LEGISLATIVE JOURNAL

OF THE

STATE OF NEBRASKA

SIXTY-SIXTH
(EXTRAORDINARY) SESSION

CONVENED APRIL 20, 1954; ADJOURNED MAY 7, 1954

LINCOLN, NEBRASKA

Compiled
Under Authority of the Legislature
By
HUGO F. SRB, CLERK

Printed by

Joe Christensen

Lincoln, Nebraska

SIXTY-SIXTH (EXTRAORDINARY) SESSION

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LEGISLATURE

MEMBERS

Dist.	Name	Address	Occupation	Counties
1	Otto Kotouc, Sr.	Humboldt	Banking	Richardson, Pawnee, Johnson
2	John Aufenkamp	Julian	Auctioneer and Farmer	Otoe, Nemaha
3	Tom Dooley	Papillion	Abstracter-Real Estate and Insurance	Cass, Sarpy
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10	William Moulton	Omaha	Public Relations	Douglas
11	Earl J. Lee	Fremont	Attorney	Dodge, Washington
12	John E. Beaver	Beemer	Retired Grocer	Burt, Cuming
13	Hal Bridenbaugh	Dakota City	Farmer	Dixon, Thurston, Dakota
14	Dwight W. Burney	Hartington	Farming	Cedar, Knox
15	Charles Wilson	Norfolk	Ready-Mix and Concrete Products Business	Madison, Pierce
16	L. M. Shultz	Rogers	Oil Jobber	Wayne, Colfax, Stanton
17	O. H. Person	Wahoo	Veterinarian	Butler, Saunders
18	Otto H. Liebers	Lincoln	Business and Farming	Lancaster
*19	Fay O. Britt	Lincoln	Housewife	Lancaster
20	Robert D. McNutt	Lincoln	Attorney at Law	Lancaster

MEMBERS (Continued)

Dist.	Name	Address	Occupation	Counties
21	Ernest A. Hubka	Beatrice	Attorney	Gage
22	Ralph W. Hill	Hebron	Funeral Director	Thayer, Jefferson
23	C. C. Lillibridge	Crete	Dentist	Fillmore, Saline
24	H. K. Diers	Gresham	Merchant	York, Seward
25	Lester H. Anderson	Aurora	Owner-Operator, Hotel and Apartment Building	Clay, Hamilton, Polk
26	Robert C. Brower	Fullerton	Attorney	Nance, Platte
27	Glenn Cramer	Albion	Retired Newspaper Publisher	Boone, Antelope
28	Frank Nelson	O'Neill	Farming and Ranching	Holt, Boyd, Keya Paha, Rock
29	Hugh Carson	Ord	Farm and Ranch Owner and Operator	Wheeler, Greeley, Valley, Howard
30	Joseph D. Martin	Grand Island	Attorney	Hall, Merrick
31	Richard D. Marvel	Hastings	Finance and Insurance	Adams, Kearney
32	William A. McHenry	Nelson	Dentist	Franklin, Webster, Nuckolls
33	Tom Coffey	Alma	Truck Line Owner	Harlan, Furnas, Red Willow
34	W. J. Williams	Kearney	Owner, Williams Developing Co.	Buffalo, Sherman
35	K. W. Peterson	Sargent	Implement Dealer	Custer, Loup, Garfield
36	Herbert J. Duis	Gothenburg	Real Estate and Insurance	Dawson, Gosper, Phelps
37	Arthur Carmody	Trenton	Farmer and Realtor	Perkins, Chase, Hayes, Dundy, Hitchcock

MEMBERS (Concluded)

Dist.	Name	Address	Occupation	Counties
38	Harry L. Pizer	North Platte	Real Estate	Lincoln, Frontier
**39	Clyde F. Cretsinger	Paxton	Farmer	Keith, Deuel, Garden, Grant, Hooker, Thomas, Blaine, Logan, McPherson, Arthur
40	D. J. Cole	Merriman	Rancher	Sheridan, Cherry, Brown
41	J. Monroe Bixler	Harrison	Rancher	Dawes, Sioux, Box Butte
42	Terry Carpenter	Scottsbluff	Entertainment, Housing, Liquor, and Real Estate	Scotts Bluff
43	A. A. Fenske	Sunol	Farmer	Banner, Kimball, Cheyenne, Morrill

* Appointed to fill vacancy of Howard L. Britt, deceased.

** Appointed to fill vacancy of J. L. Brown, resigned.

RULES OF THE NEBRASKA LEGISLATURE

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RULES OF THE NEBRASKA LEGISLATURE

RULE 1

AUTHORITY

Constitution of Nebraska. Art. III, Sec. 10

Gregg's Handbook of Parliamentary Law. The rules of parliamentary practice comprised in Gregg's Handbook of Parliamentary Law, Rev. Ed. c 1940, shall govern the Legislature in all cases to which they are applicable and in which they are not inconsistent with the standing rules of the Legislature.

Amendment and suspension of rules. Rule 17.

RULE 2

Presiding Officer

Section 1. Presiding Officer: Lieutenant Governor, Speaker. The Lieutenant Governor shall preside as president of the Legislature, and the Speaker shall preside when the Lieutenant Governor shall be absent, incapacitated or shall act as Governor. (Const. Art. III, Sec. 10). All references herein made to the President shall be construed as meaning also the Speaker whenever he may preside.

Member of Reference Committee. Rule 14.

Sec. 2. Chairman of Judiciary Presides, When. In the absence of both the Lieutenant Governor and the Speaker, the chairman of the Judiciary Committee shall preside, and shall exercise all the powers herein conferred on the President, except the authority to sign bills or resolutions passed by the Legislature.

Sec. 3. Member Presides, When. The President shall have the right to name any member to perform the duties of the chair, but such substitution shall not extend beyond adjournment.

Sec. 4. President Calls Legislature to Order: Quorum. The President shall take the chair each legislative day at the hour to which the Legislature shall have adjourned at the last sitting. He shall call the Legislature to order, and a quorum being present, shall proceed in the manner and order prescribed by these rules. A majority of the members elected to the Legislature shall constitute a quorum. Const. Art. III, Sec. 10.

Sec. 5. Absence of Quorum. If the President finds that a number less than a quorum is present, he shall so state, and a majority of the members present, if five in number, may compel the presence of all members subject to a call of the Legislature.

Sec. 6. President to Preserve Order. The President shall preserve order and decorum, and in case of disturbance or disorderly conduct in the galleries, or in the lobby, may cause the same to be cleared.

Sec. 7. Point of Order, President Decides: Appeal. The President may speak to a point of order in preference to members, rising from his seat for that purpose, and shall decide the questions of order, subject to an appeal to the Legislature by any member; on which appeal no member may speak more than once, unless by leave of the Legislature.

Sec. 8. Putting Question. The President shall rise to put a question, but he may state it sitting.

Sec. 9. President Shall Sign. The President shall sign, in the presence of the Legislature, while the same is in session and capable of transacting business, all bills and resolutions passed by the Legislature (Const. Art. III, Sec. 14). All writs, warrants and subpoenas issued by order of the Legislature shall be under his hand and seal, attested by the Clerk.

Sec. 10. Lieutenant Governor Votes, When. The Lieutenant Governor, when presiding, shall vote only when the Legislature is equally divided. Const. Art. III, Sec. 10.

RULE 3

Officers Elected and Their Duties: Recall; Employees, Selection and Duties.

Sec. 1. Nomination and Election. At the commencement of each regular session, the Legislature shall nominate by informal ballot and shall elect by ballot the following officers:

Speaker.
Clerk of the Legislature.
Sergeant-at-arms.
Postmaster.
Chaplain.

Sec. 2. Officers, Vote Necessary to Elect. A majority vote of the elected members shall be required for the election of each such officer.

Sec. 3. Recall of Officers. Any officer of the Legislature may be recalled upon a two-thirds majority vote of the members elected to the Legislature, and the vacancy thus created shall be filled by a majority vote of the members.

Sec. 4. Oath of Officers. Each permanent officer shall take an oath to support the constitution of the United States, and the constitution of the State of Nebraska, and to discharge faithfully the duties of his office according to the best of his ability.

Sec. 5. Duties of Officers, General. In general the duties of the officers of the Legislature shall be those usual to such officers.

Sec. 6. Speaker. Duties. Rule 2.

Speaker is member of Reference Committee. Rule 14, Sec. 1.

Speaker is member of the Executive Board of the Legislative Council. Revised Statutes of Nebraska, 1943, 1949 Cumulative Supplement. Sec. 50-401.01.

Sec. 7. Clerk of the Legislature, Duties.

(a) The Clerk of the Legislature shall keep a brief but accurate daily journal of the proceedings of the Legislature. Const. Art. III, Sec. 11.

Daily Journal. Rule 8.

(b) The Clerk of the Legislature shall have authority to select and employ suitable persons for all of the positions which may be determined upon as necessary by the Legislature, and shall have complete supervision and assignment of all employees, including the right to discharge any one or more of them. All employees shall be selected without reference to party affiliation and shall be chosen upon the basis of merit, the compensation to be fixed by the Legislature.

(c) The Clerk of the Legislature shall print no paper or document, except bills and the daily journal, unless authorized by a majority vote of the elected members of the Legislature.

(d) The Clerk of the Legislature shall make a detailed and itemized report to the Legislature each month, concerning the number of employees, and the amount paid for their services, especially setting out the amount of regular time and overtime, and to whom paid.

(e) The Clerk of the Legislature shall have general charge, except as may be provided by law or by rule, of such parts of the capitol and its passages as are or may be set apart for the use of the Legislature and its officers and employees.

Sec. 8. Assistant Clerk, Duties. The Assistant Clerk, appointed by the Clerk of the Legislature, and approved by the Legislature, shall, in the absence of the Clerk, be authorized to exercise all of the duties herein prescribed for the Clerk of the Legislature, including the signing of those papers which may require the signature of the Clerk of the Legislature.

Sec. 9. Sergeant-at-arms, Duties. The Sergeant-at-arms shall attend the Legislature during its sittings, to execute the commands of the Legislature from time to time, together with all such processes issued by authority thereof as shall be directed to him by the presiding officer, and shall enforce strictly the rules as they relate to privileges of the legislative chamber.

Sec. 10. Assistant Sergeant-at-arms, Duties. The Assistant Sergeant-at-arms, appointed by the Clerk of the Legislature, and approved by the Legislature, shall assist the Sergeant-at-arms and in the absence of the latter, shall perform all of the duties herein prescribed for the Sergeant-at-arms.

Sec. 11. Postmaster, Duties. The Postmaster shall superintend the post office kept in the capitol for the accommodation of the members, and shall be responsible for the prompt and safe delivery of their mail.

Sec. 12. Chaplain, Duties. The Chaplain shall attend and shall open with prayer each day's sitting of the Legislature.

RULE 4

Members: Attendance, Decorum and Debate

Sec. 1. Presence of Members Required. Every member shall be present within the legislative chamber during the sittings of the Legislature and shall attend the regular meetings of the standing committees of which he is a member, unless excused or necessarily prevented.

Sec. 2. Presence of Member May be Compelled. The presence of any member may be compelled, if necessary, by sending the Sergeant-at-arms, or such other person or persons as the membership present may authorize, at the expense of such absent member, unless such excuse for non-attendance is made as the Legislature may judge sufficient; and in that case the expense shall be paid out of the contingent fund.

Call of the Legislature. Rule 9, Sec. 8.

Sec. 3. Absence of Member May be Explained. Upon the completion of the roll call on the final passage of a bill, any member may explain the absence of any other member, and if requested in writing by the absent member to do so, may state how he would have voted if present, and such statement, if submitted to the Clerk in writing, and containing not more than thirty words, shall be entered in the daily journal.

Sec. 4. Expulsion of Members. No member shall be expelled except by a vote of two-thirds of all members elected to the Legislature, and no member shall be twice expelled for the same offense. Const. Art. III, Sec. 10.

Sec. 5. Decorum: Members May Speak Only When Recognized by President. When a member desires to speak in debate or to deliver any matter to the Legislature, he shall rise from his seat and respectfully address himself to "Mr. President." A member shall speak only when recognized and shall confine himself to the question before the Legislature.

Sec. 6. Decorum: Abusive Language and Interruptions Prohibited. No member shall speak to another who has the floor, except when he may yield to a question, or otherwise interrupt the business of the Legislature. No member shall rise to a question of privilege for the introduction of guests while a member is speaking. No member shall use profane or abusive language when speaking to or about another member.

Sec. 7. Decorum: During Final Reading. Members shall remain in their seats during the final reading of a bill and until the vote thereon has been announced, except when excused by the President.

Sec. 8. Transgression of Rules: Call to Order. If any member, in speaking or otherwise, transgress the rules of the Legislature, the presiding officer shall, or any member may, call him to order, in which case he shall immediately sit down, unless permitted on motion of another member to explain, and the Legislature shall, if appealed to, decide the case without debate. If the decision be in favor of the member called to order, he shall be at liberty to proceed, but not otherwise; and if the case requires it, he shall be liable to censure or such punishment as the Legislature may deem proper.

Sec. 9. Call to Order: Words Excepted to Must be Indicated. If a member is called to order for words spoken in debate, the member calling him to order shall indicate the words excepted to, and they shall be taken down in writing at the Clerk's desk and read aloud to the Legislature; but he shall not be held to answer, nor be subject to the censure of the Legislature therefor, if further debate or other business shall have intervened.

Sec. 10. Debate; Limitations, Proponent May Close. No member shall speak more than twice upon any one question in debate during the same legislative day, without leave of the Legislature, except in explanation, unless he be the mover, proposer or introducer of the matter pending, in which case he shall be permitted to speak in reply, but not until every other member choosing to speak shall have spoken.

For right of proponent to close debate when previous question ordered, see Rule 10, Sec. 11.

Sec. 11. Explanation of Vote Permitted. A member shall be permitted to explain his vote on roll call upon any question, but such explanation shall be limited to fifty words, and shall not be entered in the daily journal unless the same be submitted to the Clerk in writing.

RULE 5

Committees

Sec. 1. Committee on Committees. At the commencement of each session, the Legislature shall elect a Committee on Committees to consist of thirteen members, one at large, who shall be chairman, and three from each congressional district to be nominated by the members residing therein.

Chairman is member of Reference Committee for bills and resolutions. Rule 14, Sec. 1.

Committee on Committees is reference committee on nominations by Governor. Rule 14, Sec. 2.

Sec. 2. Committee on Committees Shall Recommend Standing Committees, Designate Chairmen. The Committee on Committees, by a majority vote of all of its members, shall recommend to the Legislature for its approval and adoption the following standing committees, each with the number of members as hereinafter set forth, one of whom shall be designated by the Committee on Committees as chairman thereof:

Agriculture, including conservation, fish and game, live stock and grazing	9 members
Banking, Commerce and Insurance	9 members
Budget, including finance, ways and means, and state institutions	9 members

Education, including university and normal schools and libraries, and school lands and funds	9 members
Enrollment and Review, including arrangement, phraseology and correlation	1 member
Government, including state, county and municipal governments, elections and apportionment	9 members
Judiciary	9 members
Labor and Public Welfare, including social security and child labor	9 members
Miscellaneous Appropriations and Claims	7 members
Public Health and Miscellaneous Subjects	7 members
Public Works	9 members
Revenue, including taxation, salaries, licenses and fees	9 members
Rules, including procedure and order of business	5 members

Sec. 3. Committee on Committees Shall Select Other Committees. The Committee on Committees shall select, aside from the standing committees of the Legislature, all other committees, except where otherwise ordered by the Legislature. No investigating committee of the Legislature shall be created except by resolution which shall set forth, with supporting statements, the reasons for and purposes of the investigation, and no committee thus established shall function except during the interim between legislative sessions.

Sec. 4. Committee on Committees Shall Arrange and Publish Schedules of Standing Committee Hearings. The Committee on Committees shall arrange and publish a schedule of regular standing committee meetings, in such manner as to avoid, as far as possible, conflicts in the assignment of members to such committees, and shall cause a copy of such schedule to be posted in some conspicuous place in the capitol near the legislative chamber.

Sec. 5. Enrollment and Review, Privileged Committee. The Chairman of Enrollment and Review shall be privileged, and shall be in order at any time in reporting bills which have been engrossed for final reading and passage. In the absence of the Chairman the Vice-Chairman of the Judiciary Committee shall assume the duties of the Chairman of Enrollment and Review. The bill drafting service shall have supervision of legal work performed for the Enrollment and Review Committee.

Sec. 6. Enrollment and Review; Authority to Make Corrections. The Chairman of Enrollment and Review shall have authority, without being required to include the same specifically in his reports and recommendations to the Legislature, in accord with accepted usage:

a. To correct the spelling of words, to correct erroneous division and hyphenation of words, to capitalize or decapitalize words, and to change numbers from words to figures or from figures to words, in new and independent acts, in the new matter of amendatory acts, in standing committee reports, and in general file, select file and specific amendments.

b. To underscore or remove underscoring, as the case requires, in standing committee reports and in general file, select file and specific amendments.

Chairman of Enrollment and Review to give preference to bills readvanced from general file after having been recommitted from select file. Rule 12, Sec. 8-d.

Sec. 7. Committee on Miscellaneous Appropriations and Claims; Filing, Limitation. No claim shall be considered by the Miscellaneous Appropriations and Claims Committee unless filed and considered by the Sundry Claims Board within or before the first twenty legislative days of the session, unless otherwise ordered by the Legislature.

Sec. 8. Claims Previously Rejected. The Claims Committee shall not consider any claims heretofore filed with and rejected by the Legislature at two or more previous sessions.

Sec. 9. Committee on Order and Arrangement: Members, Duties. The Committee on Order and Arrangement shall consist of the chairmen of the committees before whom regularly referred bills and resolutions have public hearings, the Chairman of the Committee on Enrollment and Review and the Chairman of the Committee on Committees. The Chairman of the Committee on Committees shall be the chairman of said committee. It shall be the duty of this committee beginning the twenty-first legislative day to report to the Legislature the order in which bills and resolutions shall be considered on general file. The order so reported shall become effective only upon approval of the Legislature. The committee shall meet subject to call by the Chairman.

Reference Committees:
For bills and resolutions. Rule 14, Sec. 1.
For nominations by Governor. Rule 14, Sec. 2.
For amendment of rules. Rule 17.

RULE 6

Committee Hearings and Reports, Officers

Sec. 1. Vice Chairmen. Each standing committee shall elect from its membership a vice chairman to serve in the absence of the chairman.

Chairmen designated by Committee on Committees. Rule 5, Sec. 2.

Enrollment and Review Vice-Chairman is Vice-Chairman of Judiciary. Rule 5, Sec. 5.

Sec. 2. Committee Hearings, Time. Standing committees shall meet at 2:00 p. m., unless otherwise ordered by the Legislature.

Sec. 3. Committee Hearings, Notice. Before taking final action on a bill or resolution, a committee shall hold a public hearing thereon and shall give at least five calendar days' notice, by publication in the Legislative Journal, of the date and time of said hearing.

Sec. 4. Committees May Combine and Correlate Bills, Adopt Amendments. Standing Committees shall be authorized to combine and to correlate the provisions of different bills referred to them and related to the same subject under the number of one of the correlated bills, and may, before taking final action on any bill, adopt amendments thereto, for the consideration of the Legislature.

Sec. 5. Record of Committee Proceedings. Each standing committee shall keep a record of its proceedings. Any two members of the committee may demand a roll call upon the reporting of any bill, or upon amendments thereto. The vote so taken shall be made a part of the committee report, and shall be entered in the daily journal.

Sec. 6. Committees Shall Report Promptly. Standing committees shall consider and report without unnecessary delay all bills and resolutions referred to them.

Sec. 7. Legislature May Request Committee Report. The Legislature may, by vote of a majority of the elected members, request a report from any standing committee at any time after said committee shall have been in possession of a bill or resolution for ten legislative days.

Sec. 8. Committee Reports Must Recommend Bills for General File or Indefinite Postponement: Majority Vote of Members at Regular Meeting Required. In reporting bills to the Legislature, whether with or without amendments, a standing committee shall, by vote of a majority of its members, recommend (a) that the bill be placed on general file for the consideration of the Legislature, or (b) that the bill be indefinitely postponed. Such action shall be taken at regularly scheduled committee meetings only.

Sec. 9. Effect of Committee Report to Postpone Indefinitely. If the standing committee report on a bill be to postpone indefinitely, the bill shall stand indefinitely postponed: Provided, that such bill may be placed on general file or referred back to the standing committee by a majority vote of all the elected members upon motion made within three legislative days after the committee makes its report to the Legislature, or by a two-thirds vote of all elected members upon motion made more than three legislative days after such committee report. Not more than one bill shall be raised from committee on any one motion. A motion to raise cannot be amended to include any other bill or subject matter.

Sec. 10. Committee Reports, Statements and Amendments: Minority Report. Each standing committee shall, when reporting a bill, submit therewith a brief statement of the main purpose of the bill, and, if recommended to general file, a copy of all amendments recommended by the committee. Such statement shall give the committee's reason for so reporting, and the minority view, if such there be, shall also be given. Copies of such statements and amendments shall be furnished to the members.

Sec. 11. Reporters, Executive Sessions. Reporters of regularly accredited newspapers, press associations, and radio and television stations shall be admitted to executive sessions of the standing committees but shall respect as confidential discussions by members of the committee.

RULE 7

Order of Business

Sec. 1. Hour of Meeting and Adjournment. The Legislature shall meet each legislative day at 9:00 a. m., and adjourn not later than 1:00 p. m., unless otherwise ordered by a majority vote of its members present and voting thereon.

Sec. 2. Order of Business. The order of business of the Legislature shall be as follows:

a. Prayer by the Chaplain.
b. Roll call.
c. Call for correction of the journal.
d. Petitions and memorials.
e. Notice of committee hearings.
f. Reports of standing committees.
g. Reports of select committees.
h. Resolutions.
i. Introduction of bills.
j. Bills on first reading by title.
k. Reference of bills to committees on a day subsequent to first reading.
l. Bills on final reading.
m. Consideration of bills on select file.
n. Special order of the day.
o. Consideration of bills on general file.

p. Unfinished business, including messages on the President's desk.

q. Miscellaneous business.

Sec. 3. Messages From the Governor, Preference. Messages from the Governor may be received at any stage of the proceedings, except when a question is being put, the yeas and nays are being called for, the ballots are being counted, or a question of order or a motion to adjourn is pending.

Sec. 4. Special Order of the Day, Effect of Adjournment. When a bill shall have been made a special order for a definite time and an adjournment shall intervene for a time beyond the time fixed for such special order, then in that event the bill so made a special order shall be placed in its order on general file.

Sec. 5. Unfinished Business, Effect of Adjournment. The unfinished business in which the Legislature was engaged at the adjournment of the last preceding sitting shall have preference in the special order of the day.

Sec. 6. Legislative Days. Each day except Saturday and Sunday shall be considered a legislative day, unless otherwise specifically ordered by the Legislature, by a majority of the members present and voting thereon.

RULE 8

Daily Journal

Sec. 1. Journal Prepared by Clerk, Furnished to Members; Corrections. A daily journal of the proceedings of the Legislature, as prepared by the Clerk, shall be printed and placed each day upon the desks of the members; and the presiding officer shall call in the regular order of business for corrections thereof. After corrections, if any, are made, the journal shall stand approved without motion.

Sec. 2. Journal Entries. The Clerk shall enter in the daily journal messages of the Governor in full; titles of bills; every vote, including the yeas and nays, and a brief statement of the contents of each resolution, petition, and memorial or other paper presented for the consideration of the Legislature.

Constitutional amendments printed in journal. Const. Art. XVI, Sec. 1.

Sec. 3. Title, Parts of Bills Entered in Journal. In addition to the title, only such parts of a bill as shall be affected by proposed amendments shall be entered in the daily journal.

Sec. 4. Amendments Offered, But Not Adopted, Not Entered: Exception. In the consideration of bills on general or select file, amendments offered but not adopted shall not be entered in the journal except where a record vote is demanded.

Sec. 5. Hour of Adjournment Entered. The hour at which the Legislature adjourns shall be entered in the daily journal.

Sec. 6. Additional Copies for Members. Additional copies of the daily journal, to be mailed at his direction, shall be supplied for the use of each member, in such manner as shall be provided by the Legislature.

Sec. 7. Bound Journal, How Printed. The bound journal of the session shall be printed from the corrected daily journal.

Journal, cross references:

Yeas and nays entered in journal at request of any member. Const. Art. III, Sec. 11.

Yeas and nays on final passage of bill shall be published in the journal. Const. Art. III, Sec. 13.

Explanation of absence and statement of how absent member would have voted. Rule 4, Sec. 3.

Explanation of vote. Rule 4, Sec. 11.

Committee reports. Rule 6, Sec. 5.

Only totals of machine vote entered. Rule 9, Sec. 3.

Notice of Committee hearings must be published. Rule 6, Sec. 3.

RULE 9

Manner and Record of Voting

Sec. 1. Votes Taken Viva Voce: Form of Question. All votes shall be taken viva voce. Questions shall be distinctly put in this form, to wit: "Those who are in favor of the question say 'aye'; those who are opposed to the question say 'no' ".

Sec. 2. Yea and Nay Vote Required on Final Passage of Bill; Applies to Resolution, When. Upon the final passage of a bill, or of a resolution if the same requires the same consideration as a bill, the vote shall be by yeas and nays, and this rule shall not be suspended.

Sec. 3. Machine Vote, When. If a machine vote is called for, or if the presiding officer is in doubt, he shall cause the result to be obtained by means of the electric roll call system; and only the totals shall be printed in journal.

Sec. 4. Record Vote, Member May Demand. Any member may call for a record vote upon any question (Const. Art. III, Sec. 11), and upon declaration of the yeas and nays by the members, the record thereof shall be made and taken upon the electric roll call system, unless the Legislature by a majority vote decides that a roll call shall be taken.

Sec. 5. For Yeas and Nays and Call of House. Vote on Electric System: Limitation on Time to Vote. In taking the yeas and nays and upon call of the Legislature, the members shall register their vote upon the electric roll call system. When the yeas and nays are taken upon any question in the manner heretofore indicated, no member shall be permitted to vote after the decision is announced from the chair.

Sec. 6. When More Than Majority Vote Necessary, Electric System Used. In all instances where the vote, necessary to adopt a motion or other proposition, is other than that of a majority voting upon the question, the presiding officer shall, unless the Legislature by unanimous vote decides otherwise, cause the result thereof to be obtained by means of the electric roll call system. In such case, no member shall be permitted to vote after the yeas have been announced by the Clerk. Votes not registered on the electric roll call system or given to the Clerk by voice shall not be counted for or against a proposition.

Sec. 7. Member May Demand Verification of Vote. Any member may demand verification of the vote on roll call: Provided, that on the final passage of bills verification shall always be made.

Sec. 8. Call of the Legislature. A call of the Legislature must be seconded by at least five members. Thereupon, and upon call of the presiding officer, each member present shall indicate his presence upon the electric roll call system and shall remain in his seat during the call. The Clerk shall note the names of the absentees. Proceedings under the call may be suspended at any time by a majority vote of the members present, and when so suspended shall not again be ordered on the proposition pending, except by a majority vote of the members present and voting thereon. When the Legislature has been under call for fifteen minutes, and if all absentees were to vote on one side of the question, and if their combined vote would be insufficient to change the result of the vote, the President shall declare the call raised.

Voting, cross references:

Lieutenant Governor votes only when Legislature equally divided. Rule 2, Sec. 10.

Explanation of vote. Rule 4, Sec. 11.

RULE 10

Motions and Their Precedence

Sec. 1. Statement of Motions. When a motion has been made and seconded, the presiding officer shall state it, or being in writing, shall cause it to be read aloud by the Clerk before being debated.

Sec. 2. Motions Must be Written, When. Every motion shall be reduced to writing if the presiding officer or any member desires it.

Sec. 3. Withdrawal or Modification of Motions. After a motion has been stated by the presiding officer, or read by the Clerk, it shall be deemed in possession of the Legislature, but may be withdrawn or modified by the mover at any time before a decision, amendment, or ordering of the yeas and nays, except a motion to reconsider, which shall not be withdrawn without leave.

Sec. 4. Motions Received When Questions Under Debate: Precedence. When a question is under debate no motion shall be received but:

a. To adjourn.
b. To lay on the table.
c. For the previous question.
d. To postpone to a certain time.
e. To commit.
f. To amend.
g. To postpone indefinitely.

Such motions shall have precedence in the order in which they are arranged; except that motions to postpone indefinitely and amend do not yield to each other. No motion to postpone to a certain time, to commit or to postpone indefinitely being decided, shall again be allowed on the same day at the same stage of the bill or proposition.

Sec. 5. Motion to Strike Enacting Clause: Effect, Precedence. A motion to strike the enacting clause of a bill, if carried, is equivalent to rejection of the bill. Such motion shall not have precedence over a motion to amend nor over a motion to postpone indefinitely.

Sec. 6. Motion to Adjourn, Adjourn to Time Certain, to Recess: Precedence. A motion to adjourn, or a motion to fix the day to which the Legislature shall adjourn shall always be in order, except:

a. While a member is speaking.
b. When a motion to adjourn has just been defeated.
c. When a motion to fix the day to which the Legislature shall adjourn has just been defeated.
d. After the final reading of a bill and during roll call thereon.

Provided, however, that a motion to adjourn to a time certain shall have precedence over a motion to adjourn; and provided further, that a motion to recess shall take precedence over either of such motions.

Sec. 7. Motion to Adjourn Pending Motion to Suspend Rules. Pending a motion to suspend the rules, the presiding officer may entertain one motion to adjourn, but after the result thereon is announced he shall entertain no other motion until the vote has been taken on suspension.

Sec. 8. The Previous Question, Form. The previous question shall be in this form; "Shall the debate now close?"

Sec. 9. The Previous Question: Seconds Required: Vote Necessary: Effect. The previous question shall be in order when demanded by five or more members and must be sustained by the vote of a majority of the elected members, and until decided shall, except as provided in Section 11 of this rule, preclude further debate and all amendments and motions, except one motion to adjourn and one motion to lay on the table.

Sec. 10. Previous Question Undebatable. On a previous question there shall be no debate. All incidental questions of order, arising after a motion is made for a previous question, and pending such motion, shall be decided, whether on appeal or otherwise, without debate.

Sec. 11. Previous Question Ordered: Proponent to Close Debate. When the previous question shall have been ordered on a proposition under debate, the mover, proponent or introducer of such proposition shall be given the right to close the debate thereon.

Sec. 12. Questions of Privilege, What Are. Questions of privilege shall be, first, those affecting the rights of the Legislature collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of members, individually, in their representative capacity only; and shall have precedence over all other questions, except motions to adjourn.

