLEY: Thank you, Senator Erdman. I see no further discussion on AM116. Senator Linehan, you're recognized to close on the committee amendment.

LINEHAN: Thank you, Mr. President. I'm just-- I'm just asked to think about how fair it is to people when they can't understand when they read in the paper the rate has been cut, and yet when they get their property tax statement, their taxes have gone up. It's very confusing. And I think this just makes it much clearer, and as Senator Erdman, and Senator Groene's point and others, it gives people an opportunity to come and talk about their taxes. This is about whether their taxes are going up or down, it's not about whether the budget is going to come down. So, thank you very much. And I ask for your vote, green vote on AM116 and on LB103. Thank you.

FOLEY: Thank you, Senator Linehan. Members, heard the discussion on AM116. The question for the body is the adoption of the committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 35 ayes, 1 nay on the adoption of committee amendments.

FOLEY: AM116, committee amendment, is adopted. Is there any further discussion on the bill? Senator Linehan, you're recognized to close on the bill. She waives closing. The question for the body is the advance of LB103 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 35 ayes, 2 nays on the advancement of LB103.

FOLEY: LB103 advances. The next bill before us is LB183.

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CLERK: LB183 is a bill by Senator Briese. (Read title.) Introduced on January 11, referred to the Revenue Committee, advanced to General File. There are committee amendments pending, Mr. President.

FOLEY: Senator Briese, you're recognized to open on LB183.

BRIESE: Thank you, Mr. President. I rise today to present to this body LB183. I think most of us agree that we need structural education funding reform. And later this week in committees, various committees, we'll be talking about several bills that can set us on that path. But today we're talking about LB183 and that's a bill that can nudge us towards that path of education funding reform. LB183 is essentially a property tax reform bill. LB183 provides that school district taxes, levied to pay the principal and interest on bonds adopted after the effective date of the bill, agricultural land should be valued at 30 percent of its actual value. There's two routes we could travel on the road to property tax reform. One is to change how we pay for things, the other is to control spending. And although this bill impacts both areas, I will speak mostly today on its effect on spending. LB183 arose from a common complaint I heard from folks across my district and across the state. And that concern is the fact that those in agriculture pay a disproportionate share of K-12 infrastructure relative to their nonag school patrons. And this leads to two concerns. First, those in the agriculture community question the fairness of a system in which their financial support of local public education is far in excess of the financial support provided by nonag patrons. And we're in the process of handing out a couple of exhibits here and in one of those exhibits, you can see that discrepancy in a couple of examples I've provided. And the second concern, in many districts ag producers are outnumbered at the voting booth and the disparity in tax burdens can serve to encourage excessive investment in K-12 facilities by unnecessary bond votes. To better illustrate this second concern, let's look at some examples. In one county in my district ag property comprises 80 percent of the property tax base while only 40 percent of the population live on farms or outside of the incorporated communities. In another county ag property comprises 74 percent of the tax base while only 32 percent of the population lives on the farm. Now, clearly some ag producers live in incorporated communities, and many nonag folks live on acreages outside of these communities. So the numbers I've cited here aren't definitive but the implication is clear. Those in agriculture pay a disproportionately higher share of the tab and have a disproportionately lower representation at the voting booth, and you see the