Question of privilege is not in order for introduction of guests while member speaking. Rule 4, Sec. 6.

Sec. 13. Reconsideration, Who May Move. When a question has been decided, it shall be in order for any member voting with the prevailing side, or not voting, to move a reconsideration thereof; and if the Legislature shall refuse to reconsider, or upon reconsideration shall affirm its first decision, no further motion to reconsider shall be in order, unless by unanimous consent.

Motion to reconsider cannot be withdrawn without leave. Rule 10, Sec. 3.

Sec. 14. Reconsideration, Precedence. Every motion to reconsider shall take precedence over all other questions, except a motion to adjourn.

Sec. 15. Reconsideration, Vote Necessary. For its adoption a motion to reconsider shall require the vote of a majority of the elected members, except where such motion be to reconsider the vote on a bill which lacked the constitutional majority on a final reading, then a three-fifths vote shall be required for adoption.

Sec. 16. Amendments in Order. When a motion or other proposition is under consideration, a motion to amend and a motion to amend that amendment shall be in order.

Sec. 17. Amendment to Title of Bills. Amendments to the title shall not be in order during the consideration of a bill or resolution on general or select file until the bill or resolution shall have been considered in full.

Sec. 18. Amendment Laid on Table Does Not Carry Principal Measure. When an amendment proposed to any pending measure is laid on the table, it shall not carry with it or prejudice such measure.

Sec. 19. Amendments, Preference in Consideration. When the Legislature is considering bills on either general or select file, after giving consideration to standing committee amendments, it shall give preference to such amendments as may have been on file with the Clerk, with copies on the members' desks for one legislative day in advance, and then to such other amendments as have been deposited with the Clerk, in the order in which they were received by him.

Sec. 20. Amendments, Must Be Germane. No motion, proposition or subject, different from that under consideration, shall be admitted under color of amendment.

Sec. 21. Division of a Question, When. Any member may call for the division of a question, which shall be divided if it comprehends propositions in substance so distinct that, one being taken away, a substantive proposition shall remain for the decision of the Legislature. A motion to strike out and insert shall be deemed indivisible; but a motion to strike out, being lost, shall not preclude an amendment or a motion to strike out or insert.

RULE 11

Bills—General Provisions

Sec. 1. Introduction, by Not More Than Three Members. Upon call for the introduction of bills, any member or standing committee may introduce one or more bills. No bill shall be introduced unless it has been approved as to form and draftsmanship by the legislative bill drafter, and no bill shall be introduced which bears the names of more than three members. The name of the introducer shall be followed by his Legislative District.

Sec. 2. Introducer Must be Willing to Support. Members shall introduce only such bills as they are willing to endorse and support personally.

Sec. 3. Time for Introduction, Limitation. No bill shall be introduced after the twentieth legislative day, except upon recommendation of the Governor, or by a standing committee upon the vote of a majority of its members and upon the vote of a majority of the elected members of the Legislature.

Sec. 4. Bills, How Designated. A bill shall be designated as Legislative Bill ———.

Sec. 5. Bill Must Contain Only One Subject: Amendment of laws. No bill shall contain more than one subject, and the same shall be clearly expressed in the title. And no law shall be amended unless the new act contains the section or sections as amended, and the section or sections so amended shall be repealed. Const. Art. III, Sec. 14.

Sec. 6. Amendatory Bill, How Printed. An amendatory bill shall be so prepared and printed as to show the new matter proposed, old matter to be retained, and old matter to be omitted from the statutes.

Sec. 7. Bills Must Be Engrossed Before Final Reading. All bills, before being advanced to final reading and passage, shall be engrossed by typewriter, and if amended, shall be reprinted in the manner prescribed in the preceding section, and copies thereof shall be supplied for the use of members.

Sec. 8. Bills Must Receive Two Readings Before Passage. Every bill and resolution shall be read by title when introduced, and a printed copy thereof provided for the use of each member, and the bill and all amendments thereto shall be printed and read at large before the vote is taken upon its final passage. Const. Art. III, Sec. 14.

Sec. 9. Vote Required to Expend Money or Change Compensation. It shall require the vote of a majority of the members elected to expend money by the Legislature or to change the compensation of any officer or employee.

RULE 12

Bills—Stages in Consideration

Sec. 1. Introduction and First Reading.
Introduction. Rule 11, Secs. 1, 2.
Time for introduction. Rule 11, Sec. 3.
First reading. Rule 11, Sec. 8.

Sec. 2. Reference to Standing or Select Committee.
Reference committee. Rule 14, Sec. 1.
Readings. Rule 11, Sec. 8.

Sec. 3. Consideration by Standing or Select Committee, Together With Desired Committee Hearings.

Committee hearings. Rule 6, Secs. 2-5.

Sec. 4. Report by Standing or Select Committee and Reference to General File.

Committee reports. Rule 6, Secs. 6-10.

Effect of committee report to postpone indefinitely. Rule 6, Sec. 9.

Sec. 5. General File: Reading, Consideration and General Debate by the Legislature.

a. Each section shall be open to amendment as read, and the amendments, if any, recommended by the standing committee, shall first be considered for adoption or rejection, after which other amendments may be offered.

Amendments. Rule 10, Secs. 16-20.

b. Bills shall be listed and considered on general file in the order in which they shall be reported from the standing committees, except as modified by the Committee on Order and Arrangement; and no change shall be made in such order, except by a majority vote of the elected members.

c. The general appropriation bills, necessary for the support of the state government for the biennium, shall take precedence over all other bills on general file.

d. At any time during consideration of bills on either general or select file, any member may move that the bill be passed over, and if the motion is carried by a majority of those voting, the bill shall be passed over and shall retain its place on the file. This motion shall have the same precedence as to lay on the table.

Sec. 6. Reference to Enrollment and Review. Advancement to Enrollment and Review for recommendations relative to arrangement, phraseology and correlation, unless indefinitely postponed or recommitted to a standing committee.

Sec. 7. Report by Chairman of Enrollment and Review and Reference to Select File.

Enrollment and review report. Rule 5, Sec. 6.

Sec. 8. Select File. Consideration a second time by the Legislature, in review on select file, wherein any of the following motions shall be in order:

a. A motion to approve or reject any or all of the changes recommended by the Chairman of Enrollment and Review. *Provided* only the specific enrollment and review amendments shall be considered when returned by the Enrollment and Review Committee from engrossment.

b. A motion to adopt a unanimous consent amendment, to which no objection shall be offered.

c. A motion to recommit to the proper standing committee.

d. A motion to recommit to the general file for one or more specific amendments. If such motion is adopted, the bill shall be transferred forthwith to the head of the general file, where consideration of the specific amendment shall be the first order of business on that file. After disposition of the specific amendment, the bill may be readvanced to Enrollment and Review for review, amended further, indefinitely postponed, or recommitted to the proper standing committee. If the bill is readvanced it shall be given prior consideration by the Chairman of Enrollment and Review and returned to the select file as soon as possible, and placed at the head of that file: Provided, if the bill is not amended, indefinitely postponed, or recommitted, it may be advanced to Enrollment and Review for engrossment.

Effect of passing over bill. Rule 12, Sec. 5-d.

e. A motion to postpone indefinitely.

No bill shall be considered initially on select file until three legislative days after its advancement from general file to Enrollment and Review: Provided, that the amendments so recommended shall not be read by the Clerk except upon the request of a member of the Legislature.

Sec. 9. Advancement to Enrollment and Review for Engrossment, Unless Recommitted to a Standing Committee or Indefinitely Postponed.

Sec. 10. Report by Chairman of Enrollment and Review and Reference to Final Reading File, or to Select File for Specific Amendment.

Bills must be engrossed before advancement to final reading. Rule 11, Sec. 7.

Sec. 11. Conditions Precedent to Placing Bill on Final Reading. No bill shall be placed upon final reading and passage until:

a. Five legislative days after the initial reference to Enrollment and Review.
b. Two legislative days after its reference to final reading file.
c. Printed copies of the bill in its final form, as amended, shall have been available to members and on their desks for at least one legislative day. Const. Art. III, Sec. 14.

Sec. 12. Final Reading. Consideration on final reading and passage when the bill shall be read at large with all amendments thereto before the vote is taken (Const. Art. III, Sec. 14): Provided, that at any time before the roll call shall have begun on final reading of the bill, it shall be in order to move:

a. To recommit the bill to Enrollment and Review to correct an error, and for re-engrossment.
b. To recommit the bill to the proper standing committee, with or without instructions.
c. To recommit the bill to select file for specific amendment, which amendment may be adopted by a vote of a majority of the elected members.

Members must be in their seats during final reading. Rule 4, Sec. 7.

Sec. 13. Question After Final Reading: Emergency Clause. The question after the final reading of a bill shall be: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass?'" If the emergency clause is contained in the bill, the words "with the emergency clause attached" shall be added to the question.

Sec. 14. Emergency Clause: Failure to Receive Constitutional Majority; Effect; Question. When a bill containing the emergency clause does not receive the required two-thirds constitutional majority on final reading, then the emergency clause shall be considered stricken, and the bill without the emergency clause shall be pending on final reading, and the question then shall be, "Shall the bill pass with the emergency clause stricken?" Const. Art. III, Sec. 27.

Sec. 15. Governor's Veto, Consideration. Upon the day of receipt of a message from the Governor announcing his veto of a bill, or on either of the next five legislative days, any member may move that the bill so vetoed be taken up for passage. Whereupon, the question shall be, "Shall the bill pass, notwithstanding the objection of the Governor?"

Three-fifths vote of the elected members required to pass bill over Governor's veto. Const. Art. IV, Sec. 15.

The Governor may disapprove any item or items of appropriation contained in bills passed by the Legislature, and the item or items so disapproved shall be stricken therefrom, unless repassed in the manner prescribed in case of disapproval of bills. Const. Art. IV, Sec. 15.

RULE 13

Petitions and Memorials

Sec. 1. Petitions, Memorials and Other Papers Referred to Committees. Every petition, memorial, or other paper shall be referred to the proper committee without putting a question for that purpose, unless the reference be objected to by a member at the time such petition, memorial or other paper is presented, in which case the Legislature shall decide the question of reference.

Sec. 2. Introducer May Make Statement. Before any petition or memorial addressed to the Legislature is received and read at the table, whether the same be presented by the presiding officer or a member, a brief statement of the contents of the petition or memorial may be verbally made by the introducer.

Sec. 3. Communications, When Read. No communications or letters shall be read by the Clerk of the Legislature unless such communications or letters are addressed to the presiding officer or Clerk of the Legislature.

RULE 14

Questions and Reference

Sec. 1. Reference Committee for Bills and Resolutions. Who Constitutes. The Lieutenant Governor, the Speaker, and the Chairman of the Committee on Committees shall constitute the Reference Committee for the assignment of bills and resolutions to the various standing committees.

Sec. 2. Nominations by Governor Referred to Committee on Committees. All nominations made to the Legislature by the Governor, requiring confirmation by the Legislature, shall be referred to the Committee on Committees, and the same procedure shall be followed as governs the handling of other matters before standing committees, unless the Legislature shall otherwise direct by unanimous vote.

Sec. 3. Members May Object to Reference. Any member may object to the reference of any bill or other proposition, and correction in case of error in reference may be made by the Legislature on any legislative day, immediately following corrections of the daily journal, by unanimous consent, or by the vote of a majority of the elected members.

Sec. 4. Motions for Reference: Preference. When motions are made for reference of the same subject to a select committee and to a standing committee, the question on reference to the standing committee shall be put first.

Proposed amendments to rules referred to Rules Committee. Rule 17.

RULE 15

Resolutions

Sec. 1. Resolutions; How Designated. A resolution shall be designated as Legislative Resolution ———.

Sec. 2. Resolutions Proposing Constitutional Amendments, Granting Money, or Requiring Governor's Approval: Consideration and Adoption. Resolutions which propose amendments to the state constitution, propose the ratification of amendments to the federal constitution, provide for the grant of money out of the contingent or any other fund, or require the approval of the Governor, shall be considered and adopted in the same manner as bills. Const. Art. III, Secs. 13, 14; Art. XVI, Sec. 1.

No resolution shall be introduced bearing the names of more than three members, but the names of additional introducers may be added by consent of the Legislature.

Sec. 3. Resolutions Laid Over One Legislative Day. All other resolutions, except by the unanimous consent of the members present and voting, shall lie over for consideration until the next legislative day.

Sec. 4. Resolutions; Reference to Committee; Vote Necessary for Adoption. When called for consideration on the next legislative day after its introduction, any such resolution shall be referred to the proper standing committee, if as many as five members object to its consideration at that time. The vote of a majority of the elected members shall be required for the adoption of any such resolution.

RULE 16

Privileges of the Floor

No person shall be admitted to the floor of the Legislature except the following:

Members of the Legislature, officers and employees.

State officers, their deputies and clerks.

Judges of the Supreme Court.
Judges of the District Courts.
Senators and Representatives in Congress.
Reporters of regularly accredited newspapers and broadcasting stations.
And such other persons as the Legislature may deem proper to admit.

No person, other than those hereinbefore excepted, shall be admitted to the members' cloak room or post office, unless accompanied by a member.

Any representative of a newspaper, press association, or radio or television station assigned to cover the Legislature, who flagrantly or persistently violates the ethics of news reporting by assuming the facts without regard for accuracy may be denied the privilege of the Senate Chamber on a majority vote of the members elected to the Legislature. Such action shall be brought by the Rules Committee and no action may be brought until after a full hearing has been held on the charges.

RULE 17

Suspension and Amendment of Rules

These rules may be suspended by a two-thirds majority vote of the elected members, and may be amended by a three-fifths majority vote of the members elected: Provided, any proposed amendment must first be referred to the Committee on Rules for consideration and report.

LEGISLATIVE JOURNAL

SIXTY-SIXTH (EXTRAORDINARY) SESSION

FIRST DAY

Legislative Chamber, Lincoln, Nebraska

Tuesday, April 20, 1954

Pursuant to a proclamation by His Excellency, Robert B. Crosby, Governor of the State of Nebraska, the sixty-sixth (extraordinary) session of the Legislature of Nebraska assembled in Legislative Hall of the Capitol Building at the hour of 2 p.m., April 20, 1954, and was called to order by Lieutenant Governor Charles J. Warner.

PROCLAMATION OF THE GOVERNOR

By virtue of the authority vested in the Governor by Article IV, Section 8, of the Constitution of the State of Nebraska, believing that an extraordinary occasion has arisen, I do hereby call the Legislature of the State of Nebraska to convene in extraordinary session at the State Capitol on Tuesday, April 20, 1954, at 2 P. M., for the purpose of considering:

1. Amendments to the Constitution of the State of Nebraska with reference to revenue and taxation and proposing such

amendments to the Constitution to the people that the electors may approve or reject such proposals.

2. An appropriation of funds for the necessary expense of the extraordinary session herein called.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nebraska to be affixed.

Done at the Capitol in the City of Lincoln, this 12th day of April, in the Year of Our Lord, One Thousand Nine Hundred and Fifty-four.

(Signed) Robert B. Crosby
Governor

(Seal)

BY THE GOVERNOR:

(Signed) Frank Marsh
Secretary of State

Prayer was offered by Reverend E. C. Hansen.

The roll was called and the following members were present:

Adams, John, Sr.	Diers, H. K.	Martin, Joseph D.
Anderson, Lester H.	Dooley, Tom	Marvel, Richard D.
Aufenkamp, John	Duis, Herbert J.	Moulton, William
Beaver, John E.	Fenske, A. A.	Nelson, Frank
Bixler, J. Monroe	Hill, Ralph W.	Person, O. H.
Bridenbaugh, Hal	Hubka, Ernest A.	Peterson, K. W.
Brower, Robert C.	Klaver, Sam	Pizer, Harry L.
Burney, Dwight W.	Kotouc, Otto, Sr.	Shultz, L. M.
Carmody, Arthur	Larkin, John J., Jr.	Syas, George
Carpenter, Terry	Lee, Earl J.	Tvrdik, Charles F.
Carson, Hugh	Liebers, Otto H.	Vogel, Karl E.
Coffey, Tom	Lillibridge, C. C.	Williams, W. J.
Cole, D. J.	McHenry, William A.	Wilson, Charles
Cramer, Glenn	McNutt, Robert D.	

The President declared the sixty-sixth (extraordinary) session of the Nebraska State Legislature duly convened and ready to transact business.

Rules of the Legislature

The President announced that without objection, the rules of the last regular session would govern the extraordinary session and all standing committees of the last session would continue during the present session.

MOTION—Committee on Credentials

Mr. President: I move that a committee of three be appointed on Credentials. (Signed) Richard D. Marvel

The motion prevailed and the President appointed the following members to serve on said committee: Marvel, chairman; Klaver, Person

The committee withdrew and subsequently returned with the following:

REPORT—Committee on Credentials

Mr. President: Your Committee on Credentials hereby reports that the following named are entitled to seats in this body:

Fay O. Britt, 19th District, Lancaster County;

Clyde F. Cretsinger, 39th District, Keith, Deuel, Arthur, Garden, Grant, Hooker, Thomas, Blaine, Logan, and McPherson Counties.

(Signed) Richard D. Marvel
Chairman

LETTER—Secretary of State

April 20, 1954

Mr. Hugo Srb
Clerk of the Legislature
State Capitol Building
Lincoln, Nebraska

Dear Mr. Srb:

We hand you herewith the official appointment of Clyde F. Cretsinger as a Member of the Legislature from the Thirty-Ninth District for the unexpired term of J. L. Brown, resigned.

Very truly yours,

FRANK MARSH
Secretary of State

By (Signed) Roland A. Luedtke
Roland A. Luedtke
Deputy

RAL:ms
Encl.

CERTIFICATE

State of Nebraska, Department of State

I, Frank Marsh, Secretary of State of the State of Nebraska do hereby certify that CLYDE F. CRETSINGER has been appointed a Member of the Nebraska State Legislature from the Thirty-Ninth District, for the unexpired term of J. L. Brown, resigned, for the term beginning April 13, 1954, for such time as he shall satisfactorily perform all the duties imposed upon such officer by law, and until January 6, 1955, and until a successor is duly elected and qualified.

I further certify that the foregoing appointment was made by Governor Robert B. Crosby under the authority granted by Section 32-1042 of the Revised Statutes of Nebraska.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State of Nebraska. Done at Lincoln this Twentieth day of April in the year of our Lord, one thousand nine hundred and fifty-four.

(SEAL) (Signed) Frank Marsh
Secretary of State

LETTER—Secretary of State

April 20, 1954

Mr. Hugo Srb
Clerk of the Legislature
State Capitol Building
Lincoln, Nebraska

Dear Mr. Srb:

We hand you herewith the official appointment of Fay O. Britt as a Member of the Legislature from the Nineteenth District for the unexpired term of Howard Britt, deceased.

Very truly yours,

FRANK MARSH
Secretary of State

By (Signed) Roland A. Luedtke
Roland A. Luedtke
Deputy

RAL:ms
Encl.

CERTIFICATE

State of Nebraska, Department of State

I, Frank Marsh, Secretary of State of the State of Nebraska do hereby certify that FAY O. BRITT has been appointed a Member of the Nebraska State Legislature from the Nineteenth District, for the unexpired term of Howard Britt, deceased, for the term beginning April 7, 1954, for such time as she shall satisfactorily perform all the duties imposed upon such officer by law, and until January 6, 1955, and until a successor is duly elected and qualified.

I further certify that the foregoing appointment was made by Governor Robert B. Crosby under the authority granted by Section 32-1042 of the Revised Statutes of Nebraska.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State of Nebraska. Done at Lincoln this Twentieth day of April in the year of our Lord, one thousand nine hundred and fifty-four.

(SEAL) (Signed) Frank Marsh
Secretary of State

Motion by Mr. Marvel to adopt the report of the Committee on Credentials prevailed.

MOTION—Committee to Escort New Members

Mr. President: I move that the President appoint a committee of six to escort the new members to the rostrum. (Signed) Charles F. Tvrdik

The motion prevailed and the President appointed the following members to serve on said committee: Tvrdik, chairman; McNutt, and Kotouc to escort Mrs. Britt; Carmody, Wilson, and Shultz to escort Mr. Cretsinger.

The committee to escort the new members retired and subsequently returned escorting Fay O. Britt and Clyde F. Cretsinger.

MOTION—Committee to Escort Chief Justice

Mr. President: I move that the President appoint a committee of three to escort Chief Justice Robert G. Simmons to the Legislative Chamber for the purpose of administering the oath of office to the new members. (Signed) Earl J. Lee

The motion prevailed and the President appointed the following members to serve on said committee: Lee, chairman; Hubka, Adams

The committee retired and subsequently returned escorting the Chief Justice.

The required oath of office was administered by Chief Justice Robert G. Simmons to the new members, who were then escorted to their seats in the Legislative Chamber.

The committee escorted the Chief Justice from the Chamber.

Mr. Liebers welcomed Mrs. Britt as a new member of the Legislature and she responded with a greeting to the Legislature. Mr. Carmody welcomed Mr. Cretsinger as a new member of the Legislature and he responded with a greeting to the Legislature.

MOTION—New Members, Committees

Mr. President: I move that the new members, Fay O. Britt and Clyde F. Cretsinger, be appointed on the committees served by their predecessors, Howard L. Britt and J. L. Brown, and that, with this exception, the membership on all standing committees be the same as during the regular session. (Signed) C. C. Lillibridge

The motion prevailed.

MOTION—Committee to Escort Mrs. Crosby and Mrs. Warner

Mr. President: I move that the President appoint a committee of one to escort Mrs. Crosby and Mrs. Warner to the front of the Legislative Chamber. (Signed) Harry L. Pizer

The motion prevailed and the President appointed Mr. Pizer to serve on said committee.

Mr. Pizer retired and subsequently returned escorting Mrs. Crosby and Mrs. Warner.

MOTION—Notify the Governor

Mr. President: I move that the President appoint a committee of five to notify Governor Robert B. Crosby that the Legislature is now organized and ready to receive any communications. (Signed) Terry Carpenter

The motion prevailed and the President appointed the following members to serve on said committee: Carpenter, chairman; Britt, Cretsinger, Vogel, Diers.

The Committee retired and subsequently returned escorting Governor Robert B. Crosby, who delivered the following:

MESSAGE TO THE LEGISLATURE

MR. PRESIDENT, MR. SPEAKER AND MEMBERS OF THE LEGISLATURE:

Not in many years has there been a special session as important as this one.

The subject matter is the tax structure of Nebraska. Your deliberations will have to do with the parts of our state Constitution relating to that subject matter. This is much like a constitutional convention except that your consideration is restricted to the tax area of state government.

This session has but a single purpose: to submit the proposals on which the people shall vote at the election in November. You and I do not decide these issues — we simply define the issues. Only the people at a general election can amend the Constitution.

No one should quarrel with the right of the people to decide the manner in which they shall support government through taxation.

Much has been said and written about Nebraska's tax problem. Those who choose to understand this problem know that it stems entirely from the provisions of our Constitution. The equalization of assessments that has occurred last year and this year is nothing more than the process of administering the property tax system prescribed in the Constitution. Those who do not like the results simply do not like the Constitution.

Let me digress to make three general comments:

First, this entire problem — which was not of my making or choosing — came to a head with the Supreme Court decision that was handed down my first morning in office. It was a unanimous decision. It commanded equalization of assessments. I have resolutely obeyed the mandate of the Supreme Court.

Probably no Governor ever received a more difficult assignment. Temporary unpopularity was the certain result of a full discharge of my duty. The requirement of our Constitution for uniform assessments had been disregarded so long that many people no longer understand it.

As I look back over the last year, I am well pleased. I thank God that I have not wavered from a course that followed the spirit and intent of our Constitution. The passage of time will certify the substantial rightness of what has been done. To be faithful to one's duty has a reward that transcends immediate political expediency.

Second, not once have I expressed any criticism of the legislature in connection with these problems. To be sure, some political advisors have urged me to lay the blame on the legislature. But basically these problems relate to the constitution. The legislature cannot change the constitution. Since the Supreme Court decision was handed down, the first opportunity to amend the constitution occurs when the people go to the polls next November. By now most people understand that whether property is assessed at 50% or 100% or 5% or any other percent makes no difference in the long run.

Third, property taxes levied by state government are much lower. You will agree with me that it is frustrating that many people do not realize this. Through the application of restraint in budgeting there will be, for the first time in almost fifteen years, a sharp reduction in property tax collections for this biennium. This year alone our collections will be 2 1/3 million dollars less. This is an amazing achievement and a real satisfaction to you and me.

Now I shall review the bare outline of the events that led up to this moment.

On January 9th a year ago the Supreme Court handed down the decision commanding obedience to the Constitution in assessing property for taxation. The Supreme Court decision amounted to a stern indictment of past State Boards of Equalization for long continued neglect of duty.

As of that time the assessment picture in Nebraska was a fantastic pattern of injustice. Among the 93 counties farm land assessments ranged from an estimated 56% of market value to as low as 21%, and town real estate from 37% to as low as 13%. Cattle were assessed at 75% of market value, automobiles at about 80%, grain at still a different percent. Nonexempt household goods and personal equipment (excepting special household equipment) in some counties averaged $127.50 per schedule, in other counties as low as $11.68. In some counties schedules of business merchandise were estimated to average 49% of actual value, in other counties as low as 15%. All of this was true notwithstanding that the Constitution required uniformity and the state law required assessment at 100% of actual value.

To reduce the severity in the adjustments that would be required, the Legislature passed the law providing for assessment at 50% of value. Last year this law was widely misunderstood, but by now most people understand that Nebraska's tax problem has nothing to do with the 50% law and that nothing would be accomplished by increasing assessments to 100%.

During last summer one-fourth of the counties obeyed the Supreme Court and equalized their real estate assessments as required.

Last July the State Board held hearings for a week, and then to the best of its ability obeyed the constitution and the Supreme Court by equalizing average assessments among the 93 counties in the state.

Real estate is assessed by officials; personal property is self-assessed by the owner. By official action real estate assessments were adjusted to the requirements of law; in general the voluntary action of personal property owners that would be necessary to bring that kind of assessment up to the legal requirement did not occur last year, although many individual property owners obeyed the law conscientiously.

Therefore, real estate picked up a disproportionate share of the property tax burden.

The next obvious step in equalizing was to seek enforcement of the law relating to personal property assessments. "Operation Honesty" was initiated as a sincere effort to obtain voluntary compliance with the law and to achieve some lightening of real estate taxes. The assessment season ends today. I am confident that we have just concluded the best assessment of property, both real and personal, that Nebraska has ever seen.

It was not easy to decide upon a program like "Operation Honesty." One does not enhance his popularity with some people by urging them to increase their personal property returns to the full amount required by law so that they will have no advantage over their neighbors. However, if real estate was to be fully assessed it was glaringly wrong to neglect personal property.

Having discovered by experience the problems that arise from a conscientious effort to administer the present tax laws, the next step is to overcome these problems by improvements of the laws. It has become more and more apparent that the most vitally necessary improvements of our laws are blocked by the language of our state Constitution.

I became increasingly concerned about the need for constitutional amendments. On March 22nd I announced five definite proposals for constitutional amendments which I would recommend to the people for adoption, and a sixth proposal which I would submit without recommendation. Further, I announced that I would circulate petitions to place these proposals on the ballot at the November election. At this time the Tax Study Committee of the Legislative Council had not arrived at any recommendations on these matters.

I was so convinced of the urgency of placing these proposals before the people that I felt I could not risk delay.

Subsequently I was invited to meet with the Tax Study Committee on several occasions. As a result of these joint meetings it developed that the Tax Study Committee and I were in agreement on the basic principles of my recommendations, excepting only the one for a partial homestead exemption.

At this time let me emphasize the tremendous amount of work that has been done by the Tax Study Committee. It has labored for 8 months and has listened to the recommendations of hundreds of people. I am much indebted to that committee for its cooperation and the collective wisdom of its membership.

At the urgent request of the Tax Study Committee I agreed to call this special session of the Legislature. It is true that this legislature is meeting early enough so that failure of agreement among the members will still leave sufficient time for the circulation of petitions before July 3rd. However, I do not expect to be required to circulate petitions. I have a great amount of confidence in the members of the Tax Study Committee. I have the same confidence in the other members of this legislature. I am sure that you will produce proposals that are adequate for giving the people a full opportunity to choose the kind of tax system that a majority of the people want.

The proposals that I announced on March 22nd which will be embraced in bills that have been jointly prepared with your Tax Study Committee are the following:

First, a constitutional amendment that will permit the legislature to exempt household furnishings and personal effects to the extent that it deems desirable. Only 1.9% of the property tax revenue in Nebraska is derived from the taxation of household furnishings and personal effects. Probably more than 90% of the assessment effort is applied to this kind of property. Further, this type of property is the most difficult to assess. Because of the uncertain value of most household furnishings and personal effects, a real moral problem confronts the taxpayer in his effort to fill out an honest tax schedule.

Second, a constitutional provision that will permit the legislature to determine the best means of equalizing tax assessments as among the counties. Our present constitution designates five officials who on a part time basis constitute the State Board of Equalization. In the long run it is obviously impossible for such a Board to be familiar enough with this problem to produce an efficient result. Further, elected officials such as a Governor are not likely to be aggressive in equalizing assessments among the counties from year to year. It is inescapably unpopular to adjust assessments notwithstanding that the law and principles of fairness may require it to be done. I can testify to this. It is the experience of other states that an official or a board that is removed from elective partisan politics can best discharge this function.

Third, a constitutional amendment to permit the legislature to determine how county assessors and local boards of equalization shall be chosen. Our Constitution requires the election of county assessors. May I again point out that adjustments of assessments are not recommended as a device for getting votes. The experience of other states shows that an appointive system on the basis of merit may produce much better assessment results. Even the State Association of County Assessors has recommended an appointive system.

Fourth, a constitutional amendment permitting assessment officials to adopt special methods for some types of property. Our present Constitution requires absolute uniformity among all classes of property on the basis of value. It is obvious that the assessment of a business building presents different problems than the assessment of a cow. It is agreed among merchants that it might be much more equitable to assess on the basis of average annual inventories. With regard to real estate, it might be more feasible to determine valuations on the basis of a several years' average rather than to seek the fictional figure that is represented by current market value as of a certain date. Among farmers it might be more equitable to apply property taxes on the basis of annual production rather than on the basis of the amount of agricultural produce that may be on hand on a certain date. Very few states have a uniformity clause based on value that is as rigid as ours. It should be reasonably relaxed so that common sense can be used in assessments.

Fifth, a constitutional amendment protecting the people against extravagant use of supplemental taxes that might be enacted. Anyone who is acquainted with the thinking of Nebraska recognizes that more people than ever before have expressed themselves as being favorable to a sales tax or an income tax or a combination of both. I have always opposed both sales tax and income tax as a means of raising revenue for state and local purposes. I do not now advocate them. But I recognize clearly that those who do advocate such taxes desire to see them used for the replacement of property tax revenues. By now it is well understood that these supplemental taxes would not do more than supplant a small part of the property tax burden and would do nothing toward solving the task of equalizing property taxes.

If there are to be such supplemental taxes, however, I want some constitutional guarantee that they will be used as a substitute for property taxes in traditional areas of government activity.

Some weeks ago I suggested to the Tax Study Committee that such supplemental taxes, if enacted, could be used to replace the property tax support for the state general fund, and the balance could be apportioned among the school districts of the state. This apportionment of the balance under a proper formula would hasten the reorganization of school districts, a thing that must be accomplished if we are going to attain a fair distribution of the property tax burden. It is important that the people be able to exercise a choice in this matter.

The foregoing proposals will be embodied in bills that have been jointly prepared by the Tax Study Committee and myself.

A final proposal will be presented to you in a bill prepared separately from the Tax Study Committee. This is a proposal for a reasonable homestead exemption that will be limited in amount. During the years of neglect it was recognizable that home assessments dropped to a level below the assessments of commercial and farm property. In my judgment this results from a basic feeling in our society that homes ought not to be taxed at the full rate that is applied to income producing property. This probably results from the value which we attach to the family unit. Most people feel that the acquisition of a home represents a special security for the mother and children. It is commonly understood that home ownership should be encouraged. I am convinced that it is hopeless in the long run to expect assessors to tax homes at the same rate as other property. This being true, it is better that our constitution and our laws should recognize this basic social attitude by permitting a stated exemption in limited amount for owner-occupied homes.

I want to refute one remark that has been made occasionally. It has been said that the foregoing proposals are Bob Crosby's program because I collected them together and stated them publicly on March 22nd. To be sure, these proposals are the natural and necessary outgrowth of my careful observation of events during the past year when we have been earnestly trying to obey the tax provisions of our state constitution. However, I hold no copyright on these proposals. Some of them are more important than others. From their exhaustive studies the members of the Tax Study Committee were able to agree with most of these conclusions. Many people have argued for some of these proposals for years. I dare say that each member of this legislature has for a long time recognized the need for at least some of these amendments.

Having decided to call a special session my attitude is one of earnest and wholehearted cooperation. I want to do everything possible to insure the success of your deliberations. I do not seek any credit or glory. In fact, nothing would make me happier than to have this legislative session remembered as the wisest and most productive one in the history of the state.

Some of us have recently become candidates for office. I for one am willing to lay aside politics and personal ambitions for the balance of this session in order to best serve the taxpayers of Nebraska. I urge you to conduct your business as speedily as possible by devoting your efforts and attention solely to the serious problems at hand. Each of us owes this duty to the people of Nebraska.

This is serious business. I. know that you believe with me that people in Nebraska want a chance to decide these issues at the general election. Neither you nor I want the people unduly restricted in the choices that they shall have an opportunity to make regarding the future tax system of Nebraska.

As you know, legislation proposing constitutional amendments does not require the approval of the Governor and he has no veto power. Therefore, this is probably my last formal action in connection with this special session except to receive the notice that you have completed your work and are ready to adjourn. It is for you to write this chapter of the story. For over a year I have not spared myself in rendering a faithful performance of my duties as chief executive. Now all is in your hands. You have my best wishes for abundant success. I pledge you my full cooperation in the interests of our great State of Nebraska.

(Signed) Robert B. Crosby

The committee escorted the Governor from the Legislative Chamber.

Mr. Pizer escorted Mrs. Crosby and Mrs. Warner from the Legislative Chamber.

Communications

Letter from Governor Robert B. Crosby stating that the parking lot west of the Executive Mansion will be available for the use of the members of the Legislature.

Letter from Miss Mayme Stukel, Director of Assistance, inviting the members of the Legislature to attend the annual conference of the Mountain States Region of the American Public Welfare Association at the Cornhusker Hotel in Lincoln, April 25-28, 1954.

Letter from Clarence A. H. Meyer, Deputy Attorney General, requesting that the Legislature have the floor debate on proposed amendments reported in full and made a part of the official journal.

Letter from L. N. Ress, State Engineer, enclosing a copy of the bond for the 20-year guarantee on the roofing portion of the terrace repair work and a copy of a 20-year flashing endorsement on the flashing of the roof deck area.

Letter from Miss Mabel Fossler, Lincoln, Nebraska, requesting repeal of LB 516, Sixty-fifth Session.

Telegram from the late U.S. Senator Dwight Griswold advising that the Senate passed H.R. 3306, Mineral Reservation Bill without amendment.

MESSAGE FROM THE GOVERNOR

April 20, 1954

TO THE PRESIDENT, SPEAKER AND
MEMBERS OF THE LEGISLATURE:

For the information and subject to the consideration of Your Honorable Body, I am pleased to advise that I have appointed the following named persons to the following respective offices:

Frank L. Johnson	Douglas County Tax Appraisal Board
Morris I. Evinger	State Board of Health
Carl J. Norden, Jr.	State Board of Health
D. T. Waggener	State Board of Health
Maurice D. Frazer	State Board of Health
Dr. J. E. M. Thomson	State Board of Health
Joseph B. Burt	State Board of Health
Mrs. F. W. Putney	State Board of Health
George W. Peterson (Unexpired Term)	State Tax Commissioner
Ernest M. Johnson	Board of Education of State Normal Schools
C. E. Metzger	State Highway Commission
Arthur L. Coad	State Highway Commission
Merle Kingsbury	State Highway Commission
Arthur Albrecht	State Highway Commission
Fred Attebery	State Highway Commission
W. O. Collett (Resigned)	State Highway Commission
Don E. Hanna (Deceased)	State Highway Commission
Don Hanna, Jr. (Unexpired Term)	State Highway Commission
Ray Ogier (Unexpired Term)	State Highway Commission
Floyd Stone	Game, Forestation and Parks Commission

As Chairman of the Board of Educational Lands and Funds, I wish to advise that subject to the consideration and approval of Your Honorable Body, the Board of Educational Lands and Funds has nominated Robert D. Hiatt as Secretary of the Board of Educational Lands and Funds to fill the unexpired term of Henry F. Bartling who resigned.

This is to further advise that I have appointed Fay O. Britt as a Member of the Nebraska State Legislature for the 19th District, to fill the unexpired term of Howard Britt, deceased; and that I have appointed Clyde F. Cretsinger as a Member of the Nebraska State Legislature for the 39th District, to fill the unexpired term of J. L. Brown, who resigned.

The Certificates of Appointment for the above two Members of the Nebraska State Legislature have been transmitted to the Secretary of State for certification as provided by Section 32-1042, Revised Statutes of Nebraska, 1943.

Respectfully submitted,

(Signed) Robert B. Crosby
Governor

Referred to Committee on Committees.

BILLS ON FIRST READING

The following bills were read the first time by title:

LEGISLATIVE BILL 1. By Otto H. Liebers of Legislative District 18.

A bill for an act for submission to the electors of amendment of Article IV, section 28, of the Constitution of Nebraska, relating to revenue and taxation; to permit the Legislature to provide for appointment of a Tax Commissioner or a Tax Commission; to provide for the jurisdiction and powers of such Tax Commissioner or Tax Commission; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

LEGISLATIVE BILL 2. By Otto H. Liebers of Legislative District 18.

A bill for an act for submission to the electors of amendment to Article IX, section 4, of the Constitution of Nebraska, relating to revenue and taxation; to permit the Legislature to provide for appointment of county assessors and boards of equalization and assessment for counties or for other taxing districts; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

LEGISLATIVE BILL 3. By Otto H. Liebers of Legislative District 18.

A bill for an act for submission to the electors of amendment to Article VIII, section 2, of the Constitution of Nebraska, relating to revenue and taxation; to permit the exemption of household goods and personal effects, in whole or in part, from taxation; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

LEGISLATIVE BILL 4. By Otto H. Liebers of Legislative District 18.

A bill for an act for submission to the electors of amendment to Article VIII, section 1, of the Constitution of Nebraska, relating to revenue and taxation; to permit taxes to be levied uniform as to class and permit the Legislature to prescribe standards and methods for the assessment of various classes of real and personal property, both tangible and intangible; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

LEGISLATIVE BILL 5. By Otto H. Liebers of Legislative District 18.

A bill for an act for submission to the electors of amendment to Article VIII of the Constitution of Nebraska, relating to revenue and taxation; to provide that the Legislature shall adopt a general sales tax as a method of raising revenue for the State of Nebraska for state purposes; to provide for the allocation of the proceeds of such tax; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

LEGISLATIVE BILL 6. By Arthur Carmody of Legislative District 37, Chairman, Committee on Budget.

A bill for an act to provide for the compensation of employees, mileage of members, and for supplies and other incidental expenses incurred during the Sixty-sixth (Extraordinary) Session of the Legislature of the State of Nebraska; to appropriate the sum of six thousand dollars therefor; and to declare an emergency.

LEGISLATIVE BILL 7. By Herbert J. Duis of Legislative District 36.

A bill for an act for submission to the electors of amendment to Article VIII of the Constitution of Nebraska, relating to revenue and taxation; to provide that when a general sales tax, or an income tax, or a combination of a general sales tax or income tax, is adopted by the Legislature as a method of raising revenue for the State of Nebraska for state purposes, the state shall be prohibited from levying a property tax for state purposes; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

LEGISLATIVE BILL 8. By Tom Coffey of Legislative District 33, by request of the Governor.

A bill for an act for submission to the electors of amendment to Article VIII of the Constitution of Nebraska, relating to revenue and taxation; to provide for the allocation of the proceeds of the tax when a general sales tax or a combination of a general sales tax and income tax is adopted as a method of raising revenue; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

LEGISLATIVE BILL 9. By Lester H. Anderson of Legislative District 25 and W. J. Williams of Legislative District 34.

A bill for an act for submission to the electors of amendment to Article VIII of the Constitution of Nebraska, relating to revenue and taxation; to permit the exemption of homesteads in part from taxation; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

SUSPEND RULES—Refer Bills

Mr. President: I move that the rules be suspended and all bills relating to the constitution be referred to a joint committee composed of the members of the Judiciary and Revenue Committees, with the chairman of the Judiciary Committee acting as chairman. (Signed) Glenn Cramer

Ease

The Legislature was at ease from 3:35 p.m. until 4:00 p.m.

The Cramer motion to suspend the rules and refer the bills relating to the constitution to a joint committee composed of the members of the Judiciary and Revenue Committees prevailed with 40 ayes, 3 nays and 0 not voting.

MOTION—Introduction of Bills

Mr. President: I move that during this special session no bill shall be introduced after the first legislative day. (Signed) Earl J. Lee

Mr. Anderson moved to amend the Lee motion to read "I move that during this special session no bill shall be introduced after the second legislative day."

The Anderson amendment carried with 28 ayes, 13 nays and 2 not voting.

The Lee motion as amended prevailed with 36 ayes, 7 nays and 0 not voting.

MOTION—Adjourn

Mr. President: I move that when the Legislature adjourns on April 21, 1954, that thereafter the Legislature adjourn until Monday, April 26, 1954, at 1:30 p.m. (Signed) Ernest A. Hubka

The motion prevailed with 28 ayes, 15 nays and 0 not voting.

MOTION—Report Floor Debate

Mr. President: I move that the floor debate in regard to all bills introduced in this special session be reported in full and made a part of the official legislative journal at the end of the session. The cost of this reporting shall be at legislative expense. The reporters shall be obtained by the Budget Committee. (Signed) Robert D. McNutt

The motion prevailed with 33 ayes, 5 nays and 5 not voting.

MOTION—Furnish New Members with Statutes, Session Laws

Mr. President: I move that the Clerk furnish the new members, Fay O. Britt and Clyde F. Cretsinger, with the Statutes and Session Laws and other usual supplies. (Signed) John E. Beaver

The motion prevailed.

Members Excused

Mr. Adams was excused for Wednesday, April 21, 1954.

Mr. Bridenbaugh was excused for Wednesday, April 21, 1954, to attend the funeral of his sister, Mrs. George Zentmyre, at South Sioux City, Nebraska.

MOTION—Flowers

Mr. President: I move that the Legislature send flowers to the funeral of Mr. Bridenbaugh's sister at South Sioux City, Nebraska. (Signed) Sam Klaver

The motion prevailed.

NOTICE OF COMMITTEE HEARINGS

Judiciary—Revenue, Joint Committee

LB 1	Monday, April 26, 1954	2:00 p.m.
LB 2	Monday, April 26, 1954	2:00 p.m.
LB 3	Monday, April 26, 1954	2:00 p.m.
LB 9	Monday, April 26, 1954	2:00 p.m.
LB 5	Tuesday, April 27, 1954	10:00 a.m.
LB 7	Tuesday, April 27, 1954	10.00 a.m.
LB 8	Tuesday, April 27, 1954	10:00 a.m.

Appreciation

Mr. Tvrdik expressed his appreciation for the flowers sent to his father's funeral by the members of the Legislature.

Visitors

Mr. Tvrdik introduced the following visitors from Australia: Robert Law-Smith, Digby Crozier, and Brian Learmonth. Mr. Crozier addressed the Legislature briefly.

Adjournment

At 5:20 p.m., on a motion by Mr. McHenry, the Legislature adjourned until 10:00 a.m., Wednesday, April 21, 1954.

Hugo F. Srb

Clerk of the Legislature

SECOND DAY

Legislative Chamber, Lincoln, Nebraska

Wednesday, April 21, 1954

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

Prayer was offered by the Chaplain.

The roll was called and all members were present except Messrs. Adams and Bridenbaugh, who were excused.

The Journal for the First Day was approved as corrected.

Announcement—Committee Hearings

Mr. Lillibridge, Chairman of the Committee on Committees, announced that hearings on the Governor's appointments would be held at 1 p.m., Tuesday, April 27, 1954, in the West Senate Lounge.

Appreciation

Mr. Cramer expressed his appreciation for the floral tributes sent by the Legislature to the funeral of his wife.

BILLS ON FIRST READING

The following bill was read the first time by title:

LEGISLATIVE BILL 10. By W. J. Williams of Legislative District 34 and Sam Klaver of Legislative District 6.

A bill for an act for submission to the electors of amendment to Article VIII, section 1, of the Constitution of Nebraska, relating to revenue and taxation; to provide that separate valuations shall be made by the state for state purposes to insure equalization among the various counties in the raising of revenue for state purposes; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

SUSPEND RULES—Refer Bills

Mr. President: I move that the rules be suspended and the bills introduced today relating to the constitution be referred to the joint committee of the Judiciary and Revenue Committees. (Signed) Charles F. Tvrdik

The motion prevailed with 37 ayes, 0 nays and 6 not voting.

Bills Referred to Standing Committees

LB	Committee
6	Budget

SUSPEND RULES—Hearings on Bills

Mr. President: I move that the rules be suspended and the joint committee be authorized to set bills for public hearing at a time to be determined by the chairman of said committee. (Signed) Robert D. McNutt

The motion prevailed with 35 ayes, 0 nays and 8 not voting.

NOTICE OF COMMITTEE HEARINGS

Judiciary—Revenue, Joint Committee

LB 4	Wednesday, April 28, 1954	10:00 a.m.
LB 10	Wednesday, April 28, 1954	10:00 a.m.

(Both to be held in the Legislative Chamber)

MOTION—Supplies

Mr. President: I move that the Clerk be authorized to furnish supplies for the Legislature. (Signed) Charles F. Tvrdik

The motion prevailed.

Adjournment

At 10:55 a.m., on a motion by Mr. Tvrdik, the Legislature adjourned until Monday, April 26, 1954, at 1:30 p.m., in accordance with the motion previously adopted.

Hugo F. Srb

Clerk of the Legislature

THIRD DAY

Legislative Chamber, Lincoln, Nebraska

Monday, April 26, 1954

Pursuant to adjournment, the Legislature met at 1:31 p.m., Speaker Tvrdik presiding.

Prayer was offered by Reverend C. R. Mattison of the Sheridan Baptist Church, Lincoln, Nebraska.

The roll was called and all members were present except Mr. Adams, who was excused.

The Journal for the Second Day was approved as corrected.

Communications

Letter from Mr. and Mrs. C. J. Ritz, Rockville, Nebraska, opposing a sales tax. Referred to joint committee of Judiciary and Revenue Committees.

Letter from W. H. Diers, Chairman, State Board of Public Welfare, submitting the appointment of Miss Mayme J. Stukel as State Director of Public Welfare. Referred to Committee on Committees.

SUSPEND RULES—Hearing on Appointment

Mr. President: I move that the rules be suspended and the hearing on the appointment of Miss Mayme J. Stukel as State Director of Public Welfare be held before the Committee on Committees at 1 p.m., Tuesday, April 27, 1954. (Signed) C. C. Lillibridge

The motion prevailed with 40 ayes, 0 nays and 3 not voting.

MOTION—Committee Hearings

Mr. President: I move that the joint committee meetings of the Judiciary and Revenue Committees be held in the Legislative Chamber. (Signed) Robert D. McNutt

The motion prevailed with 40 ayes, 0 nays and 3 not voting.

Adjournment

At 1:44 p.m., on a motion by Mr. Klaver, the Legislature adjourned until 9:30 a.m., Tuesday, April 27, 1954.

Hugo F. Srb

Clerk of the Legislature

FOURTH DAY

Legislative Chamber, Lincoln, Nebraska

Tuesday, April 27, 1954

Pursuant to adjournment, the Legislature met at 9:30 a.m., Speaker Tvrdik presiding.

Prayer was offered by Reverend C. R. Mattison of the Sheridan Baptist Church, Lincoln, Nebraska.

The roll was called and all members were present.

The Journal for the Third Day was approved.

RESOLUTIONS

LEGISLATIVE RESOLUTION 1. Re: Contracts of University of Nebraska Athletic Coaches.

Introduced by George Syas of Legislative District 4.

WHEREAS, the coaching of athletics at state Universities is a hazardous profession, and

WHEREAS, the public sentiment in many instances has influenced the actions of the Board of Regents at the University of Nebraska in making and terminating contracts with athletic coaches, and

WHEREAS, long term contracts with athletic coaches have cost the University of Nebraska many thousands of dollars, and

WHEREAS, contracts with athletic coaches at the University of Nebraska should be given more businesslike attention in the future by the Board of Regents.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SIXTY-SIXTH (EXTRAORDINARY) SESSION ASSEMBLED:

1. That future contracts with athletic coaches at the University of Nebraska should not be executed by the Board of Regents to extend beyond a period of four years.

2. That no contract with athletic coaches at the University of Nebraska contain a provision for automatic renewal at the option of the coach, but nothing in this resolution shall mean that contracts shall not be renewed after the expiration of the four-year period.

3. That all contracts between athletic coaches and the University of Nebraska contain a provision for termination at the option of either party.

4. That copies of this resolution suitably engrossed be sent by the Clerk of the Legislature to each member of the Board of Regents and the Acting Chancellor of the University of Nebraska.

Visitors

Mr. Williams introduced Miss Loula Dunn, Director of the American Public Welfare Association.

Invitation

Communication from Charles N. Moon, inviting the members of the Legislature and their ladies to attend the rassling exhibition tonight at the Fair Grounds arena.

Member Excused

Mr. Beaver was excused for Wednesday, April 28, 1954, to attend the funeral of his sister-in-law.

MOTION—Flowers

Mr. President: I move that the Legislature send flowers to the funeral of Mr. Beaver's sister-in-law. (Signed) John Adams, Sr.

The motion prevailed.

SUSPEND RULES—Place LB 6 on General File

Mr. President: I move that the rules be suspended and LB 6 be placed on General File. (Signed) Arthur Carmody

The motion prevailed with 39 ayes, 0 nays and 4 not voting.

GENERAL FILE

LEGISLATIVE BILL 6. Read and considered.

Advanced to E and R for review.

Adjournment

At 9:49 a.m., on a motion by Mr. McHenry, the Legislature adjourned until 9:30 a.m., Wednesday, April 28, 1954.

Hugo F. Srb

Clerk of the Legislature

FIFTH DAY

Legislative Chamber, Lincoln, Nebraska

Wednesday, April 28, 1954

Pursuant to adjournment, the Legislature met at 9:32 a.m., Speaker Tvrdik presiding.

Prayer was offered by Reverend C. R. Mattison of the Sheridan Baptist Church, Lincoln, Nebraska.

The roll was called and all members were present except Messrs. Beaver and Marvel, who were excused.

The Journal for the Fourth Day was approved.

Communications

Letter from Wilbur E. Pitner, Recording Secretary of Cornhusker Lodge No. 60, International Association of Machinists, Omaha, Nebraska, opposing a state sales and income tax law and also the proposed homestead exemption act. Referred to joint committee of Judiciary and Revenue Committees.

Visitors

Mr. Nelson introduced Mr. L. G. Gillispie, a former member of the Legislature, and Mr. Romaine Saunders, Lincoln, Nebraska.

STANDING COMMITTEE REPORT

Committee on Committees

Mr. President: Your Committee on Committees wishes to report favorably on the following appointments:

Frank L. Johnson	Douglas County Tax Appraisal Board
Morris I. Evinger	State Board of Health
Carl J. Norden, Jr.	State Board of Health

D. T. Waggener .... State Board of Health
Maurice D. Frazer .... State Board of Health
Dr. J. E. M. Thomson .... State Board of Health
Joseph B. Burt .... State Board of Health
Mrs. F. W. Putney .... State Board of Health
Ernest M. Johnson ...... Board of Education of State Normal Schools
C. E. Metzger .... State Highway Commission
Arthur L. Coad .... State Highway Commission
Merle Kingsbury .... State Highway Commission
Arthur Albrecht .... State Highway Commission
Fred Attebery .... State Highway Commission
Don Hanna, Jr. .... State Highway Commission
Ray Ogier .... State Highway Commission
Floyd Stone .... Game, Forestation and Parks Commission
Mayme Stukel .... Director of Public Welfare

The appointment of George W. Peterson as State Tax Commissioner, has been held until the regular session, 1955, due to the possible passage of LB 1 and LB 2 and a technicality contained therein.

(Signed) C. C. Lillibridge
Chairman

MOTION—Vote on Appointments

Mr. President: I move that we proceed to vote on the appointments approved by the Committee on Committees. (Signed) C. C. Lillibridge

The motion prevailed.

Vote on Mr. Frank L. Johnson

Voting in the affirmative, 36.

Voting in the negative, 0.

Not voting, 7.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Frank L. Johnson confirmed.

Vote on Mr. Evinger

Voting in the affirmative, 37.

Voting in the negative, 0.

Not voting, 6.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Evinger confirmed.

Vote on Mr. Norden

Voting in the affirmative, 38.

Voting in the negative, 0.

Not voting, 5.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Norden confirmed.

Vote on Mr. Waggener

Voting in the affirmative, 37.

Voting in the negative, 0.

Not voting, 6.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Waggener confirmed.

Vote on Mr. Frazer

Voting in the affirmative, 38.

Voting in the negative, 0.

Not voting, 5.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Frazer confirmed.

Vote on Dr. Thomson

Voting in the affirmative, 37.

Voting in the negative, 0.

Not voting, 6.

Having received a majority of the votes of all members, the Speaker declared the appointment of Dr. Thomson confirmed.

Vote on Mr. Burt

Voting in the affirmative, 38.

Voting in the negative, 1.

Not voting, 4.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Burt confirmed.

Explanation of Vote

The spirit and my intent as co-sponsor of the new state health bill was to have 2 persons on the board from the general public; therefore, I voted against confirming one of the Governor's appointees, as this person can not be considered as a non-professional person. (Signed) George Syas

Vote on Mrs. Putney

Voting in the affirmative, 41.

Voting in the negative, 0.

Not voting, 2.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mrs. Putney confirmed.

Vote on Mr. Ernest M. Johnson

Voting in the affirmative, 38.

Voting in the negative, 0.

Not voting, 5.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Ernest M. Johnson confirmed.

Vote on Mr. Metzger

Voting in the affirmative, 40.

Voting in the negative, 0.

Not voting, 3.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Metzger confirmed.

Vote on Mr. Coad

Voting in the affirmative, 41.

Voting in the negative, 0.

Not voting, 2.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Coad confirmed.

Vote on Mr. Kingsbury

Voting in the affirmative, 41.

Voting in the negative, 0.

Not voting, 2.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Kingsbury confirmed.

Vote on Mr. Albrecht

Voting in the affirmative, 40.

Voting in the negative, 0.

Not voting, 3.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Albrecht confirmed.

Vote on Mr. Attebery

Voting in the affirmative, 41.

Voting in the negative, 0.

Not voting, 2.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Attebery confirmed.

Vote on Mr. Hanna

Voting in the affirmative, 41.

Voting in the negative, 0.

Not voting, 2.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Hanna confirmed.

Vote on Mr. Ogier

Voting in the affirmative, 39.

Voting in the negative, 0.

Not voting, 4.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Ogier confirmed.

Vote on Mr. Stone

Voting in the affirmative, 41.

Voting in the negative, 0.

Not voting, 2.

Having received a majority of the votes of all members, the Speaker declared the appointment of Mr. Stone confirmed.

Vote on Miss Stukel

Voting in the affirmative, 40.

Voting in the negative, 0.

Not voting, 3.

Having received a majority of the votes of all members, the Speaker declared the appointment of Miss Stukel confirmed.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 6. Placed on Select File.

(Signed) Joseph D. Martin, Chairman

Judiciary-Revenue, Joint Committee

LEGISLATIVE BILL 1. Placed on General File.
LEGISLATIVE BILL 2. Placed on General File.
LEGISLATIVE BILL 3. Indefinitely postponed.
LEGISLATIVE BILL 9. Indefinitely postponed.
LEGISLATIVE BILL 5. Indefinitely postponed.
LEGISLATIVE BILL 7. Placed on General File as amended.

Standing Committee amendment to LB 7:

1. Amend section 2, line 6, by striking the word "than" and inserting in lieu thereof the word "that".

LEGISLATIVE BILL 8. Indefinitely postponed.

(Signed) Robert D. McNutt, Chairman

MOTION—Adjourn

Mr. President: I move that we adjourn until 9:30 a.m., Thursday, April 29, 1954. (Signed) William Moulton

MOTION—Recess

Mr. President: I move that we recess until 3 p.m. today. (Signed) George Syas

The motion prevailed, and at 10:13 a.m. the Legislature recessed until 3 p.m.

AFTER RECESS

The Legislature reconvened at 3:08 p.m., Speaker Tvrdik presiding.

The roll was called and all members were present except Mr. Beaver, who was excused.

Explanation of Vote

Had I been present when the vote was taken, I would have voted "aye" on the confirmation of the appointments by the Governor to the Douglas County Tax Appraisal Board, State Board of Health, Board of Education of State Normal Schools, State Highway Commission, Game, Forestation and Parks Commission, and Director of Public Welfare. (Signed) Richard D. Marvel

Adjournment

At 3:10 p.m., on a motion by Mr. Coffey, the Legislature adjourned until 9:30 a.m., Thursday, April 29, 1954.

Hugo F. Srb

Clerk of the Legislature

SIXTH DAY

Legislative Chamber, Lincoln, Nebraska

Thursday, April 29, 1954

Pursuant to adjournment, the Legislature met at 9:30 a.m., President Warner presiding.

Prayer was offered by Reverend C. R. Mattison of the Sheridan Baptist Church, Lincoln, Nebraska.

The roll was called and all members were present except Mr. Wilson, who was excused.

The Journal for the Fifth Day was approved.

Member Excused

Mr. Adams was excused from 11:30 a.m. for the remainder of the day.

Communications

Telegram from Floyd Nicholas, Lay Member, Grand Island Education Association Committee on Legislation, relating to LB 7 and LB 8. Referred to joint committee of Judiciary and Revenue Committees.

MOTION—Record Floor Debate

Mr. President: I move that unless any one or more of the following bills—LB 3, LB 4, LB 5, LB 8, LB 9, LB 10—reach General File, we dispense with the recording of the floor debates. (Signed) Robert D. McNutt

The motion prevailed.

MOTION—Place LB 3 on General File

Mr. President: I move that LB 3 be placed on General File. (Signed) Arthur Carmody.

Mr. Carmody requested a record vote.

Voting in the affirmative, 23:

Aufenkamp	Carson	Hubka	Person
Bixler	Coffey	Klaver	Pizer
Britt	Cramer	Kotouc	Shultz
Brower	Cretsinger	Liebers	Vogel
Carmody	Duis	Martin	Williams
Carpenter	Hill	Marvel	

Voting in the negative, 18:

Adams	Cole	Lee	Peterson
Anderson	Diers	McHenry	Syas
Beaver	Dooley	McNutt	Tvrdik
Bridenbaugh	Fenske	Moulton	
Burney	Larkin	Nelson	

Not voting, 2:

Lillibridge	Wilson

The motion prevailed, and LB 3 was placed on General File.

STANDING COMMITTEE REPORTS

Judiciary-Revenue, Joint Committee

LEGISLATIVE BILL 4. Indefinitely postponed.

(Signed) Robert D. McNutt, Chairman

SUSPEND RULES—Select File.

Mr. President: I move that the rules be suspended and LB 6 be considered on Select File. (Signed) Arthur Carmody

The motion prevailed with 33 ayes, 0 nays and 10 not voting.

SELECT FILE

LEGISLATIVE BILL 6. Advanced to E and R for engrossment.

UNANIMOUS CONSENT—Add Co-introducers

Mr. Liebers asked unanimous consent that the names of any members of the Taxation Committee who so desire be added as co-introducers of LB 1, LB 2, and LB 3.

There were no objections, and the following names were added as co-introducers of LB 1: Arthur Carmody of Legislative District

37, J. Monroe Bixler of Legislative District 41, Joseph D. Martin of Legislative District 30, O. H. Person of Legislative District 17, and Karl E. Vogel of Legislative District 9.

The name of O. H. Person of Legislative District 17 was added as co-introducer of LB 3.

GENERAL FILE

LEGISLATIVE BILL 1. Read and considered.

Mr. McNutt offered the following amendment, which was adopted:

Amend Section 2, line 2, by striking "XV" and inserting "XVI" in lieu thereof.

Advanced to E and R for review.

LEGISLATIVE BILL 2. Read and considered.

Mr. McNutt offered the following amendment, which was adopted:

Amend Section 2, line 2, by striking "XV" and inserting "XVI" in lieu thereof.

Mr. Liebers moved to advance to E and R for review.

Mr. Adams requested a record vote.