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problem. A situation in which the minority of voters pay a majority of the cost makes it too easy to spend money and pass bond issues. And is it too easy to pass bond issues for K-12 capital construction? Well, that depends on who you ask. If we look at U.S. Census Bureau data on education spending from 2015, Nebraska ranks 15th in the country in long-term outstanding debt per pupil. At \$8,659 per pupil, we're higher than five of the six surrounding states. So you might conclude that, yes, we perhaps do take on public debt for K-12 infrastructure at an excessive pace. This bill addresses this issue by helping to equalize the tax burden borne by all patrons of a school district when it comes to infrastructure. This bill injects a little more fairness into the system. It will generate a little more accountability at the voting booth. And what's the impact? Let's look at some other examples I provided on one of the other exhibits I passed out. I don't know if you have that or not, hopefully you do. I think you do there. These examples assume a school district with \$1.6 billion valuation and assuming a successful bond vote requiring a repayment of a million dollars a year for 20 years. That might be a 14 to 15 million dollar bond issue depending on interest rates and the situation at the time. But the owner of a \$150,000 home would pay under the current structure 94 bucks a year. At the same time, someone who operates an average-sized farm of say, 900 acres of cropland could easily pay 27 times that amount. And we've got to remember, this 900 acre farmer may not own an acre of land. He could be cash renting it. But if he is, he most likely pays rent that factors in the property tax. So he or she essentially pays a property tax even without ownership of that land. Under this bill notice that the ag producer would still pay 11 times what that typical homeowner does. And notice that we aren't imposing an onerous burden on homeowners. I would say these are manageable numbers. And note that in our urban districts, ag land comprises a small fraction of the tax base. You can see that from the other exhibit as far as the percentage of the tax base derived from ag land. It's clear this bill would have negligible impact in Omaha and Lincoln and other urban areas. But in our more rural areas this gives everyone a little more skin in the game. And giving everyone a little more skin in the game will encourage fact-based decisions at the voting booth. It will encourage patrons to pay close attention to bond proposals. It will incentivize all patrons of a district to weigh more carefully the need for new infrastructure. This bill and this discussion, however, is not intended to be an indictment of public education spending in Nebraska, because in reality public education spending in Nebraska has increased at a rate not far in excess of inflation for the last few years. You can make the case that in the aggregate our K-12 education officials have been good stewards of the taxpayer dollars. But if you look at U.S. Census Bureau

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data, Nebraska per pupil spending exceeds the average of five of our six surrounding states by \$2,030 per student. So this would suggest that, yes, we do need to be looking at efficiencies in public education. And if you would agree with that statement, I would submit this bill can be a start. This bill can help inject a greater sense of fairness and equity into our school funding system. It will help to create more accountability at the voting booth. Ultimately, it will help to control the overall property tax burden in Nebraska. And by spreading the burden it will help to incentivize efficiencies and cost savings in public education. But perhaps most importantly, this bill can send the message, and that message is that rural and urban interests can come together to enact good public policy relative to education funding. I would ask for your green vote on this. And I believe we have a committee amendment. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. As the Clerk indicated, there is an amendment from the Revenue Committee. Senator Linehan, as Chair of the Committee, you're recognized to open the committee amendment.

LINEHAN: Thank you. Thank you. Committee amendment will become the bill. The committee amendment changes the percentage of valuation to pay the principal and interest in the bonds for agriculture and horticultural land. As introduced, LB183, the percentage of valuation was 1 percent of actual value. After discussion with the committee members, we decided to change the percentage of actual value to 30 percent. The acceptable range will be from 24 to 30 percent of actual value. The committee amendment includes this provision. Excuse me, the committee amendment includes the provision this change will take place for all bonds that are issued on or after the operative date of this act. So anybody that's already passed the bond, it doesn't affect that. This is just going forward. Thank you.

FOLEY: Thank you, Senator Linehan. Debate is now open on LB183 and the pending committee amendments. Senator Friesen.

FRIESEN: Thank you, Mr. President. I stand in support of LB183 and the amendment to the bill. So recently in the-- in school districts in my area, I'm kind of in, I call it the Bermuda Triangle. I have land in four different school districts. I'm allowed to vote in one of them, unfortunately. And recently a bond issue was passed that it was a small Class D school, and they put a new

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regulation gym and redid their elementary. They're 6 miles away from a larger Class C school where they conceivably could have merged. The vote was pretty tight. They at least did it in two separate bond issues. They let people vote on whether or not they wanted the gymnasium and the other issue was whether or not they wanted to redo their elementary. But when you look at the impact that it has, and Senator Briese did a good job of pointing out the impact it has upon me as an ag land owner versus the residential homeowner, which I am also a resident homeowner, in some districts, not in all, but the impact that it has is pretty easy to pass that vote off. And I remember a few years back another school district they did a big ad in the paper and it was support your bond issue, you know, it's going to cost you a coffee and a doughnut every day. And that's true for the person that was living in town. For me it was prime rib for breakfast, lunch, and dinner. It cost more. And when you look at the impact it's having these days with all the consolidation that's had in the ag industry, and no one likes to talk about this, but there has been consolidation and there will be further consolidation. But when you look at the number of ag land returns in a county, and I'll use Hamilton County as an example, less than 10 percent of the returns filed in a county, in Hamilton County, are ag, less than 10 percent filed with Schedule F. So that means there's less than 10 percent of us paying 80 percent of that whole bond issue. So when you put it in terms of ag versus residential, that's one thing, but when you start to get the numbers down to where now less than 10 percent of us are paying this bill, it changes the tune quite a bit. And that's why you see such a huge impact upon the ag producer in that bond issue. And so it can be 10 to 15 times what the average residential homeowner, and now as you get out into the more rural areas, I mean the impact is going to be greater. And that's something we have to-- we have to talk about. There's still some consolidation that needs to be done in this state, but how much? And how do you go about doing it? Do you do it through incentives? Do you do it through other processes where people actually have to think twice before they spend money, and that impact is more equal across the whole population? So I think this brings to the front, kind of, one of the issues. Just one of the issues. And that's when you do a bond issue to build new buildings. On whose impacted, who gets to vote. And again, a lot of times we don't get to vote in these things. We don't have a say in it. The vote was very close. And it was even closer on the gymnasium in this case, because evidently the rural people didn't feel the need as much as they did for the elementary wing. But, again, being outnumbered 10 percent to 90 percent, it's hard to resist a bond issue. There's no way that you can stand up and get that stopped because the impact is too great on a very small minority of the population.