Mr. Nelson moved to indefinitely postpone.

RECESS

At 12:02 p.m., on a motion by Mr. Carmody, the Legislature recessed until 2:00 p.m.

AFTER RECESS

The Legislature reconvened at 2:02 p.m., President Warner presiding.

The roll was called and all members were present except Messrs. Adams and Wilson, who were excused.

GENERAL FILE

LEGISLATIVE BILL 2. Consideration of Nelson motion to indefinitely postpone.

Mr. Nelson requested a record vote.

Voting in the affirmative, 9:

Anderson	Klaver	Marvel	Peterson
Aufenkamp	Larkin	Nelson	Tvrdik
Dooley			

Voting in the negative, 31:

Beaver	Carson	Hubka	Moulton
Bixler	Coffey	Kotouc	Person
Bridenbaugh	Cole	Lee	Pizer
Britt	Cramer	Liebers	Shultz
Brower	Cretsinger	Lillibridge	Syas
Burney	Diers	McHenry	Vogel
Carmody	Duis	McNutt	Williams
Carpenter	Hill	Martin	

Not voting, 3:

Adams	Fenske	Wilson

The motion lost.

Consideration of Liebers motion to advance to E and R for review.

Mr. Carpenter requested a record vote.

Voting in the affirmative, 30:

Beaver	Carson	Hubka	Martin
Bixler	Coffey	Kotouc	Moulton
Bridenbaugh	Cole	Lee	Person
Britt	Cramer	Liebers	Pizer
Brower	Cretsinger	Lillibridge	Shultz
Burney	Diers	McHenry	Vogel
Carmody	Duis	McNutt	Williams
Carpenter	Hill		

Voting in the negative, 7:

Dooley	Marvel	Peterson	Tvrdik
Larkin	Nelson	Syas	

Not voting, 6:

Adams	Aufenkamp	Klaver	Wilson
Anderson	Fenske		

The motion prevailed, and LB 2 was advanced to E and R for review.

LEGISLATIVE BILL 7. Read and considered.

Standing Committee amendment found in the Legislative Journal for the Fifth Day was adopted.

Mr. McNutt offered the following amendment, which was adopted:

Amend Section 2, line 2, by striking "XV" and inserting "XVI" in lieu thereof.

Mr. Burney asked unanimous consent that LB 7 be laid over until tomorrow. No objections. So ordered.

MOTION—Transcript of Discussion

Mr. President: I move that a transcript of the discussion be made on any motion to place any bill on General File. (Signed) Terry Carpenter.

The motion prevailed.

Member Excused

Mr. Diers was excused for the remainder of the day.

MOTION—Place LB 8 on General File

Mr. President: I move that LB 8 be placed on General File. (Signed) Terry Carpenter

Mr. Carpenter requested a record vote.

Voting in the affirmative, 13:

Bixler	Coffey	Hill	Marvel
Carmody	Cretsinger	Lee	Pizer
Carpenter	Duis	Lillibridge	Williams
Carson			

Voting in the negative, 27:

Anderson	Cole	Larkin	Person
Aufenkamp	Cramer	Liebers	Peterson
Beaver	Dooley	McHenry	Shultz
Bridenbaugh	Fenske	McNutt	Syas
Britt	Hubka	Martin	Tvrdik
Brower	Klaver	Moulton	Vogel
Burney	Kotouc	Nelson	

Not voting, 3:

Adams	Diers	Wilson

The motion lost.

MOTION—Lay Over LB 3

Mr. President: I move that LB 3 be laid over until tomorrow morning. (Signed) O. H. Liebers

The motion prevailed.

MOTION—Place LB 5 on General File

Mr. President: I move that LB 5 be placed on General File. (Signed) Terry Carpenter.

Mr. Carpenter requested a record vote.

Mr. Carpenter requested a Call of the House.

A Call of the House was ordered and showed 36 members present.

Mr. Carpenter moved that the Call be raised.

The motion prevailed.

Voting in the affirmative on the original Carpenter motion, 12:

Aufenkamp	Carpenter	Hill	Person
Brower	Cretsinger	Liebers	Pizer
Carmody	Duis	Martin	Williams

Voting in the negative, 25:

Anderson	Cole	Lee	Nelson
Beaver	Cramer	Lillibridge	Peterson
Bixler	Hubka	McHenry	Shultz
Bridenbaugh	Klaver	McNutt	Syas
Britt	Kotouc	Marvel	Tvrdik
Carson	Larkin	Moulton	Vogel
Coffey			

Not voting, 6:

Adams	Diers	Fenske	Wilson
Burney	Dooley		

The motion lost.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 6. Correctly engrossed.

(Signed) Joseph D. Martin, Chairman

UNANIMOUS CONSENT—Co-introducer added

The name of Arthur Carmody of Legislative District 37 was added as a co-introducer of LB 2 and LB 3, pursuant to the unanimous consent motion adopted previously.

Adjournment

At 3:41 p.m., on a motion by Mr. Tvrdik, the Legislature adjourned until 9:30 a.m., Friday, April 30, 1954.

Hugo F. Srb

Clerk of the Legislature

For debate proceedings see page 95.

SEVENTH DAY

Legislative Chamber, Lincoln, Nebraska

Friday, April 30, 1954

Pursuant to adjournment, the Legislature met at 9:30 a.m., President Warner presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Messrs. Shultz and Wilson, who were excused, and Mr. Adams, who was excused until 10:30 a.m.

The Journal for the Sixth Day was approved.

REPORT—Committee on Committees

Mr. President: The Committee on Committees voted to confirm the following appointments:

W. O. Collett (Resigned) ....State Highway Commission
Don E. Hanna (Deceased) ....State Highway Commission
Robert D. Hiatt ....Secretary of Board of Educational Lands and Funds

(Signed) C. C. Lillibridge, Chairman

MOTION—Vote on Appointments

Mr. President: I move that we proceed to vote on the appointments approved by the Committee on Committees. (Signed) C. C. Lillibridge

The motion prevailed.

Vote on Mr. Collett

Voting in the affirmative, 38.

Voting in the negative, 0.

Not voting, 5.

Having received a majority of the votes of all members, the President declared the appointment of Mr. Collett confirmed.

Vote on Mr. Hanna

Voting in the affirmative, 35.

Voting in the negative, 0.

Not voting, 8.

Having received a majority of the votes of all members, the President declared the appointment of Mr. Hanna confirmed.

Vote on Mr. Hiatt

Voting in the affirmative, 34.

Voting in the negative, 0.

Not voting, 9.

Having received a majority of the votes of all members, the President declared the appointment of Mr. Hiatt confirmed.

Appreciation

Mr. Beaver expressed his and Mrs. Beaver's appreciation for the flowers sent by the Legislature to the funeral of Mrs. Beaver's sister.

STANDING COMMITTEE REPORTS

Judiciary—Revenue, Joint Committee

LEGISLATIVE BILL 10. Placed on General File as amended.

Standing Committee amendment to LB 10:

1. Amend page 2 of the bill, section 1, by striking lines 18 through 23 and inserting in lieu thereof the following: "tion upon all other property. Taxes, other than property taxes, may be authorized by law. For the purpose of raising revenue for the state, separate valuations shall be made by the state for state purposes only to insure equalization among the various counties in the raising of revenue for state purposes. Existing revenue laws".

(Signed) Robert D. McNutt, Chairman

MOTION—Meet Saturday

Mr. President: I move that we meet in regular session Saturday, May 1, 1954. (Signed) Tom Coffey

Mr. Carmody moved to amend the Coffey motion as follows; I move that when we adjourn today we adjourn until 2 p.m., Monday, May 3, 1954.

Mr. Coffey accepted Mr. Carmody's amendment.

The Coffey motion as amended by Mr. Carmody was adopted.

GENERAL FILE

LEGISLATIVE BILL 7.

Mr. Duis offered the following amendments, which were adopted:

1. Amend page 2 of the bill, section 1, line 9, by striking "for the State of Nebraska for state purposes".

2. Amend page 2 of the bill, section 2, lines 10 and 11, by striking "for the State of Nebraska for state purposes".

3. Amend the title of the bill, lines 8 and 9, by striking "for the State of Nebraska for state purposes".

Mr. Duis moved to advance to E and R for review.

Mr. Syas requested a machine vote.

Mr. Tvrdik moved to indefinitely postpone.

Mr. Carpenter requested a record vote.

Voting in the affirmative on the Tvrdik motion, 6:

Klaver	Marvel	Syas	Tvrdik
Larkin	Nelson		

Voting in the negative, 27:

Aufenkamp	Carmody	Duis	McHenry
Beaver	Carpenter	Fenske	McNutt
Bixler	Carson	Hubka	Martin
Bridenbaugh	Coffey	Kotouc	Peterson
Britt	Cole	Lee	Pizer
Brower	Cretsinger	Liebers	Williams
Burney	Diers	Lillibridge	

Not voting, 10:

Adams	Dooley	Person	Vogel
Anderson	Hill	Shultz	Wilson
Cramer	Moulton		

The motion lost.

Advanced to E and R for review.

LEGISLATIVE BILL 3. Read and considered.

Mr. McNutt offered the following amendment, which was adopted:

Amend Section 2, line 2 by striking "XV" and inserting "XVI" in lieu thereof.

The name of Karl E. Vogel of Legislative District 9 was added as a co-introducer of LB 3, pursuant to the unanimous consent motion adopted previously.

Mr. Liebers moved to advance to E and R for review.

Mr. Burney requested a machine vote.

The motion prevailed with 21 ayes, 8 nays and 14 not voting, and LB 3 was advanced to E and R for review.

Visitors

Mr. Bridenbaugh introduced Mr. Wayne Hagmann and the members of the senior class from Newcastle, Nebraska.

MOTION—Place LB 9 on General File

Mr. President: I move that LB 9 be placed on General File. (Signed) Terry Carpenter

Mr. Carpenter requested a record vote.

Voting in the affirmative, 10:

Anderson	Carpenter	Cretsinger	Pizer
Bixler	Carson	Duis	Williams
Carmody	Coffey		

Voting in the negative, 28:

Adams	Beaver	Britt	Burney
Aufenkamp	Bridenbaugh	Brower	Cole

Cramer	Kotouc	McNutt	Person
Diers	Lee	Martin	Peterson
Dooley	Liebers	Marvel	Syas
Fenske	Lillibridge	Moulton	Tvrdik
Hubka	McHenry	Nelson	Vogel

Not voting, 5:

Hill	Larkin	Shultz	Wilson
Klaver			

The motion lost.

GENERAL FILE

LEGISLATIVE BILL 10. Read and considered.

Consideration of Standing Committee amendment found in this day's Legislative Journal.

Mr. Carpenter moved that LB 10 be laid over until Monday, May 3, 1954, and that the amendments be printed and placed on each member's desk.

The motion prevailed.

Explanation of Vote

Mr. President: Had I been present I would have voted against the advancement of LB 3. (Signed) John Adams, Sr.

Adjournment

At 10:48 a.m., on a motion by Mr. Carpenter, the Legislature adjourned until 2 p.m., Monday, May 3, 1954.

Hugo F. Srb

Clerk of the Legislature

For debate proceedings see page 101.

EIGHTH DAY

Legislative Chamber, Lincoln, Nebraska

Monday, May 3, 1954

Pursuant to adjournment, the Legislature met at 2:00 p.m., President Warner presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present.

The Journal for the Seventh Day was approved.

Communications

Letter from Mrs. Jane Wyant, Hastings, Nebraska, relating to taxes. Referred to joint committee of Judiciary and Revenue Committees.

Letter from Farrant L. Turner, Secretary of Hawaii, enclosing a copy of Joint Resolution 1, enacted by the Legislature of the Territory of Hawaii, requesting the Congress of the United States to grant immediate statehood to Hawaii and reaffirming the position of the people of Hawaii on the issue of statehood. Referred to Judiciary Committee.

Letter from James H. Kiernan, Majority Floor Leader, Rhode Island House of Representatives, enclosing a copy of an Act creating a commission to make an investigation into and study the feasibility of establishing a Unicameral Legislative Assembly for the State of Rhode Island. Referred to Agriculture Committee.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 1. Placed on Select File.
LEGISLATIVE BILL 2. Placed on Select File.

LEGISLATIVE BILL 3. Placed on Select File.
LEGISLATIVE BILL 7. Placed on Select File as amended.

E and R amendments to LB 7:

1. Amend section 1, line 7, by striking the second word "or" and inserting in lieu thereof the word "and".

2. Amend section 2, line 8, by striking the word "or" and inserting in lieu thereof the word "and".

3. Amend the title, line 6, by striking the word "or" and inserting in lieu thereof the word "and".

(Signed) Joseph D. Martin, Chairman

SUSPEND RULES—Final Reading

Mr. President: I move that the rules be suspended and we consider LB 6 on final reading. (Signed) Arthur Carmody

The motion prevailed with 42 ayes, 0 nays and 1 not voting.

BILLS ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 6. With emergency.

A bill for an act to provide for the compensation of employees, mileage of members, and for supplies and other incidental expenses incurred during the Sixty-sixth (Extraordinary) Session of the Legislature of the State of Nebraska; to appropriate the sum of six thousand dollars therefor; and to declare an emergency.

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

Voting in the affirmative, 43:

Adams	Bixler	Burney	Coffey
Anderson	Bridenbaugh	Carmody	Cole
Aufenkamp	Britt	Carpenter	Cramer
Beaver	Brower	Carson	Cretsinger

Diers	Kotouc	Martin	Shultz
Dooley	Larkin	Marvel	Syas
Duis	Lee	Moulton	Tvrdik
Fenske	Liebers	Nelson	Vogel
Hill	Lillibridge	Person	Williams
Hubka	McHenry	Peterson	Wilson
Klaver	McNutt	Pizer	

Voting in the negative, 0.

Not voting, 0.

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

MOTION—Place LB 4 on General File

Mr. President: I move to place LB 4 on General File. (Signed) O. H. Liebers

The motion prevailed with 32 ayes, 2 nays and 9 not voting.

Visitor

Mr. Williams introduced Mr. Bill Raab, the new U. S. Marshall for Nebraska.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 6. Correctly enrolled.

(Signed) Joseph D. Martin, Chairman

Member Excused

Mr. Wilson was excused for the remainder of the day.

President Signs

While the Legislature was in session and capable of transacting business, the President signed

LB 6

UNANIMOUS CONSENT—Official Transcript

Mr. Carpenter asked unanimous consent that the Attorney General's letter referred to in his debate be made a part of the permanent official transcript. No objections. So ordered.

GENERAL FILE

LEGISLATIVE BILL 10. Mr. Williams asked unanimous consent that LB 10 be laid over until tomorrow. No objections. So ordered.

SUSPEND RULES—Consider Bills on Select File

Mr. President: I move that the rules be suspended and we consider LB 1, LB 2, LB 3 and LB 7 on Select File. (Signed) Joseph D. Martin

The motion prevailed with 36 ayes, 0 nays and 7 not voting.

SELECT FILE

LEGISLATIVE BILL 1. Advanced to E and R for engrossment.

LEGISLATIVE BILL 2. Mr. Liebers asked unanimous consent that the name of Karl E. Vogel of Legislative District 9 be added as a co-introducer of LB 2. No objections. So ordered.

Laid over.

LEGISLATIVE BILL 3. Mr. Tvrdik asked unanimous consent that the following amendments be adopted:

1. Amend page 2 of the bill, section 1, line 15, by inserting after the word "law" the following:

", and the Legislature may prescribe a formula for the determination of value of household goods and personal effects".

2. Amend page 2 of the bill, section 2, line 8, by inserting after the word "taxation" the following:

", and to permit the Legislature to prescribe a formula for the determination of value of household goods and personal effects".

3. Amend the title of the bill, line 6, by inserting after the semicolon the following:

"to permit the Legislature to prescribe a formula for the determination of value of household goods and personal effects;".

Mr. Carpenter objected.

Mr. Tvrdik moved that LB 3 be returned to General File for the above specific amendment.

The motion prevailed with 32 ayes, 0 nays and 11 not voting.

GENERAL FILE

LEGISLATIVE BILL 3. The Tvrdik amendments, found in this day's Legislative Journal were adopted.

Mr. Burney moved to indefinitely postpone LB 3.

Mr. Burney requested a machine vote.

The motion lost with 16 ayes, 21 nays and 6 not voting.

Advanced to E and R for review with 25 ayes, 15 nays and 3 not voting.

SELECT FILE

LEGISLATIVE BILL 7. E and R amendments found in this day's Legislative Journal were adopted.

Mr. Duis moved to advance LB 7 to E and R for engrossment.

Mr. Syas moved that LB 7 be indefinitely postponed.

Mr. Carpenter requested a record vote.

Voting in the affirmative on the Syas motion, 11:

Adams	Klaver	Moulton	Syas
Britt	Larkin	Nelson	Tvrdik
Cramer	Marvel	Person	

Voting in the negative, 22:

Aufenkamp	Cole	Hubka	McHenry
Beaver	Cretsinger	Kotouc	McNutt
Bixler	Diers	Lee	Martin
Bridenbaugh	Duis	Liebers	Peterson
Burney	Fenske	Lillibridge	Pizer
Carmody	Hill		

Not voting, 10:

Anderson	Carson	Shultz	Williams
Brower	Coffey	Vogel	Wilson
Carpenter	Dooley		

The motion lost.

Advanced to E and R for engrossment with 28 ayes, 9 nays and 6 not voting.

Adjournment

At 4:43 p.m., on a motion by Mr. Tvrdik, the Legislature adjourned until 9:30 a.m., Tuesday, May 4, 1954.

Hugo F. Srb

Clerk of the Legislature

For debate proceedings see page 107.

NINTH DAY

Legislative Chamber, Lincoln, Nebraska

Tuesday, May 4, 1954

Pursuant to adjournment, the Legislature met at 9:31 a.m., President Warner presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present.

The Journal for the Eighth Day was approved.

STANDING COMMITTEE REPORTS

Enrollment and Review

Presented to the Governor

Presented to the Governor for approval at 8:30 a.m., on May 4, 1954:

LB 6

(Signed) Joseph D. Martin, Chairman

Visitors

Mr. Williams introduced Mr. Bill Orwig, Athletic Director of the University of Nebraska, who addressed the Legislature briefly.

Mr. Syas introduced Miss Allen and Mr. Rees, teachers, Miss Hart and sixty students from Saratoga School, Omaha, Nebraska.

SELECT FILE

LEGISLATIVE BILL 2. Mr. Tvrdik asked unanimous consent that the following amendments be adopted:

1. Amend page 2 of the bill, section 1, by striking lines 9 to 11 and inserting in lieu thereof the following:

"office of county assessor may be appointive." "

2. Amend page 2 of the bill, section 2, by striking the word "and" in line 7, by striking all of lines 8 and 9, and by inserting a period after the word "assessors" in line 7.

3. Amend the title of the bill by striking lines 6 and 7 and inserting in lieu thereof the following:

"essors; to provide".

Mr. Carpenter objected.

Mr. Tvrdik moved that LB 2 be returned to General File for the above specific amendment.

The motion lost with 12 ayes, 24 nays and 7 not voting.

Advanced to E and R for engrossment with 31 ayes, 6 nays and 6 not voting.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 3. Placed on Select File.
LEGISLATIVE BILL 1. Correctly engrossed.
LEGISLATIVE BILL 7. Correctly engrossed.

(Signed) Joseph D. Martin, Chairman

Visitors

Mr. Lee introduced Mr. Guy Chambers, Lincoln, Nebraska.

Mr. Tvrdik introduced Edna Concannon, teacher, and thirty-seven students from Lincoln School, Omaha, Nebraska.

Mr. Aufenkamp introduced Mr. Joe Barto and twenty-seven students from Nebraska City High School, Nebraska City, Nebraska.

Mr. Hubka introduced Mrs. June Brolhorst and eleven students from District 77 school, Wymore, Nebraska.

Mr. Dooley introduced Mr. Rose and Mrs. Riggs, teachers, and forty students from Bellevue, Nebraska.

GENERAL FILE

LEGISLATIVE BILL 10. Consideration of the Standing Committee amendment found in the Legislative Journal for the Seventh Day.

Mr. Williams offered the following amendment to the Standing Committee amendment:

1. Amend Standing Committee amendment 1, line 9, by inserting after the word "purposes" the following:

"; *Provided,* property centrally valued and assessed by the state or by a state board of equalization for state purposes and also for purposes of a political subdivision shall for purposes of political subdivisions be equalized by the state or by a state board of equalization uniformly and proportionately with the valuation and assessment of other tangible property within the various political subdivisions levying taxes on such centrally assessed property, and when property of a political subdivision is located in more than one county, the property located in such political subdivision shall be equalized by the boards of equalization of the counties in which such tangible property is located uniformly and proportionately".

The amendment was adopted with 32 ayes, 0 nays and 11 not voting.

Standing Committee amendment, found in the Legislative Journal for the Seventh Day, as amended by the Williams amendment, was adopted with 36 ayes, 0 nays and 7 not voting.

Member Excused

Mr. Shultz was excused for the remainder of the day.

MOTION—Adjourn

Mr. President: I move that we adjourn sine die. (Signed) John Adams, Sr.

Mr. Carpenter requested a record vote.

Voting in the affirmative, 5:

Adams	Larkin	Syas	Tvrdik
Klaver			

Voting in the negative, 32:

Anderson	Carson	Hill	Moulton
Aufenkamp	Cole	Hubka	Nelson
Beaver	Cramer	Kotouc	Person
Bixler	Cretsinger	Liebers	Peterson
Britt	Diers	McHenry	Pizer
Brower	Dooley	McNutt	Vogel
Carmody	Duis	Martin	Williams
Carpenter	Fenske	Marvel	Wilson

Not voting, 6:

Bridenbaugh	Coffey	Lillibridge	Shultz
Burney	Lee		

The motion lost.

MOTION—Consider LB 4

Mr. President: I move that we consider LB 4 on General File. (Signed) W. J. Williams

The motion prevailed with 32 ayes, 4 nays and 7 not voting.

MOTION—Recess

Mr. President: I move that after the reading of LB 4 we recess until 2 p.m. (Signed) Herbert J. Duis

The motion lost.

GENERAL FILE

LEGISLATIVE BILL 4. Section 1 read and considered.

Mr. Liebers offered the following amendment to Section 1:

1. Amend page 2 of the bill, section 1 by striking lines 6 to 16 and inserting in lieu thereof the following:

" "Sec. 1. The necessary revenue of the state and its governmental subdivisions shall be raised by taxation in such manner as the Legislature may direct. Taxes shall be levied by valuation uniformly and proportionately upon all tangible property, and franchises, except that the Legislature may provide for a different method of taxing motor vehicles; PROVIDED, that such tax proceeds from motor vehicles taxed in each county shall be allocated to the state, counties, townships, cities, villages, and school districts of such county in the same proportion that the levy of each bears to the total levy of said county on personal tangible property. The Legislature may prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and may substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state. Taxes uniform as to class may be levied by valuation upon all other property. Taxes, other than property taxes, may be authorized by law. Existing revenue laws shall continue in effect until changed by the Legislature." "

Mr. Nelson offered the following amendment to the Liebers amendment:

Amend Liebers amendment to LB 4, Sections 1, 2, and the title by inserting after the word "seed" the following: "all farm products and also manufactured articles handled in the state".

RECESS

At 11:45 a.m., on a motion by Mr. Moulton, the Legislature recessed until 2 p.m.

AFTER RECESS

The Legislature reconvened at 2:05 p.m., President Warner presiding.

The roll was called and all members were present except Mr. Shultz, who was excused.

Visitors

Mr. Pizer introduced Mr. and Mrs. Richard Dempster, North Platte, Nebraska.

GENERAL FILE

LEGISLATIVE BILL 4. Consideration of the Nelson amendment to the Liebers amendment.

The Nelson amendment lost with 8 ayes, 25 nays and 10 not voting.

Mr. Carpenter offered the following amendment to the Liebers amendment:

Amend the Liebers amendment to LB 4, Section 1, line 8 by adding after "vehicles" the following: "and real estate" and also after the last word "vehicles" in line 8, and amend the title to conform.

Mr. Carpenter requested a record vote.

Voting in the affirmative, 11:

Adams	Carson	Nelson	Williams
Anderson	Fenske	Peterson	Wilson
Carpenter	McHenry	Pizer	

Voting in the negative, 23:

Aufenkamp	Carmody	Hubka	Marvel
Beaver	Coffey	Kotouc	Person
Bixler	Cole	Larkin	Syas
Britt	Cramer	Lee	Tvrdik
Brower	Cretsinger	McNutt	Vogel
Burney	Diers	Martin	

Not voting, 9:

Bridenbaugh	Hill	Liebers	Moulton
Dooley	Klaver	Lillibridge	Shultz
Duis			

The amendment was not adopted.

Mr. Carpenter offered the following amendment to the Liebers amendment:

Amend the Liebers amendment by striking out in Section 1, line 5 everything after the word "direct".

Mr. Carpenter requested a record vote.

Voting in the affirmative, 13:

Adams	Carpenter	Fenske	Pizer
Anderson	Carson	Nelson	Williams
Bridenbaugh	Duis	Peterson	Wilson
Carmody			

Voting in the negative, 24:

Aufenkamp	Britt	Burney	Cole
Bixler	Brower	Coffey	Cramer

Cretsinger	Lee	McNutt	Person
Hubka	Liebers	Martin	Syas
Kotouc	Lillibridge	Marvel	Tvrdik
Larkin	McHenry	Moulton	Vogel

Not voting, 6:

Beaver	Dooley	Klaver	Shultz
Diers	Hill		

The amendment was not adopted.

Mr. Burney offered the following amendment to the Liebers amendment:

Amend the Liebers amendment to LB 4 by striking after the word "values" in line 14 the following: ", and may substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state". Again in Section 2 and in the title.

Mr. Carpenter requested a Call of the House.

A Call of the House was ordered and showed 36 members present.

Mr. Carpenter moved that the call be raised, which prevailed.

The Burney amendment was adopted with 22 ayes, 13 nays and 8 not voting.

The Liebers amendment as amended by the Burney amendment was adopted with 34 ayes, 1 nay and 8 not voting.

MOTION—Reconsider Action

Mr. President: I move that we reconsider our action in voting down the Carpenter amendment to the Liebers amendment which added the words "and real estate". (Signed) Arthur Carmody

Mr. Carmody requested a record vote.

Mr. Carmody requested a Call of the House.

A Call of the House was ordered and showed 42 members present.

Mr. Beaver moved that the call be raised, which prevailed.

Voting in the affirmative on the Carmody motion, 19:

Anderson	Bridenbaugh	Carpenter	Cramer
Bixler	Carmody	Carson	Cretsinger

Duis	Klaver	Martin	Pizer
Fenske	Liebers	Nelson	Williams
Hill	Lillibridge	Peterson	

Voting in the negative, 21:

Adams	Coffey	Kotouc	Person
Aufenkamp	Cole	Lee	Syas
Beaver	Diers	McHenry	Tvrdik
Britt	Dooley	McNutt	Vogel
Brower	Hubka	Marvel	Wilson
Burney			

Not voting, 3:

Larkin	Moulton	Shultz

The motion lost.

Section 2 read and considered.

Mr. Liebers offered the following amendments:

2. Amend page 2 of the bill, section 2 by striking lines 6 to 10 and inserting in lieu thereof the following:

" "Constitutional amendment to permit the Legislature to prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and to permit it to substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state." "

3. Amend the title of the bill by striking lines 5 to 9 and inserting in lieu thereof the following:

"permit the Legislature to prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and to permit it to substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state; to provide for the submission of the".

The amendments, as amended by the Burney amendment, were adopted with 36 ayes, 0 nays and 7 not voting.

Mr. Lee offered the following amendment, which was adopted:

Amend Section 2, line 2 by striking "XV" and inserting "XVI" in lieu thereof.

Remainder of LB 4 read and considered.

RECESS

At 4:15 p.m., the Legislature recessed until 4:30 p.m.

AFTER RECESS

The Legislature reconvened at 4:30 p.m., President Warner presiding.

The roll was called and all members were present except Mr. Shultz, who was excused.

GENERAL FILE

LEGISLATIVE BILL 4.

Mr. Duis offered the following amendment, which was adopted with 22 ayes, 14 nays and 7 not voting:

Amend LB 4 by inserting at line 14 "and may substitute for ad valorem taxes other taxes per unit of measurement as defined by the Legislature".

Mr. Duis asked unanimous consent to amend the Liebers amendment number 2 and the title of the bill to conform to the amendment just adopted to Section 1.

Mr. Burney objected.

Mr. Duis moved to amend the Liebers amendment number 2 and the title of the bill to conform to the amendment just adopted to Section 1.

Pending.

Adjournment

At 5 p.m., on a motion by Mr. Carmody, the Legislature adjourned.

Hugo F. Srb

Clerk of the Legislature

For debate proceedings see page 139.

TENTH DAY

Legislative Chamber, Lincoln, Nebraska

Wednesday, May 5, 1954

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

Prayer was offered by the Chaplain.

The roll was called and all members were present except Mr. Larkin, who was excused.

The Journal for the Ninth Day was approved.

Communications

Letter addressed to Mr. Lee from H. J. Ruppert, Fremont, Nebraska, relating to the household exemption bill. Referred to the Judiciary Committee.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 2. Correctly engrossed.
(Signed) Joseph D. Martin, Chairman

RESOLUTIONS

LEGISLATIVE RESOLUTION 2. Re: Appointment of Committee to Study Tax Laws.

Introduced by W. J. Williams of Legislative District 34.

WHEREAS, the State Board of Equalization and Assessment now equalizes the value of all tangible property in the State of Nebraska for taxation, and

WHEREAS, counties and political subdivisions feel that if equalization of the value of property was on the local level, a more uniform valuation would be obtained on the same class of property.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SIXTY-SIXTH (EXTRAORDINARY) SESSION ASSEMBLED:

That a committee be appointed by the Legislature to make a study of the tax laws as required by this resolution and report to the next regular session of the Legislature. The report to contain:

1. Methods of equalizing values of tangible property by counties; and

2. Necessary bills to be introduced in the Legislature to carry out the provisions of the report.

SUSPEND RULES—Consider LR 2

Mr. President: I move that the rules be suspended and we consider LR 2 at this time. (Signed) W. J. Williams

The motion prevailed with 36 ayes, 1 nay and 6 not voting.

RESOLUTIONS

LEGISLATIVE RESOLUTION 2.

LR 2 was adopted with 35 ayes, 4 nays and 4 not voting.

MOTION—Reconsider Action

Mr. President: I move that we reconsider our action in adopting LR 2. (Signed) W. J. Williams

The motion prevailed with 22 ayes, 12 nays and 9 not voting.

MOTION—Consider LB 4 on General File

Mr. President: I move that we consider LB 4 on General File at this time. (Signed) Terry Carpenter

The motion prevailed with 35 ayes, 1 nay and 7 not voting.

GENERAL FILE

LEGISLATIVE BILL 4. Consideration of the Duis amendment to the Liebers amendment to Section 2 and the title, found in the Legislative Journal for the Ninth Day.

Mr. Duis asked unanimous consent to withdraw his amendment.

Mr. Adams objected.

Mr. Duis moved the adoption of his amendment.

The amendment was lost with 1 aye, 36 nays and 6 not voting.

Mr. Duis moved to reconsider action in adopting his amendment to Section 1 yesterday.

The motion prevailed with 36 ayes, 0 nays and 7 not voting.

The Duis amendment to Section 1 was lost with 1 aye, 39 nays and 3 not voting.

Mr. Carmody offered the following amendment:

Amend the Liebers amendment to LB 4, line 13, after the second word "of", by adding the words "real or other" and adding the same amendment to Section 2, line 4.

The amendment was adopted with 36 ayes, 0 nays and 7 not voting.

Advanced to E and R for review.

MOTION—Indefinitely Postpone LB 10

Mr. President: I move that LB 10 be indefinitely postponed. (Signed) W. J. Williams

The motion prevailed.

RESOLUTIONS

LEGISLATIVE RESOLUTION 3. Re: Legislative Council to Appoint Committee to Study Tax Laws

Introduced by W. J. Williams of Legislative District 34.

WHEREAS, the State Board of Equalization and Assessment now equalizes the value of all tangible property in the State of Nebraska for taxation, and

WHEREAS, counties and political subdivisions feel that if equalization of the value of property was on the local level, a more uniform valuation would be obtained on the same class of property.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SIXTY-SIXTH (EXTRAORDINARY) SESSION ASSEMBLED:

That the Legislative Council appoint a committee to make a study of the tax laws as required by this resolution and report to the next regular session of the Legislature. The report to contain:

1. Methods of equalizing values of tangible property by counties; and

2. Necessary bills to be introduced in the Legislature to carry out the provisions of the report.

SUSPEND RULES—Consider LR 3

Mr. President: I move that the rules be suspended and we consider LR 3 at this time. (Signed) W. J. Williams

The motion prevailed with 37 ayes, 0 nays and 6 not voting.

RESOLUTIONS

LEGISLATIVE RESOLUTION 3.

LR 3 was adopted with 33 ayes, 1 nay and 9 not voting.

SUSPEND RULES—Select File

Mr. President: I move that the rules be suspended and we consider LB 3 on Select File. (Signed) Joseph D. Martin

The motion prevailed with 36 ayes, 0 nays and 7 not voting.

SELECT FILE

LEGISLATIVE BILL 3. Advanced to E and R for engrossment.

Visitors

Mr. Syas introduced Mrs. Sackett, teacher, and seventy-one students from the Minne Lusi School, Omaha, Nebraska.

Members Excused

Mr. Dooley was excused for Thursday, May 6, 1954.

Messrs. Klaver, Hubka, Tvrdik, Adams, Marvel, Wilson, Lillibridge and Anderson were excused for this afternoon.

MOTION—Adjourn

Mr. President: I move that when we adjourn today we reconvene at 2 p.m. tomorrow. (Signed) Richard D. Marvel

The motion prevailed with 32 ayes, 3 nays and 8 not voting.

MOTION—Tax Commissioner

Mr. President: I move that the Tax Commissioner be invited to appear before the Legislature tomorrow afternoon. (Signed) Hal Bridenbaugh

Mr. Duis moved to amend the Bridenbaugh motion to include the Board of Equalization. The motion prevailed.

The Bridenbaugh motion as amended prevailed.

MOTION—Recess

Mr. President: I move that we recess until 2 this afternoon. (Signed) Joseph D. Martin

Mr. Carpenter moved to amend the motion to recess until 4 p.m. The motion prevailed.

The Martin motion as amended prevailed with 27 ayes, 1 nay and 15 not voting, and at 10:35 a.m. the Legislature recessed until 4 p.m.

AFTER RECESS

The Legislature reconvened at 4 p.m., Mr. McNutt presiding.

The roll was called and all members were present except Messrs. Adams, Anderson, Dooley, Hubka, Klaver, Lillibridge, Marvel, Tvrdik, and Wilson, who were excused.

Approved by the Governor

May 5, 1954

The President, the Speaker
and Members of the Legislature

Gentlemen:

Governor Crosby has requested me to inform Your Honorable Body that on May 4, 1954, he approved L. B. 6.

Respectfully submitted,
(Signed) James J. Diesing
Administrative Assistant

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 4. Placed on Select File as amended.

E and R amendments to LB 4:

1. Amend the Liebers Amendment No. 1, line 6, by striking the comma after the word "property".

2. Amend the Liebers Amendment No. 2 by striking one of the quotation marks at the end of same.

3. Amend the Liebers amendment No. 3 by inserting after the second word "of" in line 4 thereof the words "real or other".

(Signed) Joseph D. Martin, Chairman

SUSPEND RULES—Select File

Mr. President: I move that the rules be suspended and we consider LB 4 on Select File. (Signed) Joseph D. Martin

The motion prevailed with 32 ayes, 0 nays and 11 not voting.

SELECT FILE

LEGISLATIVE BILL 4. E and R amendments, found in this day's Legislative Journal, were adopted.

The following names were added as co-introducers of LB 4 pursuant to the unanimous consent motion adopted previously: Arthur Carmody of Legislative District 37, Karl E. Vogel of Legislative District 9, Joseph D. Martin of Legislative District 30, Robert C. Brower of Legislative District 26, J. Monroe Bixler of Legislative District 41, and Terry Carpenter of Legislative District 42.

Advanced to E and R for engrossment.

Visitors

Mr. Person introduced Mrs. Bontz and thirty-five students from Ashland, Nebraska.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 3. Correctly engrossed.
LEGISLATIVE BILL 4. Correctly engrossed.

(Signed) Joseph D. Martin, Chairman

Adjournment

At 4:17 p.m., on a motion by Mr. Moulton, the Legislature adjourned until 2 p.m, Thursday, May 6, 1954.

Hugo F. Srb
Clerk of the Legislature

For debate proceedings see page 192.

ELEVENTH DAY

Legislative Chamber, Lincoln, Nebraska

Thursday, May 6, 1954

Pursuant to adjournment, the Legislature met at 2:00 p.m., President Warner presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Mr. Dooley, who was excused.

The Journal for the Tenth Day was approved.

Communications

Letter from U. S. Senator Eva Bowring enclosing a copy of the Mineral Reservation Bill.

Letter from Secretary of State Frank Marsh stating that he would be unable to appear before the Legislature today.

President Signs

While the Legislature was in session and capable of transacting business, the President signed

LR 3

UNANIMOUS CONSENT—Consider Bills

Unanimous consent was granted to consider bills on final reading.

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 1. Introduced by Otto H. Liebers of Legislative District 18, Arthur Carmody of Legislative District 37, J. Monroe Bixler of Legislative District 41, Joseph D. Martin of Legislative District 30, O. H. Person of Legislative District 17, Karl E. Vogel of Legislative District 9.

A bill for an act for submission to the electors of amendment of Article IV, section 28, of the Constitution of Nebraska, relating to revenue and taxation; to permit the Legislature to provide for appointment of a Tax Commissioner or a Tax Commission; to provide for the jurisdiction and powers of such Tax Commissioner or Tax Commission; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That at the general election in November, 1954, there shall be submitted to the electors of the State of Nebraska, for approval, the following amendment to Article IV, section 28, of the Constitution of Nebraska, which is hereby proposed by the Legislature:

"Sec. 28. The Legislature may provide for the appointment of a Tax Commissioner or a Tax Commission, which commissioner or commission shall have such jurisdiction over the administration of the revenue laws of the state, and shall possess such powers to review and equalize assessments of property for taxation, as may be provided by law."

Sec. 2. The proposed amendment shall be submitted to the electors in the manner prescribed by Article XVI, section 1, of the Constitution of Nebraska. The propositions for the submission of the proposed amendments shall be placed upon the ballot in the following form:

"Constitutional amendment to permit the Legislature to provide for the appointment of a Tax Commissioner or Tax Commission, and defining their jurisdiction and powers.

☐ For
☐ Against"

Sec. 3. That the proposed amendment, if adopted, shall be in force and take effect immediately upon the completion of the canvass of the votes, at which time it shall be the duty of the Governor to proclaim it as a part of the Constitution of Nebraska.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.

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

Voting in the affirmative, 37:

Aufenkamp	Cole	Kotouc	Person
Beaver	Cramer	Lee	Peterson
Bixler	Cretsinger	Liebers	Pizer
Bridenbaugh	Diers	Lillibridge	Shultz
Britt	Duis	McHenry	Syas
Brower	Fenske	McNutt	Tvrdik
Burney	Hill	Martin	Vogel
Carmody	Hubka	Marvel	Williams
Carpenter	Klaver	Moulton	Wilson
Coffey			

Voting in the negative, 5:

Adams	Carson	Larkin	Nelson
Anderson			

Not voting, 1:

Dooley

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

LEGISLATIVE BILL 7. Introduced by Herbert J. Duis of Legislative District 36.

A bill for an act for submission to the electors of amendment to Article VIII of the Constitution of Nebraska, relating to revenue and taxation; to provide that when a general sales tax, or an income tax, or a combination of a general sales tax and income tax, is adopted by the Legislature as a method of raising revenue, the state shall be prohibited from levying a property tax for state purposes; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That at the general election in November, 1954, there shall be submitted to the electors of the State of Nebraska, for approval, an amendment to Article VIII of the Constitution of Nebraska, by adding a new section which is hereby proposed by the Legislature:

"Sec. 1 A. When a general sales tax, or an income tax, or a combination of a general sales tax and income tax, is adopted by the Legislature as a method of raising revenue, the state shall be prohibited from levying a property tax for state purposes."

Sec. 2. The proposed amendment shall be submitted to the electors in the manner prescribed by Article XVI, section 1, of the Constitution of Nebraska. The propositions for the submission of the proposed amendments shall be placed upon the ballot in the following form:

"Constitutional amendment to provide that when a general sales tax, or an income tax, or a combination of a general sales tax and income tax, is adopted by the Legislature as a method of raising revenue, the state shall be prohibited from levying a property tax for state purposes.

☐ For
☐ Against"

Sec. 3. That the proposed amendment, if adopted, shall be in force and take effect immediately upon the completion of the canvass of the votes, at which time it shall be the duty of the Governor to proclaim it as a part of the Constitution of Nebraska.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.

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

Voting in the affirmative, 29:

Anderson	Coffey	Hubka	Person
Aufenkamp	Cole	Lee	Peterson
Beaver	Cretsinger	Liebers	Pizer
Bixler	Diers	Lillibridge	Shultz
Bridenbaugh	Duis	McHenry	Vogel
Brower	Fenske	McNutt	Williams
Burney	Hill	Martin	Wilson
Carmody			

Voting in the negative, 12:

Adams	Carson	Larkin	Nelson
Britt	Klaver	Marvel	Syas
Carpenter	Kotouc	Moulton	Tvrdik

Not voting, 2:

Cramer	Dooley

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

Explanation of Vote

Mr. President: I ask privileges to present for record the reason for my vote on LB 1 and LB 7.

The people have the right to propose to and reject any law enacted by the Legislature through their "initiative" and "referendum reservation"; that we have ample law for the establishment of any tax system sufficient to meet the revenue needs of our state; that there is, therefore, no need for constitutional amendments at this time. (Signed) John Adams, Sr.

Speaker Tvrdik Presiding

Speaker Tvrdik recognized Governor Robert B. Crosby, who was escorted to the rostrum. Governor Crosby delivered the following message:

Mr. President, Mr. Speaker and Members of the Legislature:

Yesterday afternoon I was in North Platte as the Host Governor for a meeting of the Missouri Basin Inter-Agency Committee and the Missouri Basin States Committee. I received word from my office that your Clerk had just delivered a letter setting forth a motion which had been adopted by Your Body. This motion invited the State Board of Equalization and Assessment to appear before you this afternoon. It is my understanding that you are interested in the deliberations of the State Board of Equalization and Assessment with regard to 1955 motor vehicle valuations.

It is necessary to point out that this is an unusual procedure. In general our Constitution contemplates that both the Executive Department and the Legislative Department will answer to the people and not to each other for the way in which they carry out the duties and responsibilities of their respective offices.

You will recall that our Constitution provides as follows: "The powers of the government of this state are divided into three distinct departments, the Legislative, Executive and Judicial, and no person or collection of persons being one of these departments, shall exercise any power properly belonging to either of the others, except as hereinafter expressly directed or permitted."

Allow me to illustrate my point: On January 9 a year ago when the Supreme Court announced its decision in the Laflin case involving Johnson County assessments, I am sure you had no thought of calling the members of our Supreme Court before this Legislature to defend their decision in that case.

In passing let me say that membership on the State Board of Equalization at this time carries with it the performance of difficult duties. The members of the present Board of Equalization have had the courage to discharge their duties to the full extent required by the Constitution and the Supreme Court. Such conduct, admirable though it may be, carries with it no promise of political reward. I am grateful that it does command the respect of those who are thoughtful and well informed.

Getting down to the purpose of this appearance before you, I assume that your request was a result of press accounts relating to the assessment of motor vehicles for 1955.

Permit me to make it clear that the members of the Board of Equalization have not yet adopted a final order on those assessments, although they are in substantial agreement at this time on what those assessments should be. Under these circumstances, of course, I cannot and should not attempt to relate to you the discussions and deliberations now taking place among the members of the Board regarding the assessments to be adopted. You follow a similar policy with regard to executive sessions of your standing committees.

On June 9 of last year you passed LB 165 dealing with a new method of assessing motor vehicles. It was submitted to me for approval. Immediately I began to discuss the provisions of this bill with those department heads who would be connected with administering it. In summary, it was their belief that the bill could be made to work although it contained a number of procedural shortcomings. On the basis of that advice, and believing that the people earnestly desired a change in the method of taxing motor vehicles by having voted to amend the Constitution to permit such a change, I signed LB 165 on June 11 of last year. Since that date we have earnestly tried to make this new law work. Within a few days after this law became effective the State Board of Equalization met to fix the assessed values of motor vehicles for this year, as required by the new law. No protests were filed with respect to the assessed values which we fixed at that time, although we were then required to guess how much automobiles were going to be worth at times from 6 to 18 months after our action was taken.

In this connection let me refresh your recollection with regard to the provisions contained in LB 165.

Section 3 of that bill provides that, "The Tax Commissioner shall prepare a schedule of actual values upon the several types of motor vehicles and submit the same to the State Board of Equalization and Assessment prior to February 15 of each year."

Consider what this requires the Tax Commissioner to do. On February 15—two and a half months ago—he had to guess how much each of several hundred makes and models of cars were going to be worth throughout the twelve months of next year. With regard to a car that will be assessed in December, 1955, the Tax Commissioner had to make a guess as to its assessed value 23 months in advance of the date when the assessment becomes effective. He must even try to make intelligent guesses as to the assessed values of cars that are not yet being manufactured—models which may not be brought out until some time next fall or winter.

Are there any of you present who would care to assume that responsibility? Is there any one here who can tell us how much a 1953 Plymouth Tudor, with radio, heater, and overdrive, will be worth in July or October or any other month of next year?

The law goes on: "The State Board of Equalization and Assessment shall meet on the first Monday of March of each year to consider such schedule and fix the valuations on the several classes of motor vehicles in accordance with Section 77-201 ***".

The Section 77-201 just referred to is the "Fifty-Percent Law" adopted at the last session of this Legislature which requires property to be valued at its actual value and then assessed at 50 per cent thereof.

All of you recall the definition of actual value: The value of a thing in the market in the ordinary course of trade; what a willing buyer will pay a willing seller for a particular thing.

Is there any one present who can tell the State Board of Equalization what a willing buyer will pay a willing seller in November of next year for a 1952 Ford Sedan with automatic shift but with no radio?

I think our Tax Commissioner has done a good job under these circumstances.

Going on with the provisions of LB 165, we find this direction in Section 4: "Any person interested in the taxation, or any taxing unit, may, within ten days after such schedule of values has been filed, file objections in writing to the valuations so fixed by the State Board of Equalization and Assessment, stating wherein they claim such valuations are unjust or inequitable."

The only protests filed this year in accordance with that law were that the valuations which we propose to adopt were too high. No protests were filed by anyone here nor by anyone else that the proposed valuations were too low. Yet it is my understanding that the State Board has been called here not because of a feeling that the valuations we are considering are too high, but rather that they are too low.

Your State Board is not equipped with a staff of economic advisers qualified to predict for a year to a year and eight months in advance what the economic conditions affecting the automobile market will be. We are just ordinary mortals doing the best job we know how. We are earnestly and conscientiously trying to make fairly intelligent guesses on what cars and trucks will be worth during each of the twelve months of next year.

Now, there may be, in fact I hope there are, some among you who can produce helpful evidence as to what cars now in existence and cars yet to be manufactured will be worth during the twelve months of next year. Unfortunately none of you appeared at the regular hearing on April 13 which was conducted by the State Board of Equalization in connection with these matters.

I am hopeful that the Board still has the right to schedule another hearing and take additional evidence. If we are advised that we can do so and if there are some of you who now wish to appear before the State Board in connection with car values, I know I can speak for all of the members of the Board in saying that we shall be happy to receive your testimony.

In any event, please be assured that each member of the State Board of Equalization and Assessment will do his utmost to adopt a final order on these assessments which will be as just and equitable as the provisions of the law permit.

(Signed) Robert B. Crosby

Governor Crosby was escorted from the Chamber.

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 1. Correctly enrolled.
LEGISLATIVE BILL 7. Correctly enrolled.

(Signed) Joseph D. Martin, Chairman.

Speaker Signs

While the Legislature was in session and capable of transacting business, the Speaker signed

LB 1 LB 7

RESOLUTIONS

LEGISLATIVE RESOLUTION 1.

LR 1 was not adopted with 1 aye, 36 nays and 6 not voting.

Member Excused

Mr. Larkin was excused for Friday, May 7, 1954.

Adjournment

At 2:55 p.m., on a motion by Mr. Lillibridge, the Legislature adjourned.

Hugo F. Srb

Clerk of the Legislature

TWELFTH DAY

Legislative Chamber, Lincoln, Nebraska

Friday, May 7, 1954

Pursuant to adjournment, the Legislature met at 9:02 a.m., President Warner presiding.

Prayer was offered by the Chaplain.

The roll was called and all members were present except Messrs. Adams and Larkin, who were excused.

The Journal for the Eleventh Day was approved.

Communications

Letter addressed to Mr. Cretsinger from J. E. Sherbey, Lewellen, Nebraska, relating to a state income tax. Referred to Revenue Committee.

Letter addressed to Mr. Cretsinger from E. H. Porath, Seneca, Nebraska, relating to sales tax. Referred to Revenue Committee.

Letter addressed to Mr. Cretsinger from Thomas B. Carter, Chappell, Nebraska, opposing the appointment of county assessors. Referred to Revenue Committee.

Visitors

Mr. Lee introduced Ellen W. Therkelsen, Principal, and fifty-six students from Blair Junior High School, Blair, Nebraska.

STANDING COMMITTEE REPORTS

Enrollment and Review

Presented to the Governor

Presented to the Governor for approval at 4:00 p.m., on May 6, 1954:

LB 1 LB 7

(Signed) Joseph D. Martin, Chairman

SUSPEND RULES—Final Reading

Mr. President: I move that the rules be suspended and we consider bills on final reading. (Signed) Robert D. McNutt

The motion prevailed with 40 ayes, 0 nays and 3 not voting.

BILLS ON FINAL READING

The following bills were read and put upon final passage:

LEGISLATIVE BILL 2. Introduced by Otto H. Liebers of Legislative District 18, Arthur Carmody of Legislative District 37, Karl E. Vogel of Legislative District 9.

A bill for an act for submission to the electors of amendment to Article IX, section 4, of the Constitution of Nebraska, relating to revenue and taxation; to permit the Legislature to provide for appointment of county assessors and boards of equalization and assessment for counties or for other taxing districts; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That at the general election in November, 1954, there shall be submitted to the electors of the State of Nebraska, for approval, the following amendment to Article IX, section 4, of the Constitution of Nebraska, which is hereby proposed by the Legislature:

"Sec. 4. The Legislature shall provide by law for the election of such county and township officers as may be necessary; except that the Legislature may provide that the office of county assessor may be appointive, and it may provide for the appointment of boards of equalization and assessment for counties or for other taxing districts."

Sec. 2. The proposed amendment shall be submitted to the electors in the manner prescribed by Article XVI, section 1, of the Constitution of Nebraska. The propositions for the submission of the proposed amendments shall be placed upon the ballot in the following form:

"Constitutional amendment to permit the Legislature to provide for appointment of county assessors and boards of equalization and assessment for counties or for other taxing districts.

☐ For
☐ Against"

Sec. 3. That the proposed amendment, if adopted, shall be in force and take effect immediately upon the completion of the canvass of the votes, at which time it shall be the duty of the Governor to proclaim it as a part of the Constitution of Nebraska.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.

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

Voting in the affirmative, 30:

Aufenkamp	Carpenter	Fenske	Martin
Beaver	Coffey	Hill	Person
Bixler	Cole	Kotouc	Pizer
Bridenbaugh	Cramer	Lee	Shultz
Britt	Cretsinger	Liebers	Vogel
Brower	Diers	Lillibridge	Williams
Burney	Dooley	McNutt	Wilson
Carmody	Duis		

Voting in the negative, 11:

Anderson	Klaver	Moulton	Syas
Carson	McHenry	Nelson	Tvrdik
Hubka	Marvel	Peterson	

Not voting, 2:

Adams	Larkin

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

LEGISLATIVE BILL 3. Introduced by Otto H. Liebers of Legislative District 18, O. H. Person of Legislative District 17, Arthur Carmody of Legislative District 37, Karl E. Vogel of Legislative District 9.

A bill for an act for submission to the electors of amendment to Article VIII, section 2, of the Constitution of Nebraska, relating to revenue and taxation; to permit the exemption of household goods and personal effects, in whole or in part, from taxation; to permit the Legislature to prescribe a formula for the determination of value of household goods and personal effects; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That at the general election in November, 1954, there shall be submitted to the electors of the State of Nebraska, for approval, the following amendment to Article VIII, section 2, of the Constitution of Nebraska, which is hereby proposed by the Legislature:

"Sec. 2. The property of the state and its governmental subdivisions shall be exempt from taxation. The Legislature by general law may exempt property owned by and used exclusively for agricultural and horticultural societies, and property owned and used exclusively for educational, religious, charitable, or cemetery purposes, when such property is not owned or used for financial gain or profit to either the owner or user. Household goods and personal effects, as defined by law, may be exempted from taxation in whole or in part, as may be provided by general law, and the Legislature may prescribe a formula for the determination of value of household goods and personal effects. The Legislature by general law may provide that the increased value of land by reason of shade or ornamental trees planted along the highway shall not be taken into account in the assessment of such land. No property shall be exempt from taxation except as provided in the Constitution."

Sec. 2. The proposed amendment shall be submitted to the electors in the manner prescribed by Article XVI, section 1, of the Constitution of Nebraska. The propositions for the submission of the proposed amendments shall be placed upon the ballot in the following form:

"Constitutional amendment to permit the exemption of household goods and personal effects, in whole or in part, from taxation, and to permit the Legislature to prescribe a formula for the determination of value of household goods and personal effects.

☐ For
☐ Against"

Sec. 3. That the proposed amendment, if adopted, shall be in force and take effect immediately upon the completion of the canvass of the votes, at which time it shall be the duty of the Governor to proclaim it as a part of the Constitution of Nebraska.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.

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

Voting in the affirmative, 25:

Aufenkamp	Cramer	Lee	Pizer
Bixler	Cretsinger	Liebers	Shultz
Britt	Duis	McHenry	Tvrdik
Brower	Hill	Martin	Vogel
Carmody	Klaver	Marvel	Williams
Coffey	Kotouc	Person	Wilson
Cole			

Voting in the negative, 16:

Anderson	Bridenbaugh	Carpenter	Diers
Beaver	Burney	Carson	Dooley

Fenske	Lillibridge	Moulton	Peterson
Hubka	McNutt	Nelson	Syas

Not voting, 2:

Adams	Larkin

A constitutional two-thirds majority having failed to vote in the affirmative, the bill failed of passage with the emergency clause attached.

Whereupon the President stated: "Shall the bill pass with the emergency clause stricken?"

Mr. McNutt raised a point of order that the State Constitution provides that a three-fifths majority is needed to propose a constitutional amendment by the Legislature whether or not it has the emergency clause and, therefore, it is improper to vote again on LB 3 with the emergency clause stricken.

The President did not sustain the objections and called for a vote on the passage of LB 3 with the emergency clause stricken.

Voting in the affirmative, 26:

Aufenkamp	Cramer	Liebers	Shultz
Bixler	Cretsinger	McHenry	Syas
Britt	Duis	Martin	Tvrdik
Brower	Hill	Marvel	Vogel
Carmody	Klaver	Person	Williams
Coffey	Kotouc	Pizer	Wilson
Cole	Lee		

Voting in the negative, 15:

Anderson	Carpenter	Fenske	Moulton
Beaver	Carson	Hubka	Nelson
Bridenbaugh	Diers	Lillibridge	Peterson
Burney	Dooley	McNutt	

Not voting, 2:

Adams	Larkin

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

LEGISLATIVE BILL 4. Introduced by Otto H. Liebers of Legislative District 18, Arthur Carmody of Legislative District 37, Karl E. Vogel of Legislative District 9, Joseph D. Martin of Legislative District 30, J. Monroe Bixler of Legislative District 41, Terry Carpenter of Legislative District 42, Robert C. Brower of Legislative District 26.

A bill for an act for submission to the electors of amendment to Article VIII, section 1, of the Constitution of Nebraska, relating to revenue and taxation; to permit the Legislature to prescribe standards and methods for the determination of the value of real or other tangible property at uniform and proportionate values; to provide for the submission of the proposed amendment to the electors at the general election in November, 1954; to provide the manner of submission and form of ballot; to provide the effective date thereof; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That at the general election in November, 1954, there shall be submitted to the electors of the State of Nebraska, for approval, the following amendment to Article VIII, section 1, of the Constitution of Nebraska, which is hereby proposed by the Legislature:

"Sec. 1. The necessary revenue of the state and its governmental subdivisions shall be raised by taxation in such manner as the Legislature may direct. Taxes shall be levied by valuation uniformly and proportionately upon all tangible property and franchises, except that the Legislature may provide for a different method of taxing motor vehicles; *Provided,* that such tax proceeds from motor vehicles taxed in each county shall be allocated to the state, counties, townships, cities, villages, and school districts of such county in the same proportion that the levy of each bears to the total levy of said county on personal tangible property. The Legislature may prescribe standards and methods for the determination of the value of real or other tangible property at uniform and proportionate values. Taxes uniform as to class may be levied by valuation upon all other property. Taxes, other than property taxes, may be authorized by law. Existing revenue laws shall continue in effect until changed by the Legislature."

Sec. 2. The proposed amendment shall be submitted to the electors in the manner prescribed by Article XVI, section 1, of the Constitution of Nebraska. The propositions for the submission of the proposed amendments shall be placed upon the ballot in the following form:

"Constitutional amendment to permit the Legislature to prescribe standards and methods for the determination of the value of real or other tangible property at uniform and proportionate values.

☐ For
☐ Against"

Sec. 3. That the proposed amendment, if adopted, shall be in force and take effect immediately upon the completion of the canvass of the votes, at which time it shall be the duty of the Governor to proclaim it as a part of the Constitution of Nebraska.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.

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

Voting in the affirmative, 39:

Anderson	Cole	Kotouc	Person
Aufenkamp	Cramer	Lee	Peterson
Beaver	Cretsinger	Liebers	Pizer
Bixler	Diers	Lillibridge	Shultz
Bridenbaugh	Dooley	McHenry	Syas
Brower	Duis	McNutt	Tvrdik
Burney	Fenske	Martin	Vogel
Carmody	Hill	Marvel	Williams
Carpenter	Hubka	Moulton	Wilson
Coffey	Klaver	Nelson	

Voting in the negative, 1:

Carson

Not voting, 3:

Adams	Britt	Larkin

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

Explanation of Vote

Mr. President: Had I been present, I would have voted "nay" on LB 2 and LB 3, and "aye" on LB 4. (Signed) John J. Larkin, Jr.

Visitors

Mr. Klaver introduced Mr. Joseph Benesch, a former member of the Legislature.

Mr. Fenske introduced his sister, Mrs. Wood Hopkins, Auburn, Nebraska.

Mr. Tvrdik introduced Mr. Otto Kotouc, Jr., a former member of the Legislature.

Mr. Beaver introduced Mr. E. P. Schauland, teacher, and fifteen students from Beemer, Nebraska.

Mr. Klaver introduced Miss Egan and seventeen students from Saunders School, Omaha, Nebraska.

LIST OF LEGISLATIVE EMPLOYEES

Paid from Special Legislative Funds

George Santo	Sergeant-at-arms
A. C. Taylor	Assistant Sergeant-at-arms
Jo Fisher	Engrossing Clerk
Lorraine Anderson	Docket Clerk, Stencil Typist
Paula Williams	Office Assistant
Gertrude Tyler	Telephone Operator
Carolyn Cronin	Stenographer
Mary Ann Dickinson	Stenographer
Lillian Larson	Stenographer
Yvonne H. Harsh	Stenographer
Jacqueline J. Bevelheimer	Stenographer
Edith McMahon	Reporter

E. C. Hansen	Chaplain
Elizabeth Reger	Proof Reader
Edna Scott	Proof Reader
Winona Brady	Page
Lois Srb	Page
Phyllis Loudon	Page
Ethel Pattison	Page
James Rivers	Page
F. R. Miller	Bill Room Clerk
Carl Hoffman	Assistant Custodian
Elston Murphy	Assistant Custodian

(Signed) Hugo F. Srb
Clerk of the Legislature

STANDING COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 2. Correctly enrolled.
LEGISLATIVE BILL 3. Correctly enrolled.
LEGISLATIVE BILL 4. Correctly enrolled.

(Signed) Joseph D. Martin, Chairman

President Signs

While the Legislature was in session and capable of transacting business, the President signed

LB 2 LB 3 LB 4

MOTION—Employees' Salaries

Mr. President: I move that in the figuring of the salaries of the employees of this session, the schedule of wages for the 1953 session be used. (Signed) Arthur Carmody

The motion prevailed.