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FOLEY: One minute.

FRIESEN: So, it's an issue, I think, that needs a good full discussion. And again in the urban, more urban areas that have no ag land in there, it's going to be absolutely no impact whatsoever. But it is going to have an impact on the rural areas. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Senator Crawford.

CRAWFORD: Thank you, Mr. President, and good morning, colleagues. I was a no vote on this out of committee, and I just wanted to-- I think it is an important issue for us to debate and discuss, so I just wanted to talk about some concerns that I see with this bill. The primary one being the precedent it sets in terms of changing ag valuation for educational purposes. So currently, ag valuation for education purposes is 75 percent like it is for everything else. This sets aside a certain type of education spending that is for bonds, for infrastructure improvements, and puts it down to 30 percent. And so by putting it down to 30 percent, that's shifting the property tax load over to homeowners and commercial owners. And it doesn't necessarily change those votes, it will be a little bit more money for the homeowner to have to observe-- absorb for those votes. But it is an important change in precedent. And that is one of my concerns is changing that ag valuation to 30 percent for an educational use without any other provisions for considering what it might do to revenues or what other revenues might be in play to address that issue. I know we're going to have lots of conversation about making education spending less reliant upon property taxes. And I can understand and I appreciate the intent here to lower the-- the percent that those ag owners who don't have a vote pay as part of an overall conversation about how to lower the reliance of the state on property taxes. But in this case still local governments are reliant on property taxes for these infrastructure improvements and changes. And so I just am concerned about the precedent of shifting that from 75 percent down to 30 percent. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Senator Linehan.

LINEHAN: I just-- if you look at the handout that Senator Briese handed out, the one that-- it's all the list of all the schools and the percentage of ag property that they have in their district. I

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just counted, there's only 54 school districts out of the 244 that aren't more than 50 percent ag. So what's going on here-- and I've seen this and Senator Friesen spoke to it, you have to go-- over half of them, or over 70 percent of if is all ag land. So what happens is people get to spend money that's not theirs. And that's-- that's-- that's a very tempting-- always tempting. I mean, don't you-- it's like having a coupon, 70 percent off. You can build a gym, 70 percent off. Can remodel your elementary school, even though you've only got 240 kids and there's another school right down the road that's a perfectly good school and you could drop the student expenditure for every student in both schools by merging, but instead because somebody else is picking up 70 percent of the tab, you say, spend even more money. This is a very common sense, we're going to spend a lot of time on this year, school funding and property taxes. This is a very common sense-- you can't expect people-- well, maybe we can, but it's human nature if somebody's giving you something for a huge discount of 70 or 80 percent, it's likely you will buy. Thank you.

FOLEY: Thank you, Senate Linehan. Items for the record, Mr. Clerk.

CLERK: Mr. President, a series of name adds: Senator Blood to LB16; La Groene to LB16; Blood, LB150; Kolterman, LB227; La Groene, LB511; Bostelman, LB519; Walz, LR1CA; La Grone, LR1CA; and Erdman, LR5CA.

Mr. President, Senator Kolowski would move to adjourn the body until Tuesday morning, February 12, at 9:00 a.m.

FOLEY: Members, you heard the motion to adjourn. Those in favor say aye. Those opposed say nay. We are adjourned.