MOTION—Printing

Mr. President: I move that we approve the printing of the legislative bills by the Journal-Star Printing Company and the printing of the daily journals, permanent Legislative Journal and Session Laws by Joe Christensen. (Signed) Hugh Carson

The motion prevailed.

MOTION—Session Laws, Journal

Mr. President: I move that the Clerk of the Legislature be instructed to send to each member of the Legislature, to the Lieutenant Governor and to each authorized member of the Press, assigned to the Legislature of the Sixty-sixth (Extraordinary) Session, a copy of the permanent Legislative Journal of said session and a copy of the Session Laws passed thereat. (Signed) Earl J. Lee

The motion prevailed.

MOTION—Vote of Thanks

Mr. Lillibridge moved that a rising vote of thanks be given to Mr. Liebers and the members of the Tax Committee.

The motion prevailed.

MOTION—Approve Journal

Mr. President: I move that the Legislative Journal for the Twelfth Day be approved as prepared by the Clerk. (Signed) Hal Bridenbaugh

The motion prevailed.

MOTION—Retain Help

Mr. President: I move that the Clerk of the Legislature be directed to retain such help as may be required to complete the business of the office for the Sixty-sixth (Extraordinary) Session of the Legislature. (Signed) Ernest A. Hubka

The motion prevailed.

MOTION—Notify Governor

Mr. President: I move that a committee of five be appointed to wait upon the Governor to advise him that the Legislature has completed its work and is ready to adjourn and ask him if he has any further message for the Legislature. (Signed) Fay O. Britt

The motion prevailed and the President appointed the following members to serve on said committee:

Britt, chairman; Moulton, Kotouc, McNutt, Coffey

The Committee retired and subsequently returned escorting Governor Robert B. Crosby to the rostrum, where he addressed the Legislature.

The Committee escorted Governor Crosby from the Chamber.

STANDING COMMITTEE REPORTS

Enrollment and Review

Presented to the Governor

Presented to the Governor for approval at 10:30 a.m., on May 7, 1954

LB 2 LB 3 LB 4

(Signed) Joseph D. Martin, Chairman

Visitors

Mr. Klaver introduced Mr. J. Barrett, Omaha, Nebraska

Mr. Diers introduced V. Douding, Opal Tyrrell, teachers, and fifteen pupils from Seward, Nebraska.

Mr. Lee introduced Mr. Cliff Ogden, Omaha, Nebraska, a former member of the Legislature.

Mr. Diers introduced Mr. Fay Wood, Seward, Nebraska, a former member of the Legislature. Mr. Wood addressed the Legislature briefly.

MOTION—Adjourn

Mr. President: The Sixty-sixth (Extraordinary) Session of the Legislature of Nebraska having finished all business before it, I move that it now adjourn sine die. (Signed) Charles F. Tvrdik

The motion prevailed, and at 11:08 a.m., the Legislature adjourned.

Hugo F. Srb

Clerk of the Legislature

FLOOR DEBATE

Legislative Chamber, Lincoln, Nebraska

3:00 p.m., Thursday, April 29, 1954

Pursuant to a motion by Senator Carpenter that a transcript be made on any motion to place any bill on General File, the following discussion on the Floor was recorded:

LB 8

Carpenter: LB 8 was discussed in the hearings in which, for all practical purposes, we act as a committee for the whole Legislature, and all the Senators were here. The thing was discussed very aptly and in the greatest degree by the people who are for and against the bill.

In a general way it seemed to me that this session of the Legislature was called for the purpose of your considering these bills. Under normal conditions, I would go along for whatever it might be worth, that the committee has a right to predetermine this bill; but it seems to me that since this legislative session is to consider bills for a special purpose that the committee of which I am a part has no reason to predetermine and take away from the Legislature the responsibility of passing or killing these bills, and I propose that every Senator stand on his own feet and that a record be taken and that the public of this state will understand, if that is possible, the position of every Senator on all of these ten pieces of legislation. That, I think, is our responsibility, and I think we are all willing to stand up to it and be counted; and it seems to me that in this coming election that the people might have this once-in-a-lifetime opportunity to be educated and so informed that at least in part when they vote for or against we Senators, excluding myself, that they will have some factual written statement by which they can judge my action and your action and that they can say to us and to those who are trying to unseat us 'Why did you cast your vote this way?' I think that the people have the right to have the record and the opportunity, and I think they are going to demand that you give them a straight-forward answer.

Now LB 8 is a bill which is very clear in its ramifications. It is not only a bill in order to enact a homestead exemption, but we also know it is an equally important attempt to give money to the operation of our schools, and every Senator knows if he would vote for or against this bill that there are the true facts.

You are here for a homestead exemption as outlined in this bill and the balance of the money would be appropriated in some form back to the schools, or you are against those two things. As an illustration, actually I would be against, in my first action, submitting a sales tax to the people of this state for a vote; and I would be opposed to that in the first instance because I think the people of this state would vote it down, and secondly because of the fact that if they did vote it down, insofar as I am concerned, it would put the Legislature in a strait-jacket forever-and-a-day, but on the other hand I don't think I have the right as a Senator representing my district to take the opportunity from them to do that. Personally, that is something I don't want them to do. I don't think the Constitution is a dead thing, and if it is dead I don't want to be associated with it because, even as old as I am, I want to have something that has a little life in it, and if I want to embrace something I want to get some response out of it. If living with a mummy I want to know about it. It is a perfect roadblock which serves the purposes of a lot of people. To me it is not sacred. I am sure that you people know, and even though I know, that some of us think it is sacred and give it a great deal of reverence, that most of the time we are not too sincere in the approach we make. The bill is simple. Don't carry this talk further. You men know what it is.

Nelson: You made the statement that these bills should all be advanced to the floor by the committee?

Carpenter: That is correct.

Nelson: Now, then, we could have saved considerable time under those circumstances and we could just as well have put them on file and had no public hearing?

Carpenter: He knows because he was on the committee with me. I did everything I could to get it out of the committee. We only suspended the bill and made it impossible to bring it out here, so I say in conclusion:

I am not in favor of eliminating the hearings, although I would admit that as to the actual thing that the committee set up, very little attention was paid to what was said and to all practical purposes we might just as well not have had the hearing. It would have saved time.

Nelson: That was what I had reference to.

Carpenter: I would be the last one to take the hearing away from the public, although most of the time is wasted. That is the mechanics we have to go through.

Warner: Any further remarks?

Members: Question.

Coffey: Mr. President.

Warner: Senator Coffey.

Coffey: Gentlemen, this bill is my bill. I introduced it at the request of the Governor and I would like to speak to you very briefly on it. First, let me say that the procedure is not exactly my idea, and I hope that personalities will not enter into your vote.

I believe in this bill. I believe that it has more merit than any bill introduced at this session, and I don't say that from pride of authorship. This bill does three things. This bill, and if I repeat what Senator Carpenter has said I am doing it unconsciously, because I think I had to leave the room while he was on the Floor—this bill provides for a relief for your important real estate taxpayer. This is one of the few bills in here that is aimed directly to relieve the guy who is hard up, the guy who doesn't have a few shekels in the bank, who doesn't have more hay in the bank than he has in the barn. It does it in this way: The homestead exemption feature of this bill is very definitely limited. It provides for a homestead exemption of not more than 20% and not more than $2,000, and that is very important. That is the heart of the bill.

In so doing, that gives a homestead exemption to any man —the limit of any homestead exemption to a man who owns a house worth $10,000 and less. If over $10,000, the percentage of exemption is down because of the $2,000 limit, and I know full well I am going to be accused of playing politics; but imagine with me, if you will, the man or woman who is living on social security and drawing the limit of $75 a month and paying $20 or $25 a month taxes on the home that they have been able to save for through their active and earning life. That is the type of man that you are going to relieve. Or imagine the young fellow who wants to buy his home and doesn't have the necessary cash to pay for it and has to finance it. You know, and I know, what happens when you go to your bank or to your lending agencies. First they figure out so many dollars a month to retire the principal, so many dollars a month to take care of the interest, so many dollars to take care of the insurance and so much to take care of the taxes, and when that tax bill gets up from $20 or $25 to $30 and $50 a month, it precludes that young man from buying a home. It has happened in numerous instances.

In addition, the young man who has bought his home five years ago—and I have a brother in Omaha who is in this sort of predicament. He bought his house five years ago on FHA and GI loans and had just enough cash to make the down payment, and since that time his taxes have gone from $10 or $12 a month to something over $30 a month. He still almost doesn't know how much longer he will own it. If he had not received a promotion in his job, he wouldn't own it today. That is the reason that I am serious about this homestead exemption.

Then it does one other thing. It takes the residue that is left over and gives it to the schools, and this will be a sizeable amount. Before the committee the other day, I used the figure of $8,000,000 for the homestead exemption, and I believe I was being very generous with you on the $8,000,000, because I don't think it will cost that much. On a 2% sales tax, I believe it will leave $18,000,000 or $19,000,000 to be distributed back to the schools, and let me pause here to say that I did not confer with the school authorities or any school organization when I had this bill drawn, nor did I ask them to appear before the committee. That was wholly voluntary. I gave it to the schools because I felt that was where it went—where it belonged. I felt it belonged there because everybody pays school taxes. I felt it belonged there because I believe—and I earnestly believe—that the schools of the State of Nebraska are the most important function of government that we have, and I am not overlooking the State Legislature when I say that. I further believe that the biggest problem facing the schools and facing you when you advise the schools, is the redistricting and the reorganization of our schools. I have met with and served on redistricting committees. I have served on school boards, and I am just as confident as I am that I am standing here, that the reason we are paying 50 to 75% a month of our taxes for education is the fact that the spread in the taxes between the town school and the country school is so great that the farmer—the man who lives in the country school district—is reluctant to take on that additional tax load. By putting this $18,000,000 or $19,000,000 or $20,000,000 back to the schools, it will be a tremendous step towards solving our school problem.

In closing, I would like to further point out that this bill does not make a sales tax mandatory. In the last three weeks I have spent very little time in my business, very little time in my office. I have spent it out talking to the people. I had an inkling of what the problems were that we would be faced with in this Special Session and I attempted to find out what the people thought. And what did I find out? The same thing you found out if you went out and tried to get the feeling of people, and that was that 'We are going to have a sales tax, but we want a sales tax as a replacement only,' and that is just exactly what this bill does. I will agree with you that as soon as I sit down somebody will pick up the dictionary and read the definition of replacement and I am going to agree with you it is not going to be what Webster says, and I am going to answer you by saying it means that it will take the place of the tax you are going to pay on your property and you are not only going to relieve that old person, you are going to relieve everybody, every man, woman and child that is paying taxes, for certainly that $18,000,000 to $20,000,000 that is going back to our schools can have but one effect and that is to cut the levy on your school tax load. If that isn't a definition of replacement, at least it is my idea of an awfully practical replacement.

I think I should remind you of what the people are thinking. As far as I know, there have been two honest attempts, possibly more, to find out what the people thought. One was by the Hastings Daily Tribune, which asked, 'Do you favor homestead exemption?' and 'Do you favor sales tax as a replacement tax?' The reply was overwhelmingly 'Yes' to both of them. There was a third question, 'Do you favor household goods exemption?' and the answer was 'Yes' to that, and the question that got the biggest 'Yes' was household exemption, and above the homestead exemption.

By the same token, Senator Marvel and I went on the TV station and asked the same question, and again we got an overwhelming 'Yes.' We heard from every walk of life.

Gentlemen, in closing let me again ask that when you push that button, you push it thinking on the merits of this bill, that you push it in such a manner that you can go home and look the guys in the eye that sent you down here, the guys who are not represented in the last five or six rows of this room, and tell them 'I did the best I knew how.'

Nelson: Senator, will you yield to a question?

Coffey: Yes, sir.

Nelson: In case that were passed in the present form, or if amended as you suggested, do you have any figures to show—suppose it were a 60 mill levy or a 3% tax voted in a taxing district, what amount would it save the home owner in that district? Would it be $60 or would it be $12?

Coffey: I don't have the figures, but probably can figure that out. Will you give me that question again?

Nelson: In case that bill were passed in the present form, or if amended as you suggested to the committee, do you have any figures to show that if it were a 60 mill levy or a 3% tax voted in a taxing district, what amount would it save the home owner in that district? Would it be $60 or would it be $12?

Coffey: If you have it figured out—I didn't figure it.

Anderson: Mr. President.

Warner: Senator Anderson.

Anderson: I have to say just one word. It has been stated here on the Floor that this session of the Legislature may be misconstrued as a political session. Gentlemen, if that is true, and that is what the people of the State of Nebraska construe, it seems to me that we may all be dead ducks. If we are, that is all right with me.

I believe in the homestead exemption and believe in money for the schools, but we are down here for the purpose of doing something toward relieving the taxpayers as a whole. There is nothing in this bill that is going to do that. There isn't a thing in this bill going to relieve state property tax. You are still going to have this property tax. There is nothing in the bill to prevent legislation to enact a sales tax in the state of 10% and give it all to the schools if they want to. There is no limitation there whatsoever. As far as the Legislature putting themselves on the spot is concerned, I don't think they will. We are here for the purpose of putting our interpretation on these bills. In the bill that I asked for—but this is not the answer to the homestead exemption. We are taking it from one to give to the other in the form of a sales tax. It is not a replacement.

Warner: Any further remarks?

Members: Question.

Carpenter: Mr. President, I ask that this be a record vote.

Motion lost. (Page 41)

LB 5

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: I move that LB 5 be placed on General File.

Warner: Second to that motion?

Members: Second.

Warner: Senator Carpenter has the Floor.

Carpenter: This bill was amply discussed before the committee and there is no reason for me to make an extended statement on it. I am sure the Senators understand and know what they are voting on and know what they want to do. The bill is self-explanatory. I have no further remarks to make except to remind the Legislature it is determined by record vote what they do with it.

Warner: Any further remarks? If not, it takes 22 votes to override the committee report. A record vote has been asked for.

Motion lost. (Page 42)

Legislative Chamber, Lincoln, Nebraska

9:30 a.m., Friday, April 30, 1954

LB 7

During the discussion on LB 7, it was decided to have notes made of the Floor debate; therefore, not all the speeches given from the Floor have been recorded.

Previous to the time notes were taken, there had been discourse on the bill by Senator Duis who had offered amendments to strike the words "for the State of Nebraska for state purposes" in section 1, line 9 and in section 2 lines 10 and 11, and in the title of the bill, lines 8 and 9; by Senator Bridenbaugh; also by Senator Burney, who had offered an amendment to add the words "General Fund" in section 1-A, line 10 at the end of the line, and section 2, line 12 after the word "state" and to amend the title of the bill.

Duis: Mr. President.

Warner: Senator Duis.

Duis: I object to the amendment inasmuch as it will be putting us half in and half out of the property tax field should a sales tax be enacted, whereas the other way we would be entirely out. If you would check your Tax Commissioner's Report you will see they have no special levies other than special fund levies; and if we are in, let's be in. If out, let's be out—one way or the other.

Tvrdik: Could I ask Senator Duis a question?

Duis: Yes, sir.

Tvrdik: Under this amendment of Senator Burney's, would that eliminate the special levies?

Duis: As amended it would allow them to have special levies.

Tvrdik: There is a possibility we would be continuing our special levies under it?

Duis: That is right.

Lillibridge: I have a monthly report from the Treasurer's Office. You have a General Fund. How many of these special levies would be excluded?

Burney: Most of those are in the General Fund, I think.

Tvrdik: Read some of them.

Lillibridge: You have under your Current Revenue Funds: Nebraska Veteran's Aid Special Levy; Permanent School, Special Levy; Building Fund, Special Levy; Compensation Court; Game, Forestation & Parks, Highway Cash Funds (there are several in there that are cash funds); Nebraska Municipal Retirement Fund; Nebraska Safety Patrol Retirement Fund; School Employees' Savings Fund; State Assistance Fund; the University— You have several in the top group that would be.

Burney: The funds excluded are the 1.1 mill levy for the University and Normal Schools, the half mill levy for the Teachers Retirement, and these levies for mental hospitals and for the Douglas County Tax Appraisal Board, and I think another one or two.

Warner: Voting on the Burney amendment.

Burney: Mr. President, Members of the Legislature, if no one else wants to talk—

Coffey: Mr. President.

Warner: Senator Coffey.

Coffey: I would like to ask Senator Burney one question. It is not clear in my mind. You have been talking about the Douglas County Board and as I understand it they are paid out of state funds.

Burney: Douglas County makes a levy but we also make a state levy.

Coffey: Is there anything in Douglas County making their levy to reimburse the state for this?

Burney: Yes—

Tvrdik: I think that by the time this thing would ever happen, we wouldn't have a tax appraisal board in Omaha.

Coffey: We may have one in some of the other counties and the same statute would hold because it doesn't designate any particular county.

Tvrdik: It designated counties over 200,000 population.

Duis: Mr. President.

Warner: Mr. Duis.

Duis: I want to ask Senator Burney a question. Is there anything that would prohibit the State Legislature from having the county make that levy on a county basis?

Burney: It would be possible, I think; although Mr. James indicated to me that it might not be possible. In my own mind, I think it might not be possible.

Burney: (continuing) Mr. Chairman. On these special levies that I am excluding from this constitutional amendment—now remember, we are writing a constitutional amendment, not just legislation, and we are making a strait-jacket—All right, even if these special levies are not included in the constitutional amendment, we can by legislation pay them from the General Fund, but I do not want to write the Constitution so it must include the mental hospital fund and the Douglas County Appraisal Board, and one or two others. The University Fund is another.

McNutt: The University Fund?

Burney: No, that is another in itself.

Warner: Any further remarks? Voting on Mr. Burney's amendment.

Voice Vote. Motion lost.

(For subsequent action on this bill, see p. 46, Legislative Journal, April 30, 1954.)

LB 3 (This bill was raised to General File at the morning session on April 29, 1954.)

Warner: LB 3 on General File.

Srb: (Reading section 1) (Reading section 2).

Warner: Any amendments?

McNutt: I move that LB 3 be amended in section 2, line 2 by striking 'XV' and inserting 'XVI.'

Warner: You have heard the motion.

Voice Vote. Motion carried.

Srb: (Reading section 3.)

Warner: Amendments to section 3? Read section 4.

Srb: (Reading section 4.)

Warner: Any amendments to section 4? Any amendments to the Bill as a whole?

Tvrdik: Mr. President. I have an amendment. I move to amend LB 3 on page 2, section 1, line 15, by adding 'and the Legislature may prescribe formula for the determination of value of household goods and personal effects and to amend the title of the bill.'

Tvrdik: (continuing) I offer this amendment this morning. It is a formula you don't have now. It has nothing to do with the law, it is just another formula that the Legislature may follow. It says whether or not the Legislature may in part or in whole give relief on household goods and personal effects. Now, if subsequent Legislatures didn't want to do that, they could have this alternative. If they didn't want this formula, they could prescribe another.

About 12 states have a similar law. Details could be worked out by the Legislature by studying the laws of other states. That is all it does. It is just another formula the Legislature could follow. In fact, I think it would strengthen your bill. It might strengthen some support on it in the Legislature.

Warner: Any other remarks? If not, you have heard Tvrdik's motion.

Motion lost.

(Subsequent action on this bill is recorded in Legislative Journal for April 30, 1954, p. 47.)

LB 9

Carpenter: Mr. President.

Warner: Mr. Carpenter.

Carpenter: I move that LB 9 be raised from the committee and placed on General File.

Carpenter: (continuing) LB 9 was amply discussed before the committee. I am sure that all the Senators understand the intent of the bill. I do not intend to proceed any further except to ask for a record vote.

Members: Question.

Anderson: Mr. President.

Warner: Senator Anderson.

Anderson: I just want to make one statement before we vote on this. I appreciate Senator Carpenter's brevity. You Senators are interested in what the people of the State of Nebraska are concerned about. They are concerned about real estate and their homesteads. There are two problems that were discussed. One, of course, is the relief of property, which will come under No. 7—relief of the state property tax—and second, we are in a position for the homestead exemption which will relieve to the extent of about $8,000,000. These are your two problems.

Members: Question.

Warner: The motion before the Legislature.

Srb: Record Vote. Motion lost. (Page 47)

LB 10

Warner: LB 10 on General File.

McNutt: (Presenting written amendment to Clerk of Legislature) This amendment is the amendment proposed which has the same language, but in a different place in the bill. There was a discrepancy as to whether or not it was limited as the bill was originally written—as to whether the restriction on state values was on all other property. It doesn't change any of the language, but simply the place.

Williams: I would like to have the statement of the committee placed on the bill.

McNutt: It hasn't been typed yet.

Carpenter: Mr. President. This bill is very important, and if the strength of the bill is indicated by the committee vote, which it may or may not be, it might be one of the few bills that would stand much chance of passing. As I recall, the committee didn't have much of a statement. The amendment as introduced by Senator Williams and adopted, is quite important and it seems to me that in view of those circumstances we ought to have the bill rewritten and amended as shown by the two amendments so members of the Senate will have an idea of what they are voting on.

I move that LB 10 be laid over until Monday.

Williams: I agree with Senator Carpenter for this reason. Personally, I think this is one of the most important pieces of legislation that has been before this Legislature in many a year. In other words, it is changing your tax set-up in the State of Nebraska, and I think the people—I know how the people feel personally—but I think we should be awfully careful not to do something we shouldn't do here. I think the bill should be laid over until Monday.

I would like to make one other statement on the Floor at the present time. There has been a lot of talk about this being an Omaha bill, and I want to say right now it is not. My county, Buffalo, is in the same condition that Douglas County is. This bill originated through myself and Attorney Dick Dwyer and some more of my friends in Kearney and the only man in Omaha that helped me at all is Judge Jacques, and Mr. Klaver never saw this bill until he asked me if he could put his name on it. Is that right, Sam?

Klaver: I don't know what you are talking about. I had somebody talk to me about a bill similar to this several months ago and was going to have it drawn, and when I went to have it drawn I was told that Senator Williams had a similar one and when I found that out, I asked to sign it.

Warner: The motion before the Legislature.

Voice Vote. The motion prevailed.

Legislative Chamber, Lincoln, Nebraska

3:15 p.m., Monday, May 3, 1954

LB 4

Liebers: Mr. President.

Warner: Senator Liebers.

Liebers: I move that LB 4 be raised to General File.

Warner: Mr. Liebers has the Floor.

Liebers: Mr. President and Members of the Legislature. Since LB 4 was heard on this Floor last week, we have done just what we hoped we could do and what we felt was necessary to do and that was to work on the language so we could clarify the meaning to satisfy the various groups. We have had three meetings with the people of the Tax Committee and three meetings with the people in opposition to LB 4 on the day of the hearing. This morning at a final meeting of the attorneys in this Body, of the opposition at the hearing, and of the Tax Commissioner and the State Attorney General's office, and we got in complete agreement on the language that you now have before you on this measure. The new material you will find under Section 2 under line 10 —and this is all it is—the new material:

'Constitutional amendment to permit the Legislature to prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and to permit it to substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state.'

This will permit the Legislature to pass legislation as it sees fit if this amendment is approved by the voters. The next Legislature has an opportunity to provide such legislation which would make it possible to tax grain on a millage basis and on a basis similar to that which five other states around us are using at the present time. It would also liberalize to some extent, and it would be helpful perhaps, in getting annual average inventories for business. It would also be a start at least in the thinking and be helpful in getting yardsticks in the valuation of real estate.

One of our men—one of the able attorneys, I think—said it very correctly—'It would at least have a tendency to liberalize the thinking of our courts on this matter of actual value and its interpretation of it as to the value of real estate. Now the reason we have been considering this and have laid it in writing on the table, is as I said the other day, that I would ask all those we could get ahold of, of the opposition, to come in and contribute their time, and I want to say that the people that were in opposition did come and did contribute some thinking and have helped quite a great deal, and we have reached this unanimous opinion at the present time. I will candidly say we are not getting what we had set out to do in the way of a yardstick for real estate, but it is, perhaps, what we should take now and make the most of it; and it is for that reason we are asking you to bring this bill on the Floor at the present time. There are some other members of the committee, I think, who would like to have something to say and would like to have this matter thoroughly discussed, as it is a very important amendment. I do know, and I think every one of you knows, that the people back home are looking to us to do something if at all possible as soon as possible, in the next two or four years, something on our real estate tax situation, and it is for that reason that we would like to have it thoroughly discussed.

Warner: Senator Bixler has the Floor.

Bixler: Mr. President, Members of the Legislature. I don't know how well I can say this, but I have a word I would like to say about this committee, and I am doing this in the presence of Senator Liebers. I said nothing to him about it—he knew nothing about it; but when I went home last spring from here—I am frank to say that when I was appointed on this committee I had my head in the clouds. I was willing to believe that we could change the transcript on the south side of the capitol 'Political Society Exists For The Sake of

Noble Living' to say that the Liebers Committee could change the salvation of the State of Nebraska. I felt there was a lot of prejudgment and found later that I was justified in thinking that. I think I can say that we had a certain amount of education in this as we went along, and I completely had the props knocked out from under me.

It seems that people thought we had a delegation of authority. Now, as to any delegation of authority, I know no one had that in mind at all. There was certain action that had to be taken. Last summer the Board of Equalization met, and county after county came in from the west end of the state where there is the problem of the sale of farm and ranch land, to work out a proximate valuation of our type of real estate, and it was felt that we needed something that would make a complete problem. We know there are certain kinds of property that are going unassessed because it is never found. So we had some of these things in mind when this special session was called. They are some of the things that will probably come to light, but I can't go into the background now. But I want you to realize that our work has been done in sincerity in an attempt to satisfy all the powers-that-be here. I think there are things that might have continued discussion and continued working at and that can only be done by taking a good look at it and I ask the members in doubt to bring the bill out and take time to consider it.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: Mr. President. So far this legislative session I have not taken much of your time. Today I expect to dwell at some length upon a number of things. Some of you, I assume, will say they are not germane to LB 4, and that might possibly be so. I want to touch on the whole question of why we are here and the politics involved. I expect to get a little into some personalities by intent, and I am sure that those people I criticize will be in a position in the near future to make their own statement in rebuttal if they so desire.

During this discussion I want you members, if you desire, to interrupt me and to carry on discourse on such questions as at that particular time might be of interest to you.

The first one we think of is the question that has been asked hundreds of times: 'Why are we here?' If I have heard one member, I have heard the majority of the members say 'We were not asked to come here. We were not consulted,' and it has been said in the headlines, 'Why are we here?'

Well, so far as I am able to conceive, we are here only for one purpose and that purpose is this: Partly to determine, first, if the taxes on real estate are too high and if the majority of us believe that they are; and second, what we are going to do about it? It is just that simple.

LB 4, insofar as I can see, should not be considered in its present or amended form. Let's not prejudge the bill until it comes onto the Floor of this Senate. Let's not drag into it that the Constitution has been something sacred, because this Constitution was written by men like you and me, and they were, perhaps, just as befuddled as most of us here today. They had to try and anticipate the future, as we have to do, and I can't see how anyone in a reasonable mind can say that the Constitution of this state or the Constitution of this Nation shouldn't be changed—that as time brings about the mechanization, why it shouldn't be amended, because the human mind—the human individual, in itself—is not sacred.

Let me say that the charge has been made that we are playing politics. I cannot speak for the other 42 members, but let me say if that is an indictment, let me accept it. I am playing politics because I believe the right of the Legislature demands that we as Senators and the people as the jury must participate to the extent we are capable of doing, and if I had any one thing of criticism of people of this state, I would say to them 'If you are going to get any relief, you are going to have to stop being mentally and physically lazy. You are going to have to step in and become interested in your government before something happens that will make it impossible to step in.' So I admit to the charge that I am playing politics and to that extent I have no apologies.

Now for the Governor I have the most warm friendship, personally, but I am not in agreement with him in the application of his theory of government. That is the thing I disagree with him on wholly, and from a practical standpoint.

Let's see who is playing politics. This session was called —and I don't think by sheer coincidence—at a time when the Governors of the 48 states were meeting in the City of Washington, and when the recently appointed lady Senator was to be sworn in. Now it seemed rather peculiar to me that a man who first conceived, for all practical purposes, all of this legislation (and whether he admits to it or not, he was the sole individual who was responsible for us being here, because he didn't ask any other Senator as to whether or not we wanted to come here, at least he didn't ask me) —it seems rather peculiar to me and a very strange coincidence that during the entire time which this committee had these hearings on all these bills, that the man that had the responsibility for bringing them to life wasn't here. Where was he? Did he appear here? Did he appear for what I think is the most important question that has confronted the state for many a year? No, he was not here but he was in Washington, and for what purpose was he in Washington? And was there anything more important in Washington than was going on in the State of Nebraska? If there was ever an emergency in this state which required the leadership of the constituted head of this state, it has been the last week or ten days, and the government cannot hold without the leadership of the constituted head of the state to do the things that have to be done, though it may be more important to go to Washington and properly consult with the senior Senator of this state because, as I understand it, the senior Senator of the state has appointed or expects to appoint as Senator the Governor of this state. He expects to appoint the Congressmen, the State Chairman and the State Chairwoman. Now whether the people of the State of Nebraska want to relieve themselves of the responsibility because they are mentally and physically lazy, only the future will foretell; but there is nothing there in Washington that would require the presence of the Governor of the State of Nebraska, at least to the extent it was required in this state, and if there has been any criticism of the legislative context of this Body, the criticism has been that it has no leadership, that there is no sense of direction. How can he put on the Legislature the responsibility of writing and enforcing legislation and to then with the finger of scorn point his finger at the rest of us? I don't think it comes in good grace and is totally ununderstandable.

It was quoted the other day that the Governor said there was some confusion as to what he said in the Press, but I have had a great deal of experience with the wire services of this nation and have never seen in them instances in which the wire services have, by premeditated action, ever sought to put any man or woman in an embarrassing position. It is the time-old dodge of a man who holds public office or is seeking election, that when he is in a position of criticism, to use the time-old dodge 'I have been misquoted.' Well, maybe he was, I don't know. I wasn't there. I think it is probably unimportant whether he said it or whether he didn't. If he did say these things, he said 'The Legislators are more interested in re-election than they are in taking care of educational proposals.' It is as much your problem as mine. If you as the P.T.A. are going to be effective, you have to pay more than lip-service. If you are going to get changes in those problems, you have to make the effort to alter them, and he says 'I am the first Governor in your memory to put the cause of education above re-election.'

Let's see how much he did do. LB 8, at least in part, was a figment of his imagination. LB 8 was turned down by the committee for its own reasons. I consulted the Senator who introduced the bill and asked if he was going to try to raise it, and he informed me he was not; otherwise I would not have attempted to raise LB 8; but the Governor of this great state, who had the responsibility of the introduction of the measure in the first place, was quoted as saying he didn't want to take the responsibility to indicate leadership to raise LB 8 out of committee. And I think the people are finding that they are more interested in, and more concerned by what a man does, not by what he says.

LB 4 is quite a bill. It is the beginning and the end of why we are here. Unless we pass LB 4 in some form, with some amendments, the people who own real estate in the State of Nebraska cannot and never will receive any relief in taxes on their real estate until they have been given a chance to amend the Constitution and until such time as they do amend it. If we do not submit LB 4 in some form today or tomorrow to the people to vote on it, what do we do? We absolutely preclude the possibility for what? Three years, because you cannot submit it to the people to vote on except at a general election.

Let me say to the Governor of the State of Nebraska: (He first wanted to submit these things by petition. I have no reason to believe he was not sincere and no reason to believe he wouldn't do that if this session was not called.) If I was the Governor of this state and with thousands of state employees under my direction and control and felt that this legislation that passes or doesn't pass, was of paramount importance, do you know what I would do? I would say to every state employee that 'After hours, on your own time, I expect you to reflect the leadership of the head of the State of Nebraska, but expect you without special compensation, to circulate petitions to put it on the ballot.' That is the least he could do, providing we do nothing here, and I don't take this opportunity to say that we are not doing something here. But that is what he can do. He might be criticized but not more on that than on other things. The Constitution is a clear challenge. The Constitution for me, for example, is a series of roadblocks, and if we agree on a proposition, a piece of legislation, we get to an agreement and at a certain point we find that we can't do it, we find the Constitution precludes it, so we try another way, and find we can't do it there; and we can't do it as far as real estate is concerned. Real estate is sticking out like a sore thumb that no one can hide. If in real estate we could do a disappearing act as we can do in other forms of tangible and intangible property, we wouldn't have any problem—like with any stocks and bonds, corn, and hogs, we have no way to determine how much was there except by setting man against man, and I have been relatively amused by those who say that we have the mechanics to enforce the law which we do have, but I haven't heard of any one who is setting himself up as a political target for the purpose of making a report of what he and his neighbors know he has. You are not going to do anything, and neither am I; and you cannot expect the man you elect to do it for you either, because he has to have your support and you will not support him except by putting away indirection and lack of purpose and taking a positive approach.

I have asked the Attorney General's office to give me a resume. It is not to be construed as an official opinion of the Attorney General's office. I do not give it for that purpose. I only give it as an explanation of how unworkable the Constitution of the State of Nebraska is when it comes to applying it to real estate. The opinion will show, for example, that it can be considered flexible on anything except real estate. We have maneuvered it between the opinions of the courts, giving as the court did interpret the law—and I do not criticize the court for its interpretation—that an amendment of the Constitution is necessary in order to get any relief. For example, the railroads, and I am not attacking the railroads of this state any more than I am attacking any one else. I am using it as an illustration. I could use the man in the petroleum industry and numerous other examples to show that everything with the exception of real estate could receive favorable interpretation and can do for them what they want to be done.

We complain about being subjected to pressure if we pass LB 4, but for Heaven's sake, can any one say we are not subject to pressure without the passage of LB 4? The lobbyists—this Legislature couldn't operate without the lobbyists—are necessary in the writing and interpretation of all legislation. They are not here for some purpose in order to do something dishonest. They are here to represent people who send them here. There is nothing wrong with that, and by their very presence and contact and attack and experience, they do give, to us people who otherwise would not receive that picture, the complete picture of what they want, so I pick that out, but not as a monument of abuse to the people who have received the exceptional consideration in the writing of their tax bill.

I would like to have the unanimous permission of this Body that this letter be made a permanent record of the proceedings of this session of the Legislature.

I will not read it all, but here is a part of the Attorney General's letter:

'You will note that that case was decided at a time when the Constitution of 1875 was in effect and provided that value was to be acertained "in such manner as the legislature shall direct." That phrase was eliminated from the Constitution in 1920 at the time when the present form of section 1, article 8 of the Constitution was adopted. The constitutionality of providing for a different method of assessing railroads has not been directly challenged since 1920, but the court has since that date indirectly indicated that it would continue to approve the present method of assessing railroads, for in the 1938 case of Schulz v. Dixon County, 134 Neb. 549 our court noted that "our present revenue act recognizes the peculiar nature" of railway and express companies, and provides special methods of assessing the same, but said that the principles followed in assessing such property are "inapplicable to, and in no way controlling in, the question of the proper assessment of farm lands".'

You take the same statutory provision in the Constitution and it comes from the same section as it applies to railroads because of peculiar meter, and so far as real estate is concerned, it doesn't apply.

'At one time our court, with three judges dissenting, did permit a slightly different standard to be used in assessing real estate. That was in the case of Schmidt v. Saline County, 122 Neb. 56, decided in 1931, where the court held that:

> "The net income derivable from real estate, prudently used for the purpose for which it is best adapted, is a proper factor to consider in determining its actual value."

The court said that 'The Schmidt case came up because some farm lands were in a school district with a high levy and the farmer had to pay a school tax of about $350.00 on a one-quarter section, whereas his neighbor across the road who was in another school district but whose land was exactly similar paid a tax of only $175.00 per one-quarter section. The plaintiff contended that his high tax reduced the amount of net income which could be produced from his farm and therefore reduced its value, and the court agreed with him.

'Then in 1938 the Schulz case came along, and by a unanimous decision the court reversed the Schmidt case.

'In the Schulz case the court set out the following general rule with regard to the assessment of property, but said that only the first sentence of that rule applied to the assessment of real estate and personal property in Nebraska, whereas the balance of the rule could probably be applied in determining the assessed value of railroads and similar business:

> "When property has a known and determinate value ascertained by commerce in it, as in many kinds of personal property and in certain classes of real estate, there can be no difficulty in ascertaining its value for purposes of taxation. In many cases, however, the assessor has no such satisfactory guide, and must value the property by other means. In such cases, if the property is devoted to the use for which it was designed, and is in a condition to produce its maximum income, one very important element for ascertaining its present value is the net profits derived therefrom. In such a case the tax is not levied upon the earnings as such but the earnings are used as a guide to the capital value. The value of the property is arrived at by capitalizing the net income therefrom at the rate of return prevailing in the same section of the country upon investment of a similar character. In determining the net income of any item of property as a basis for valuation for the purpose of tax-

ation, the average net income for a number of years should be considered, rather than the earnings of a single year standing alone."

That was in 1938, and after 1938, 'The Legislature in 1939 sought to amend our statutes so that farm lands could be assessed in such a way that the net income could be used as one factor in determining assessed value.'

In 1942, the Supreme Court held that was unconstitutional in the case of Homan v. Boone County. It said:

> "We are inclined to the view that the inclusion of the additional elements to be considered in fixing actual value of real property creates two different methods of appraising property in the same class. * * * We conclude therefore that the establishment of the two methods of valuation of property in the same class for taxation purposes results in a want of uniformity prohibited by section 1, art. VIII of the Constitution. * * * We agree with the general proposition that the legislature has the power to change the substantive law as announced by this court by the passage of a statute so providing, but it does not have the power to pass a statute in violation to the provisions of the Constitution in so doing. By the injection of provisions which create a want of uniformity in determining the actual value of property in the same class **for taxation purposes,** the legislative amendment is in direct conflict with section 1, art. VIII of the Constitution and is consequently void."

That brings us up to the present time in the Laflin case. What I am trying to do, in my feeble way, that is—here members of the Legislature have been trying to do things to get around that section of the Constitution which is rigid. They try to assess taxes on the basis of earnings and every time the court has said, insofar as real estate is concerned, 'You cannot do it under the existing Constitution.' I have heard men come before this Legislature and they said 'You can do this without amending the Constitution,' but not a single man has told me or you how he can do it. The Laflin case really put real estate in a state of rigor mortis because this is what they said, and I read from the report:

> "It is clear from an examination of the record before us that the Board failed in its duty to value farm lands and improvements on the basis of their actual value and

to equalize between counties for the purpose of compelling compliance with controlling statutes on the subject."

Now remember this—that they said:

> "We cannot see where the 20-year average sale price of lands of similar kind or class in a county can have any evidentiary value in determining present market value. It seems to us that an attempt to offset present high or inflationary values by averaging in the low market values of 1933 and 1934 is in direct opposition to the intent of the law. It is the duty of the Board to fix the value of farm lands and improvements at their actual value at the time they are appraised for assessment purposes."

Do you understand what that means? 'The actual value at the time they are appraised'? It means they would be reappraised every year as the only format upon which the Board of Equalization can proceed. Now, in the court's opinion:

> "Any attempt to depart from this provision of the statute by averaging values during past periods of time which are too remote to have evidentiary force, constitutes a noncompliance with legislative direction and any relief from this requirement, if relief is required, must come from the Legislature."

Where does that leave real estate? How is the Board of Equalization going to determine actual value every year? The only method they can use is to go out and take those pieces of land and compare the sale price with assessed value, and as an illustration, if the value of pieces of property in Scotts Bluff County only represent 50% of the sale value, then the Board of Equalization is duty-bound to raise not only those pieces sold, but every other piece of property up to that level. It is under that kind of a strait-jacket.

Now a sales tax is only incident—it is not a cure. The only purpose a sales tax has, as far as I am concerned, is to take this state out of the position of receiving any revenue from real or personal property, and then let the counties run their own business. Let them assess all types of land and things in order to raise the revenue necessary, and use their own judgment. If you believe in local control, then I know you can get it back to the community where they can use the remedy, and even though they seldom do, it is there. You can't come to this Body and expect to get much relief, and the further you remove it from the people, the less likely they are to get any relief.

Let us go back to the railroads. The people say they still don't know why their taxes have been raised when all types of governmental activity in the state have been raised less than 2% in spending. For example, in my county people say 'Carpenter, how in God's Name did they raise my taxes 60%, because if you are not spending any more money and assessed the property more, the money must have gone somewhere.' And it did. We only shifted the tax burden. There isn't a member of this Legislature who would have voted for LB 272 if we had known how it would turn out, but that doesn't mean we blame anybody. We don't. There isn't any reason to put the responsibility on any one, whether the Governor or the Supreme Court or any one else; but you can put the responsibility on us for not giving them the opportunity to correct it, and therefore we cannot be excused from that inherit responsibility. There was no one knew, at least to the extent it happened, what would happen. We all acted in good faith. We all realized we were going into a field that we didn't know where we were. The important thing is what are we going to do about it?

We shifted the tax burden. My county lost $900,000 in personal tax valuation. The Governor came along, for example, with the best of intentions and put into effect 'Operation Honesty'. He thought people would react and would carry on a crusade in order to bring about greater reporting of personal property, and what happened? And after all that is the direction of thinking in our county. I think we are going to have $500,000 less than we had the year before the Board of Equalization took over. We know now that the chairman of the Board of Equalization said that probably they are going to reduce all new schools 5% and used schools some more, and livestock and certain types of produce. Who is going to make up the loss? Where can it come from? It can come from only one thing—real estate; and I will predict that all real estate will be raised at least 10% more dollars than what we had last year.

We gave consideration to chain stores, railroads, utilities, and men who had stocks and bonds. I don't argue against that. I only say in all fairness, how—if you give those people preference—how, for God's sake, can you say that they, too, are not entitled to the same kind of consideration; and I think we should have a lobby for the favorable position of real estate. If we are not going to do that, then put them all on the same line. Make one pay like the other. Who is going to take up this credit we give the railroads? There is only one source—the man who works for the railroads. When you raise his taxes, it is the same as cutting his wages, and you can't make him believe, for example, that the railroads, which have the greatest earning capacity in the history of most railroads,—you can't make the man working on the railroads —the engineer, the conductor, the maintenance man—believe that he should pay for it. But that is a practical application of what is going to happen. I don't blame all these people for taking the credit, and I don't blame the people, for example, who come down here and try to freeze taxes as they are; and quite possibly more people want them frozen than those that want them 'unfrozen.'

So I say you can call it politics, you can discount everything I said because I am a candidate for the United States Senate, but you can't ease your own conscience and you can't satisfy every man who owns a piece of property on that reason. So let's not kill LB 4 until you get it on the Floor of this Senate. Let's give it a chance to be amended. Let's get every member on his feet and let him discuss it. Let's go to the utmost degree to see if there isn't something we can do for real estate.

I don't believe there is a lawyer in this Body or in the Attorney General's office but that will say to you that if you don't amend the Constitution, there is no possibility of giving real estate any relief. It may well be said that the people may vote for it and they may not vote for it, but the people of the state should have the opportunity to vote on it in some amended form, and I say in conclusion: Let's not prejudge the bill. Let's forget about the Constitution for a few minutes. Let's forget about pressure groups, because if you get it on General File, you have Select File where you can do the same thing; and let's not close the door for three years before we can have an opportunity for members to understand a very confusing and a very difficult problem. At least I think there are not many members here who will not do that. There are not many members here who are not willing to sit down here one or two days longer in order to determine whether or not we can bring some relief to real estate, because when we adjourn this special session sine die if we have done nothing to give the people this opportunity, remember that it is three years before they can have another opportunity unless the Governor of this state can submit petitions on real estate, alone, and until then you cannot and will not receive any relief and there is nothing we can do in the Legislature to correct that situation.

Bridenbaugh: Mr. President.

Warner: Mr. Bridenbaugh.

Bridenbaugh: This isn't in the nature of criticism. Rather I recognize and appreciate the work that this committee has done. I know they have been sincere in their efforts. They have met regularly and endeavored to bring out something constructive. They have studied these problems and I think through that study they are committed with this problem to a much greater extent than we are. They understand this amendment because they know the objectives they were trying to obtain.

However, I think that many of us find we are resting in the same position as expressed by Senator Bixler a few minutes ago—as finding themselves somewhat in the clouds.

When this special session was called, they completed their work just an hour or two before we were called into session. We have a printed copy of those amendments on our desks and they were read to us as the bill was introduced, but we don't have them printed in bills to take home with us when we adjourn today. I find myself in the same position on the new amendments. I have an opportunity to read them once or twice before voting.

Now this amendment might sound simple, but it is the work of those who studied it. It is the work of lawyers who are trained in special wording, and they, up to date, haven't been able to agree on it. Maybe they do on this amendment, I don't know.

Now where do I find myself? There hasn't been any explanation given as to how far this might go. How far does it reach in the way of property? I find myself wondering. We, in eastern Nebraska, produce a lot of corn and cattle. In one sentence of this amendment it says, 'and may substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state.'

Now suppose I produce a certain amount of grain, say, 10,000 bushels. We have many feeders who feed their 10,000 bushels and an additional 10,000. Now according to this wording, does he pay the production tax on the grain he handles? Does he put it in livestock and pay on them? We might say that can be left up to the Legislature, but when you write something like that in the Constitution, the Attorney General's office and the courts might interpret it to mean you must pay on it.

I don't know how it would work out as to the business man. An effort is made to get an average inventory. It seems to me if you are going to take all property, it should be every sale. If then they turned their stock in—it should be a sales tax or production tax, the same as on grain. This may be all wrong. It may work out all right, but how do I know? There isn't anything offered to us in this to tell us what to do about it.

My suggestion is that we are dealing with important problems, and when you put this out you have to have the people vote on it to make it a part of the Constitution. I think it should move slowly. If you can put this out and let people see the advantages of it—we had better take a year's time now and make it workable rather than put it out and turn it down or get a bill passed that isn't workable. That is a suggestion I think might well be considered.

Carmody: Mr. President.

Warner: Senator Carmody.

Carmody: Members of the Unicameral. This tax matter has been very well and ably explained by Senator Liebers and Senator Carpenter, and I do appreciate the admission of the position that Senator Bridenbaugh finds himself in.

I know our neighbors in Kansas have a production tax. I would say in Kansas they pay ½ mill on each bushel that is produced. Every elevator which is in the state—they pay a half mill and they see nothing wrong with it.

I don't believe we are hurrying too much. After all, it has been 35 years since our Constitution was changed. Alterations can be made and should be made when the time arises and I think the time is here to make some minor alterations in our Constitution and I think they will be well received by the people. What we are trying to do now is not amend the bill. The bill was indefinitely postponed by the committee and this is the third day. According to our rules, we must raise this bill now or the chance will pass as far as this session is concerned. We might be like those who are for the new church, but disagree on the location, and now today I would like to have this discussion for 'a new church' in order to breathe the breath of life back into this bill, and tomorrow, for amendments which you possibly can dream up overnight.

Now Senator Carpenter made a very clear and concise explanation of the problem, so far as real estate is concerned. He is absolutely right when he says real estate bears too large a share of the tax burden. Two things can be done. We can do something about the Constitution to take care of the things he mentioned. Another thing that can be done, and it is up to you this year, by the Boards of Equalization in the 93 counties of this state and it can be done by the five-member State Board of Equalization. Every one, I think, admits by now at least, that real estate is bearing an undue proportion of the tax of this state. Without criticism for any one, but with some suggestion whereby we might help ourselves, I am going to read just a few figures from the Tax Commissioner's office.

In 1952 the assessed valuation of real estate in Nebraska was $1,668,000,000. In 1953 the assessed valuation of real estate in Nebraska was $2,250,000,000. Now as it raised—as the assessed valuation of real estate went up to this level—the assessed valuation of business and automobiles went down—like so high. (Indicating with hands). Now I do not know what is going to happen to 'Operation Honesty' but have the feeling we are getting a more honest return from business assessment, but we may have a lower figure due to the fact that many people made an honest return but on a lower inventory. It is natural for them to let their inventory run down if they know they are going to be penalized for making an honest return.

Now we know in Nebraska that in grain and cattle the valuation is not there, and what are we going to do about it? One thing you can do this year. You can lower the real estate of Nebraska by 15 to 20%. If you lower it to a lower level, from two and a half billion dollars to $1,800,000,000, it will bring real estate down here, while business schedules will be here (Indicating with hands). It will have a tendency, by the levy, to equalize even under present standards, and I do not believe that the Supreme Court is going to cause any one any trouble, including the State Board of Equalization. I think that unless they do that, counties in the western end of the state are going to lower that valuation anyway and there will be countless suits—more litigation than we know what to do with. If you do pass LB 4 and put it on the books so people have some relief, and if the State Board of Equalization will go along with us, and lower the valuation 15 to 20% on real estate, then we are on the way out of what some people call a 'mess.'

I have no criticism of the Governor or the Board of Equalization. I think they might have gone too high on real estate, but if you will bring down this levy you will achieve some equalization in here.

And now getting to Senator Liebers' motion. I say, 'What are we afraid of?' One of our leading newspapers sometime ago received some acclaim for an editorial, I believe, to this effect: 'God hates a coward.' Let's put LB 4 back on that board. Let's do something about it.

Adams: Mr. President.

Warner: Senator Adams.

Adams: Mr. President, Members of the Senate. Personally, I feel that I would be derelict in my duty both as a member of the committee that stopped LB 4 and as to the people who sent me here to do all that I can for their protection, if I didn't express myself on the thinking that there might have been some suggestion that somebody connected with the question before us here, as a committee or as a representative of this Body, might have done something they should not have done. I feel that it is not so. The Liebers Committee has been painstaking in its efforts. It has made as best it could, satisfactory to their own judgment, a study of a matter that was put into their hands by this lawfully constituted assembly to which they are absolutely responsible.

There are those of us, and I stand as one, who believe that this question is not properly here at this time and should not be before this special session of the Senate. At the last session, by resolution, this committee was appointed honestly, candidly and fairly, and the committee had imposed upon them the task of making a careful study of what we have done, and why carry that lament on as a 'tax mess.' Our state was in a broil, in a turmoil, and no executive knew what to do. You didn't know what to do. There was no outstanding scholar in the state that told you what to do, so you said to the committee, 'Take this question, make an exhaustive study of it and report back to the next regular session of the Legislature.' That is what that committee was charged with and that was their responsibility. The Governor at that time assumed an attitude that I thought was commendable on his part, and by the way, I wish to say that I feel that the executive office of Governor of the State of Nebraska has never been filled better, more honorably, sincerely, and with perfect safety to the people, than with Governor Crosby. He is honest of heart, keen of mind and gracious, regardless of what anybody says about him. He was not, himself, of the mind that a special legislature should be called and refused to call it. He polled the Senate. I received from him a ballot. I told him in reply that I thought an extra call of the Legislature to do that which was proposed would be a waste of money and would be absolutely nonsensical, and I stand in that position right now.

When this special session was called, certain proposals had been set in bill form by the Liebers committee. They came to this session—not before the Senate, but they read the result of their investigation before the committee taking advantage of an opportunity to call from somewhere some influence that would say with them, and help them to carry on to success the proposals that they had. I thought then, and I think now, it was wrong and unfair.

There are two words with which this Senate has been belabored throughout this session: The word 'necessity' and the word 'emergency'—in that there can possibly be no emergency at the present time. The scholars of this state have appeared before us and the Governor himself has made it publicly plain that if this session did not do what the Liebers committee did not do, he would, by petition, go to the people. Now if he doesn't have an opportunity of success there would be the question of emergency settled, and it is settled now, and I think that every member of the Senate absolutely knows that no necessity or emergency exists and we are imposing upon the procedures of the Senate to take advantage of the moment and accomplish a special interest here.

I speak in sincerity. The leading scholars of this state have appeared before you, sitting with the committee, scholars like the learned, renowned Dr. Te Poel, and those classified with him, eminent in study and constitutional reflection, and you heard Dr. Te Poel stand there and say to the committee that there is not one single question involved here that could not be settled by the existing statute.

When you put in the Constitution the referendum and initiative petition provision, we said that the people reserved to themselves certain rights, not that people would be dynamited out of their places to assume something you proposed to them, but that you could go to the people with the question you desired answered and your proposition would be accepted or rejected at the polls.

There is one thing in the Constitution which you need to take account of: This question of tampering with the Constitution, more than of this Body, is a prerogative of the voters of the state. No man can study, and study carefully, these two sections of our Constitution on referendum and initiative petition, without taking a side with that question. Now, I say in all fairness to the Liebers committee: I believe when we take this sacred parchment (Constitution) under consideration and which should be paramount with this session, that it is evident you should have appeared before this assembly with that report. Now it is not too late. Now it won't be too late. So attack my stand when I say I am hoping that this Senate—do what you will with me—I don't care for your mathematics, I care not for attempted scholasticism, that you gentlemen here said, as to what can be done to property. I do care for the legal procedure on the part of the lawmaking assembly of the State of Nebraska. The bill has been left in committee. Treat it like you have so treated all bills. Stand by the committee that stood by the people, and stood for you. LB 4 should be left where it is.

Anderson: Mr. President.

Warner: Senator Anderson.

Anderson: This is not a political special session, but I am very much concerned about LB 4, because it does deal with the equalization of property and we all know that has been the constitutional question in our state government for many years. We know there has been, and still is, millions of dollars of property that are not on the tax rolls.

I want to express for just a moment—there have been accusations made that the Legislature which is in session is a political session, that the Governor was responsible, and so on. I am reminded of a banquet I attended in Washington a couple of months ago at which the Honorable Dwight Griswold was present. We were talking about taxes. He said, 'How is the tax situation?' I said, 'They call it a "mess."' Then he said, 'I want to tell you one thing. When I was Governor of the State of Nebraska—3 terms—as well as when Peterson and Cochran were Governor, we were sitting there with our fingers crossed wondering whether the tax problem would reach a crisis in the State of Nebraska, and I feel sorry for the present

Governor because he happened to be the Governor in office when it cracked.'

What cracked it? Was it the Legislature, the Governor, or who was it? It was cracked because of the Supreme Court's decision in the Johnson County case which brought it before the Legislature, and it is the first time for many years the Legislature had the nerve to attack the problem, in which many people are accusing the Legislature, as well as the Governor; and we had a Governor who, I think thought enough of the State of Nebraska to stay with his guns, and he is still with them.

I don't think he called the special session for political reasons any more than any one else. It was the (court) decision that made things pop. This last week we listened to very nice debate on the bill by Reed O'Hanlon of Blair. He said, 'In the State of Nebraska we have adequate tax laws but it is the equalization clause that gets out of hand, and that has happened over a period of many years.' And inasmuch as LB 4 deals with equalization of property, I think we should give it all the consideration in the world. I think the Council has done a wonderful thing. It may not be perfect, but it is a wonderful beginning.

Person: Mr. President.

Warner: Senator Person.

Person: I had not intended to say anything on this, but would just like to say a few words in explanation of LB 4 and its amendment. You all know it has to be raised and put on General File before we can submit this amendment which was placed on your desk today. This amendment in reality is not the amendment of the committee. We have approved it. We had in experts, and while I do not really believe there is an expert in the State of Nebraska or the United States on this subject, we did have men who are students of taxation, men who I am sure have made a greater study of taxation than any of us who are members of the Legislature. We have had men in here from the four corners of the state who were in opposition to LB 4 in its original form and I want you to know that I was not for LB 4 in its original form as it was written to its full extent; but these men who have made a study of this bill and who were in opposition to it now are for LB 4 if we can raise it, and they want it raised, and they want the amendment as it is written and it has been placed before you. I have enough confidence in the judgment of these men, for they have told us—and we have discussed it and considered it from almost every angle—that it cannot and will not create any hardship on any group of people, but is a possible chance of bringing relief to the real estate owners of the State of Nebraska; that it will equalize our tax more in the future than it is now or has been in the past. I think we can accept these men's word, in whom I have every confidence in the world that they know something about this, and after we have gotten them in agreement, I cannot see any further argument.

Brower: Mr. President.

Warner: Senator Brower.

Brower: I don't rise as a person who, because he is a lawyer, pretends to be any great constitutional lawyer, but I do know that I know considerable about the Constitution, as I took a lot of time to go through these taxation provisions in the cases; but we heard the advice of what I considered were very responsible men. There was disagreement on the original bill. That disagreement was voiced here, but to get the amendments considered we have got to get the bill out. These amendments have been agreed upon, practically, by these eminent men in regard to constitutional law and in regard to taxation and there is no opposition, that amounts to anything, to it as the amendments now are. It will allow some change in the taxation of grains and seed. It will allow the Legislature to prescribe methods and machinery for ascertaining values, but it will not destroy the uniformity nor give us the right to classify property. As it is, I believe it is a good thing and will help, and I think it cannot be considered with these amendments until the bill is raised, and I think it should be raised.

Tvrdik: Mr. President.

Warner: Senator Tvrdik has the Floor.

Tvrdik: I also am a member of that tax committee that has given a lot of our time unselfishly. It has devoted many months to the tax problem of the State of Nebraska; however, this morning I was not in the session when they met and agreed upon the amendment that is now before us. I just want to question one or two things, principally maybe one thing only about this amendment. Now I was one of those that was against the original motion to report LB 4 to the Legislature, as I felt it was opening the door for special treatment to groups of individuals that would pressurize any subsequent Legislatures. Now the committee this morning, I understand, was in agreement upon one thing alone, and that is to give a special treatment to the grain and seed people, and maybe that is important that we do that.

I want to say, too, that there has been a difference of opinion expressed during these regular hearings we have had. There was no solidarity of thought on what should be done. Getting back to this amendment offered to you this afternoon, Senator Carmody said it would lessen the tax load on real estate and I would like to have somebody answer me—possibly Senator Carmody—where will it lessen the load of real estate if we enact this legislation, submit it to the people and they in turn approve it?

We know the section before us is a key section. It is the heart of uniformity in our tax setup. Are we willing to cut it out? Are we willing to give special treatment to possibly one or two industries and leave the others alone? Should the proposition of 'uniformity and proportionately' be abandoned and give this treatment only to the grain and seed people? Equalization of assessments as now written in our Constitution, I believe, should be continued. You might say because there has been a lack of equalization throughout the State of Nebraska that our Constitution is wrong, that our administrative officials and all of us, possibly, have failed to do our job, and because we have failed to do our job we are now groping around trying to make some changes in our fundamental law. Now if we make the change, I suppose we will only have equity left in regard to other classes of property, but if we get this bill upon the Floor of the Legislature, how do we know another motion may not be made to abandon the amendment and to take the bill as it is.

I don't say that this is a cure for our tax setup in the State of Nebraska. I don't believe any of us believe this amendment will cure all of our ills. I appreciate that the State of Nebraska may find itself in a tax mess (it has been referred to here as a tax mess), and I am as anxious in my efforts to try to solve the problem as any member of this Legislature, but will we actually solve anything if we pass this bill as now proposed with the amendment? I am just wondering what this might lead us to. Will it lead to gradual reduction of assessment and force a higher and higher levy on the rest of the property and eventually wreck our tax base? That is the question that is uppermost in my mind and I would like to have somebody answer my question as to the matter of giving preferential treatment to the grain and seed people, how it will affect or lessen the real estate load.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: Mr. President, Members of the Legislature. I am sure the Senator is not as confused as he indicates. The whole purpose, as he well knows, is an attempt to put real estate taxes back to where they were. The Senator from Omaha knows that the only way that can be accomplished as a result of the Supreme Court's decision is to amend the Constitution. It cannot be done any way else. The Senator knows LB 4 is an attempt to put real estate taxes back to where they were prior to the enactment of LB 272. That is as self-evident as primary education in grade school, and the only way it can be done is by that process.

Now the question I would like to ask the Senator from Omaha is, does he think real estate taxes in Douglas County are too high?

Tvrdik: I can say they are too high in some instances. That is why I can say there is nothing wrong that equalization wouldn't cure.

Carpenter: How can it when the Supreme Court says you must value year by year?

Tvrdik: You can't, if the people won't do their job.

Carmody: Mr. President.

Warner: Senator Carmody.

Carmody: In answer to Senator Tvrdik's question as to whether I thought grain was receiving preferential treatment under this amendment, I would say 'No.' I think we will start taxing grain for the first time in our history. It is impossible to pay less on grain than is being paid now, and with grain in storage they pay no taxes whatever under our present plan, and hundreds of thousands of bushels are handled that way. It is also possible where they take government loans and ship the grain to Kansas City where, while certainly it is in, say, my name, it is in Kansas City and can't be taxed in Nebraska. The Attorney General's office says I might be taxed in Kansas City, but it is not practical to do it.

Now how can we gain under business schedules? We must use March 10th as the assessment date, and knowing full well they will be penalized, they are going to let their inventories go down and down. Now, if we can take under our proposed amendment, which would be offered tomorrow, they would be allowed to take an average annual inventory and it would result in a much fairer method than is now used, and I think you must admit we are not getting fair returns there.

On real estate we will have to do something—something besides the current par value of real estate. I just do not believe it is possible for any county board or the State Board of Equalization to set values on property when less than 1% turns over in a year's time. Out in my country many people were forced from their farms by the Government building a large lake. They had to buy in the open market at inflated prices. That occurred in a great many areas. Actual value doesn't enter into it. They want it. Sale price has to be used by the State Board of Equalization now. They can show this house and those barns are not bringing what they are supposed to bring today. That, Senator Tvrdik, is what we are trying to get at today. This is it. If we don't do something about LB 4, we had perhaps just as well do what the World Herald said last week: Give up and go home. This is it. I find from wires and letters received, that people are concerned about LB 4, and they are not only from the elevator people, either. I think in all fairness we would like to get LB 4 back on the board. Let it set there overnight, or two or three days. We don't want to hurry this session. We are trying to amend the Constitution of Nebraska—something not done since 1920—and to do it as well as we know how. That is the important part—to get it revived so we can discuss the amendments tomorrow.

Lee: Mr. President.

Warner: Senator Lee.

Lee: I regret that I wasn't able to be here this morning, although I am sure that I couldn't have improved on the language that has been proposed as the substitute amendment to LB 4. I agree with Senator Carmody and you other men that LB 4 is the heart of this session. You know a few years ago somebody proposed that we have a constitutional convention, and I would like to call your attention to the fact that if the Legislature had voted it and the people had adopted it, we would now be ready for a constitutional convention before the 1955 session. There is one advantage I never thought of before in having a constitutional convention.

Now, I think that the approach of LB 4 comes nearer being the approach a constitutional convention would make. The arguments the other day were very good on both sides and the arguments today, right down the line, put one other thing, one advantage not in the constitutional convention. When discussing this question, as you have been doing, you cannot be accused of trying to run for office again, because when you are through with that constitutional convention, you are through for one generation. I never had thought about it before that way, Senator Carpenter, but it occurred to me recently after reading some of the propositions that were made.

Senator Tvrdik, I don't think we have failed with our job. This Legislature has been wrestling with this proposition of equalization for several years past. We have put in some laws that probably have helped, but I believe from my experience on the Revenue Committee that if something could be done with this Section 1, Article VIII of our Constitution to liberalize it somewhat, we would be doing a great service to the people of Nebraska. Now there was a lot of opposition before the committee on the discussion on LB 4, but bear in mind that was engendered because the proposed bill left out the second sentence which contained the words 'taxes shall be levied by valuation uniformly and proportionately upon all tangible property and franchises,' and that is what scared the opposition. That did worry a lot of business men because they thought that subsequent legislatures could go hog-wild against any particular business, or any particular group having a franchise, for example; but I think the committee has done a splendid job in leaving that wording in and qualifying it somewhat in the new language, which will be proposed, I am sure.

Senator Tvrdik, I have no fear that this Body will vote to raise No. 4 and then not put in that wording. I am sure that that is the spirit—that if raised, it will be in order that we may put in wording similar to that proposed in this amendment which has been placed on our desks; and I have no fear there will be anything attempted to get the bill out and put in something else. The wording is very good and I think it will help. That uniform provision will liberalize it a little but it will not relieve it entirely. You will recall that we have had before the Revenue Committee in the past, bills in which an attempt was made to give relief in the North Platte Valley, which were deferential and were in favor of Colorado. It has been very bad for the business men of that area; and then there was the matter of the cattle feeder. They had two bills in. Then the matter of the warehousemen. They had a bill before our committee about four years ago.

On the matter of this so-called roadblock in the second sentence, it may be that by loosening this up a bit, we can give some relief in cases where it should be given. So I believe this Legislature can do a public service by raising this bill, notwithstanding the vote of the committee. I will say that I was one who voted against that bill originally in the committee.

Larkin: Mr. President.

Warner: Senator Larkin.

Larkin: Mr. President, I too was a member of that committee. I might say I also opposed LB 4 in its original form for the specific reason that Senator Lee talked about, but I think what the members of the Legislature have heard since, you shouldn't hear in a special session. I think that the referendum vote of the people on LB 302 and subsequent legislation of LB 165 has raised as much money dollar-wise with 50% valuation as in 1952 with 75% or 80% valuation, or will this year raise as much. For that reason I will go along to bring LB 4 out on the Floor and let it be discussed with those amendments. If we can raise as much money by loosening up this strait-jacket, so to speak, on some of these classes of property, that is the proper thing to do. I think it only fair to give these people a chance to offer this amendment. We know it only takes 26 votes, and if they haven't said what it is, we have our chance then to kill it.

Beaver: Mr. President.

Warner: Senator Beaver.

Beaver: I myself am just a little on both sides of this particular bill, but one thing disturbs me. We say it is going to cut down the taxes on real estate. Then where is that money coming from? It takes so much money to run the state or the county. Will it be from personal property or from some other kind of property? I think that is a fact that has to be considered in voting for this bill. There is one other thing they might answer on my question and that is the fact of seed corn and feed. We have in my district—in case there is some question as to what my district is, it is northeast

Nebraska—we have there a processing plant that processes seed corn and they pay what is a lot of tax on seed corn, but the seed corn that is processed in Iowa, for example, comes into Nebraska practically tax-free. I question whether there is 10% of that seed corn that is taxed as personal property. That, of course, is wrong, but I think that there are good things, perhaps, that could come from this bill. I was one of the Senators on the Joint Judiciary Committee. I was not here and did not get to hear the argument. For that reason I think I shall vote to put the bill on the Floor.

Members: Question.

Warner: Does anybody want to speak before Senator Liebers closes the debate?

Liebers: Mr. President. Just a word to say I personally appreciate very much, like I think most of you do, the good healthy discussion we have had. It also seems quite possible that there are some who are on the fence who would like to have this discussed a little more. I would like, therefore, to have this brought on the Floor and have time for you to think about it tonight, or if it takes longer, we will do it. The question has come to me by notation as to what this new material includes and I would like to take a fraction of a minute to read it to you:

> 'The Legislature may prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and may substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state.'

I am looking forward to discussing this tomorrow and I think we ought to discuss it, if you agree, so we can be satisfied that when we vote on this bill, it is what we want. The committee has been sincere in presenting this thing and has worked long on this matter and think it is the thing for the State of Nebraska.

Members: Question.

Warner: Clerk, read the motion.

Srb: Senator Liebers' motion to place LB 4 on General File.

Motion Carried.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: I wish to present a motion. I ask unanimous consent that the letter from the Attorney General's office from which I quoted in debate should be incorporated in the permanent official transcript of the proceedings.

Warner: The clerk will read the motion.

Srb: (Reading Senator Carpenter's motion).

Warner: Any remarks, any questions? So ordered.

State of Nebraska

DEPARTMENT OF JUSTICE

Lincoln

May 1, 1954

Senator Terry Carpenter
State House
Lincoln, Nebraska

Dear Senator:

You have asked us to prepare some material showing the manner in which our court has approved a different method for the assessment of railroads, while they have not permitted the Legislature to set up classifications and standards of value for real estate and personal property in general.

Probably the best way to demonstrate the position which the court took on the assessment of railroad property is to quote at length from the case of Chicago, Burlington & Quincy Railroad Company et al, v. Richardson County 72 Neb. 482, which was decided in October, 1904. Sections 39 and 40 referred to in the following quotations are the sections of the Compiled Statutes of 1901 which provides the method for assessing railroads:

> "Next, it is asserted, to quote from the brief of counsel, that 'the statute, sections 39 and 40 of the revenue law, for the assessment of railroad property provides a different mode of assessment for that property from that which is provided for the property of the citizen, and is, therefore, void, as violating the uniformity required by the constitution.' Section 1, article 9 of the constitution, reads, in part: 'The legislature shall provide such revenue as may be needful, by levying a tax by valuation, so that every person and corporation shall pay a tax in proportion to the value of his,

her or its property and franchises, **the value to be ascertained in such manner as the legislature shall direct.'** Construing this section, the court said in State v. Savage, supra:

'The paramount object of the constitution, and the laws relative to taxation, as we conceive the rule to be, is to raise all needful revenues by valuation of the taxable property so that each owner of property taxed will contribute his or its just proportion of the public revenues.'

If properties are so essentially distinct in their nature that to assess each in one particular way would not result in requiring the respective owners to pay taxes in proportion to the value of their respective properties, it is evident that an attempt to provide a uniform method of assessment would involve contravention of the 'paramount object' of the constitution. Hence, it is the result, not the method employed in reaching it, which must be considered. Counsel point out that section 52 of said chapter directs the assessor, when valuing real property generally, to fix 'the value of each tract or lot improved, the value of each tract or lot not improved, and the total value,' while the state board of equalization, in valuing a railroad, is directed, as counsel put it, to 'lump the whole thing, whether it be buildings, lots, tracts of land or personal property, and put a price upon the heap. But the two species of property are in no wise comparable. What sort of result should we get if a local assessor, assessing 10 miles of road, was required to value the right of way unimproved, the right of way with ties and rails laid upon it, and the total value? What gives the 10 miles of track their real value is the franchise of the corporation operating them, the connections in and out of the state, and the fact that they are part of a great system of railway, operated as a whole. An attempt to assess the track of a railway in any one county by the statutory method of assessing houses and lots, would produce gross inequality, and enable the most valuable features of railroad properties to escape taxation. It is said that the scheme of dividing the total value by the number of miles in any county is arbitrary. But the real question is whether it provides a reasonable mode of ascertaining the value of that portion of a railroad lying in a given country, so as to insure that the corporation contribute its just proportion of the public revenues. The track in any one county is not an entity. It is merely part of a whole, spreading over many counties, or even many states. The value of each such part is obviously the proportion which it bears to the whole. Viewed by itself, apart from its place in the whole, it is merely a ditch and grade, bearing ties and old iron."

You will note that that case was decided at a time when the Constitution of 1875 was in effect and provided that value was to be ascertained "in such manner as the legislature shall direct." That phrase was eliminated from the Constitution in 1920 at the time when the present form of section 1, article 8 of the Constitution was adopted. The constitutionality of providing for a different method of assessing railroads has not been directly challenged since 1920, but the court has since that date indirectly indicated that it would continue to approve the present method of assessing railroads, for in the 1938 case of Schulz v. Dixon County 134 Neb. 549 our court noted that "our present revenue act recognizes the peculiar nature" of railway and express companies, and provides special methods of assessing the same, but said that the principles followed in assessing such property are "inapplicable to, and in no way controlling in, the question of the proper assessment of farm lands."

At one time our court, with three judges dissenting, did permit a slightly different standard to be used in assessing real estate. That was in the case of Schmidt v. Saline County 122 Neb. 56, decided in 1931, where the court held that:

> "The net income derivable from real estate, prudently used for the purpose for which it is best adapted, is a proper factor to consider in determining its actual value."

The Schmidt case came up because some farm lands were in a school district with a high levy and the farmer had to pay a school tax of about $350.00 on a one-quarter section, whereas his neighbor across the road who was in another school district but whose land was exactly similar paid a tax of only $175.00 per one-quarter section. The plaintiff contended that his high tax reduced the amount of net income which could be produced from his farm and therefore reduced its value, and the court agreed with him.

Then in 1938 the Schulz case came along, and by a unanimous decision the court reversed the Schmidt case.

In the Schulz case the court set out the following general rule with regard to the assessment of property, but said that only the first sentence of that rule applied to the assessment of real estate and personal property in Nebraska, whereas the balance of the rule could probably be applied in determining the assessed value of railroads and similar business:

"When property has a known and determinate value ascertained by commerce in it, as in many kinds of personal property and in certain classes of real estate, there can be no difficulty in ascertaining its value for purposes of taxation. In many cases, however, the assessor has no such satisfactory guide, and must value the property by other means. In such cases, if the property is devoted to the use for which it was designed, and is in a condition to produce its maximum income, one very important element for ascertaining its present value is the net profits derived therefrom. In such a case the tax is not levied upon the earnings as such, but the earnings are treated as a guide to the capital value. The value of the property is arrived at by capitalizing the net income therefrom at the rate of return prevailing in the same section of the country upon investment of a similar character. In determining the net income of any item of property as a basis for valuation for the purpose of taxation, the average net income for a number of years should be considered, rather than the earnings of a single year standing alone."

After this case was decided in 1938, the legislature in 1939 sought to amend our statutes so that farm lands could be assessed in such a way that the net income could be used as one factor in determining assessed value. The legislature provided:

"All property in this state, not expressly exempt therefrom, shall be subject to taxation, and shall be valued and assessed at its actual value. In arriving at the "actual value" of property, as used in this Act, there shall be taken into consideration its value in the market in the ordinary course of trade and in arriving at the "actual value" of real property there shall also be taken into consideration the proximity of such property to markets, the school facilities and other advantages and other facilities afforded by the governmental subdivision or subdivisions in which the real property is situated, the tax burden upon the real property, and every other element or factor affecting the actual value of said real property."

This amendment was attacked almost immediately and in 1942 in the case of Homan v. Boone County 141 Neb. 400 the court held the amendment to be unconstitutional. The following quotations are from the opinion in that case:

"* * * We are inclined to the view that the inclusion of the additional elements to be considered in fixing actual value of real property creates two different methods of appraising property in the same class. * * * We conclude therefore that the establishment of the two methods of valuation of property in the same class for taxation purposes results in a want of uniformity prohibited by section 1, art. VIII of the Constitution. * * * * * We agree with the general proposition that the legislature has the power to change the substantive law as announced by this court by the passage of a statute so providing, but it does not have the power to pass a statute in violation of the provisions of the Constitution in so doing. By the injection of provisions which create a want of uniformity in determining the actual value of property in the same class for taxation purposes, the legislative amendment (Laws 1939, ch. 102) is in direct conflict with section 1, art. VIII of the Constitution and is consequently void."

Although the foregoing is a somewhat rough summary, it does in general outline the matter of classification for assessment purposes as the law now exists in this state. Please call on us if there is something further needed.

Very truly yours,

CLARENCE S. BECK
Attorney General

(Signed) Clarence A. H. Meyer

Clarence A. H. Meyer
Deputy Attorney General

CAHM:jlt

LB 10

Williams: Mr. President.

Warner. Senator Williams.

Williams: I would like to ask consent to lay No. 10 over until tomorrow. I have just laid on the members desk a statement and amendments on which Mr. Wilson and the Attorney General's office spent considerable time. And here is another thing. No. 10 and No. 4 pertain to the same section of the statute and, if one, it all should be included in one bill.

Warner: Any objections? So ordered.

Legislative Chamber, Lincoln, Nebraska

9:45 a.m., Tuesday, May 4, 1954

LB 10

Warner: LB 10 on General File. Clerk will proceed with reading of the bill.

Srb: (Reading Section 1.)

Warner: Any amendments to Section 1? If not read Section 2.

Srb: Motion to amend page 2 of the bill, section 1, by striking lines 18 through 23 and inserting in lieu thereof the following:

> 'tion upon all other property. Taxes, other than property taxes, may be authorized by law. For the purpose of raising revenue for the state, separate valuations shall be made by the state for state purposes only to insure equalization among the various counties in the raising of revenue for state purposes. Existing revenue laws'.

Signed, Robert D. McNutt, Chairman, Judiciary-Revenue Joint Committee.

McNutt: Mr. President.

Warner: Senator McNutt.

McNutt: I move the adoption of the standing committee's amendment.

Members: Second.

Motion adopted.

Srb: Motion to amend Standing Committee amendment 1, line 9, by inserting after the word 'purposes' the following:

> '; **Provided,** property centrally valued and assessed by the state or by a state board of equalization for state purposes of a political subdivision shall for purposes of political subdivisions be equalized by the state or by a state board of equalization uniformly and proportionately with the valuation and assessment of other tangible property within the various political subdivisions levying taxes on such centrally assessed property, and when property of a political subdivision is located in more than one county, the property located in such political subdivision shall be equalized by the boards of equalization of the coun-

ties in which such tangible property is located uniformly and proportionately'.

Signed, W. J. Williams.

Williams: Mr. President.

Warner: Senator Williams.

Williams: I move the adoption of the amended amendment.

Members: Second.

Warner: Senator Williams' motion is open for debate.

Williams: You gentlemen probably read the committee report, the first paragraph, which states what this bill seeks to do. In other words, it seeks to turn back to your local subdivisions the problem of equalization. We have sat in here ever since calling the special session and about all we have heard is the 'tax mess' and the 'tax broil' we are in today. We just got through with an argument on LB 2. As most of you gentlemen know in this Body, I introduced LB 2 in the 1951 session and came nearly getting run out of the capitol for bringing in that kind of legislation which today is being put up to the people of the State of Nebraska to vote on.

I want to say that if LB 10 had passed two or four years ago, we wouldn't be in this special session today. The Governor of the State of Nebraska and the State Equalization Board wouldn't be in what they are in, and people wouldn't be up in arms. And it looks like I am about in the same position today (even though the bill came out of committee unanimously) as I was two years ago. Evidently I am about two years ahead of time on something the people of the State of Nebraska want. You gentlemen all know that we members sitting here in the Legislature can only do what the Constitution of the Great State of Nebraska says we can do, but the local people can only do what the Legislature tells them **they** can do, and you know and I know we have helped.

It happened to be my privilege to sit in this Body the first time in 1933, which was the first session in this new Capitol. In that session we were at the bottom of what they called a 'depression,' when the people marched down here in arms and the place was packed so full of people they couldn't move; and thousands were out on the lawn of the

Capitol, wanting their taxes cut. I have watched through the years what has happened in government.

Now you go back to our Constitution today and it says things shall be assessed at actual value, (less the bill we passed the last session). Who knows what actual value is? We have a Board of Equalization today that tells you what that valuation shall be over the State of Nebraska. We will take two counties: For example, my county of Buffalo and one of Senator Carmody's counties. In my county we will say a certain type of electric refrigerator is worth $100—what you can get for it, your actual value. In Senator Carmody's district, maybe there is a drouth and conditions are not as favorable as in Buffalo County and the same icebox will only bring $50. We are seeing this today: That an individual has no appeal from what has happened to him. It happened to be my privilege last fall to spend about 1½ hours in the City of Scottsbluff with the former distinguished Senator, Otto Prohs, and he was telling me about buying a farm about a year before this happened. He paid $10,000 cash for this farm and then by the time your local equalization board had finished setting values, then the State Equalization Board raised that value, so the value of the land when he paid for it was $10,000 and the tax was on a value of $13,950, and I ask you what chance does he have in the court of appeals? None unless he has several thousands of dollars to fight that. As we know, now, the people of Nebraska are not hollering about the cost of running their state government. The things they are hollering about are the conditions such as are in my own county, Buffalo County, where year before last they spent $50,000 to equalize property through a national appraisal firm—paid them to set the valuations in that county. The State Equalization Board told them they had done a good job. Then what happened? They raised those values 43%.

Gentlemen, I realize that I probably am two years ahead of time on this bill. What I would like to do and would like you also to discuss, now, is: I would be willing at this time to introduce a resolution, which I have ready here, to make a study of this tax problem between now and the first of the year and let that committee report to the next session of the Legislature. I offer that for discussion, with the permission of the Chairman. I will withdraw LB 10 if they will appoint a committee to make a study of this and report to the next session of the Legislature.

Beaver: Mr. President.

Warner: Senator Beaver.

Beaver: Don't we have a committee on taxation to report to the 1955 session?

Members: Yes.

Williams: Mr. President.

Warner: Senator Williams.

Williams: I made the statement on this Floor yesterday that I was willing to bring LB 4 up for consideration before considering LB 10 on this Floor, which I did; and then after 4 was raised, I told this Body that 4 and 10 would have to be correlated; because if you don't, the one that got the highest vote on the ballot would become law next fall; and with due respect to the present committee, I am asking that another committee be appointed to make a study on this one specific question.

Diers: Mr. President.

Warner: Senator Diers.

Diers: Will Senator Williams yield to a question?

Williams: Yes, sir.

Diers: That is up to our Legislative Council, isn't it?

Williams: No we have a right to have another committee. Why question the resolution? There is nothing in the law that would prevent it. I don't care whether the Legislature appoints it or not. You can change the resolution if you want to. (Resolution handed to Clerk of the Legislature.)

Klaver: Mr. President.

Warner: Senator Klaver.

Klaver: Mr. President, a point of information. I would like to know if, after a bill has been initiated by the committee and sent to the Floor and is on General File, the member who introduced the bill has a right to withdraw that bill without the permission of the Legislature?

(Here followed informal discussion):

Tvrdik: While we have the Standing Committee amendments pending, can he ask for this withdrawal?

Klaver: Is that a rule?

Srb: I think it becomes the possession of the Legislature.

Klaver: You cannot do it without the permission of the Legislature.

Srb: We are on the pending amendment to the Standing Committee amendment.

Williams: I move the adoption of the amendment.

Warner: You have heard Senator Williams' motion to adopt the amendment to the Standing Committee amendment. Any further remarks?

Williams: This Legislative Bill 10, in my way of thinking (which is sometimes wrong and sometimes right) will do more for the people of the State of Nebraska than any other bill under discussion. Now, on the amendment I am offering, I spent considerable time in the Attorney General's office and with Mr. Wilson, our Bill Drafter, and they called in several other attorneys to draw this bill in the way that they thought it was right, and the things we are doing in there you men of this Body have read. The amendment to LB 10 merely carries out the intention of the proposed constitutional amendment that the property assessed by the State Board of Equalization for local purposes is taxed at the same level as the other tangible property is taxed within the various localities. If this amendment is not adopted, there is a conflict between the uniformity of the Constitution and the property assessed by the state and that certified by the local taxing division. It would be on a different level than property assessed by the county assessor. As I said, I have discussed this matter with the Attorney General, Mr. Beck; his assistant, Mr. Meyer, Mr. Wilson and others. Also there was a question raised whether this amendment was in the right part of the statute and whether there was conflict with some other section, and Mr. Beck has given me an opinion that it affects no other provisions of the statute. Also at the bottom of it, the question was brought out that there may be property located in a different subdivision. In other words, as to property in two different counties, this amendment gives the Equalization Boards of those two counties the right to get together and work out their troubles.

Warner: Any further remarks on the amendment to the Standing Committee amendment? If not, the Clerk will read the amendment to the amendment.

Srb: (Reading Senator Williams' amendment to Standing Committee Amendment, LB 10).

Motion carried.

Warner: Voting on the Standing Committee amendment as amended.

Motion carried.

Warner: Any further amendments to Section 1? Read Section 2.

Srb: (Reading Section 2.)

Burney: Mr. President.

Warner: Senator Burney.

Burney: I move that LB 10 be indefinitely postponed.

Warner: Senator Burney has the Floor.

Burney: Mr. President, Members of the Legislature. I make this motion in order to save time. You heard the introducer of the bill suggest that it be withdrawn.

Williams: That is the whole thing, not just a part of it.

Burney: That is provided we pass a resolution. LB 10 deals with the same section as LB 4. You cannot pass both, you have to work them in together, so let's get rid of LB 10 and go to work on LB 4. LB 10 carries a lot of material that we have had no time to think about and discuss. If it has something good, let's add it to LB 4.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: I rise in opposition to the Senator's motion. This is a very important bill, and I hesitate to rise to try to keep any lifeblood in it as the result of the proposed desire to not immediately consider it. Irrespective of what you meant, the bill has a great deal of merit. The bill should not be killed upon the presumption you can amend LB 4 by LB 10.

There was a question asked Senator Liebers on how this will help real estate. There is a question whether you can or not, but we are down here to help real estate as it is now being taxed too much. I have listened to a great deal of discussion on proposed LB 4. I have listened to a great deal of consideration, sincerely given, as to whether they will vote for LB 4 as proposed in the pending amendments.

Now it seems to me it is reasonable that until we dispose of LB 4 one way or another in some amended form, we should keep LB 10 alive, because in my humble opinion, it does do for real estate what some Senators in this Body wouldn't like to have done, in that it sets up definitely and explicitly the right that the county has.

As I understand it, the bill can set up an assessment valuation for county purposes only, and they can do that to any degree that they desire to do it and the State Board of Equalization, if the people accept this bill, if the people pass it, can do nothing about it except as to the extent that it affects the state levy; then we would have another valuation which would be raised or lowered in the judgment of the State Board of Equalization as to how low, if any, that county valuation was in relationship to the other 92 counties. It brings it back on the basis of local control, local scrutiny, and relieves those people within that county and gives every county the same position to do with real estate what they want to do with it and to do with other property what they want to do with it.

Bear in mind in this Legislature we made it possible to shift the tax burden. I want to give the opportunity to those counties who want a shift in whole or in part to shift it back to whatever degree the majority of the people in those counties want it shifted back.

Now, as a practical instance, as I understand it, we will say in your county that we have a house worth $10,000 and the state mill levy is 5 mills and the Board of Equalization says in your county you have not equalized property to the extent that it is equitable between the county and state purposes only, and that it is 50% too low, so they take the 5 mill levy and they raise it 50% only insofar as the state mill levy is concerned. The rest of their values for county purposes—for school, for village purposes and for every other purpose except the state—remains in the same category that the majority of the people in that county want it to remain.

I say in all sincerity: Let's keep LB 10 alive. Let's postpone the killing of it, if that is what the majority of you want to do, until we see definitely what happens to LB 4. It may, perchance, be you will want to kill them both; but let's not leave ourselves empty-handed in the event we cannot agree on LB 4 as eventually amended. I know that this Legislature is willing to consider every lead and do what is best for all kinds of property within this State of Nebraska and, for this purpose, I hope you will vote down the Senator's motion to indefinitely postpone the bill.

Warner: There is a motion on the bill. A motion has been received at the desk.

Srb: 'I move the discussion of LB 10 be postponed until 10:00 a.m. tomorrow morning.' Signed, Senator Arthur Carmody.

Williams: Point of order.

Warner: The motion to postpone to a certain time is in order.

Carmody: Mr. President and Members of the Legislature. My sole purpose is to withhold our debate until tomorrow in order to give Senator Williams more time if he needs it.

Williams: I don't need it.

Carmody: I think the important thing now is to get discussion started on LB 4, and the motion is in order so it is for that reason I have offered it hoping to gain time in order to discuss 4.

Members: Second.

Tvrdik: Mr. President.

Warner: Senator Tvrdik.

Tvrdik: If you set that over until tomorrow you are prolonging the discussion another day and how are we going to get out of here Thursday? I appreciate it is important, but Senator Williams wants to go ahead at this time. We have all day.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: Let me say, if time is of the essence in the minds of any member of this Legislature, if he puts his own time as the important thing against sitting here one day or a dozen days, that if he wants to run away from his responsibilities, then I think he doesn't understand the temper and concern of the people of his own Douglas County.

Tvrdik: I suppose this is fine for the Press. He is playing politics and I think the Legislature gets the point, but I am tired of this ballyhoo we have on today. No one is running away and I am just as sincere and conscientious about the State of Nebraska as you are. Let's get that straight.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: A point of personal preference. The Senator from Omaha has opened up a discussion on politics which I welcome, and let me say I did talk to the Press, and let me say further I think that is the proper place to talk to and unlike the Senator from Douglas County I am not unwilling to talk to the Press. If there is anyone who has dragged his feet, it is the Senator from Omaha—it is Senator Tvrdik, and if I heard one member I have heard a majority say it, that his actions have been to confuse, to delay and defeat. And for what purpose? Only the Senator from Omaha knows that.

Syas: Mr. President.

Warner: Senator Syas.

Syas: Gentlemen, are you asking about saving time or asking about people? When I was home this last week—I don't know how it is in your districts, but I know how it is in mine—this change in rules on taxes is beginning to get on their nerves and if you think we are doing people a favor by staying down here, I disagree. How much is it costing this state for every day we delay?

Members: $6,000 for the session.

Williams: Mr. President.

Warner: Senator Williams.

Williams: Let's get something straight—probably some will say for the record. I made this distinguished Body a proposition the first time I was on the Floor, and at this time I am willing to withdraw that resolution, which I asked that this Body adopt. I did ask you not to consider the bill, but the way things have turned out I am going to insist that this bill be carried out one way or the other.

Adams: Mr. President.

Warner: Senator Adams.

Adams: In the light of information we have just had and in that it is not hard to definitely determine the advisability of this Senate continuing longer, I think that it is a matter that has been properly referred to a succeeding legislature. I move that we adjourn sine die.

Warner: That takes 22 votes.

Carpenter: I request a record vote, Mr. Speaker.

Record Vote. Motion lost. (Page 57)

Members: Question.

Carmody: Mr. President.

Warner: Senator Carmody.

Carmody: It so happens that I made the motion to try to save Senator Williams' bill. Maybe he can save it himself. There is a motion to indefinitely postpone it, but in view of the fact you are undecided in what to do with it, I ask to withdraw my motion and, Senator, I might suggest that you ask the members' consent and have 10 retained on file and discuss 4 while we take it up.

Williams: Mr. President.

Warner: Senator Williams.

Williams: I want to be fair to the members of this Body and fair to the people of Nebraska and that is the position I take. Mr. President, No. 10 came out of committee 9 to 0 and No. 4 was killed 9 to 1. To my way of thinking you will find the people of Nebraska considered that No. 10 was the most important bill in this session because No. 4, to my way of thinking, is a special interest bill.

Carmody: Would the distinguished Senator from Buffalo County yield to a question?

Williams: I'd be glad to.

Carmody: Why in hell were you asking to withdraw your bill?

Williams: I was willing to withdraw the bill if they would make a resolution to make a study and report to the next session of the Legislature.

Carmody: A package deal?

Williams: I have just as much right to offer a package deal as any other Senator of this Body.

Vogel: Mr. President.

Warner: Senator Vogel.

Vogel: I think perhaps, coming from the American section of the city, I can say (I was home over the weekend) the reaction in my section is different than in the foreign section. Everyone I talked to said 'For God's sake, take your time on this thing—take all the time you can.' I would also like to say that Senator Carpenter was rather hard on Senator Tvrdik. I don't always agree with him. I sometimes question his intelligence, perhaps, and in all sincerity I think his idea has a lot of merit, but this matter should have the full consideration of the Senate, even if it takes until the Fourth of July.

Klaver: Mr. President.

Warner: Mr. Klaver.

Klaver: I feel in justice to you guys and in justice to LB 10, I should make a few brief remarks. I am the co-introducer of LB 10 and the only reason Senator Williams is the chief introducer is he got the jump on me. I believe LB 10 will do more for the State of Nebraska than any bill before this Legislature. I believe LB 10 can reduce real estate taxes and will do more to let the people be their own judges of what taxes they want to pay and of what taxes they want to have. Frankly, this bill, with the exception of the fine explanation Senator Carpenter gave it, hasn't even been explained to this legislative session.

Now, what is LB 10? LB 10 merely does this: First of all everybody is afraid of taking 'uniformity' out of the Constitution. LB 10 says that for the purpose of state assessments, uniformity remains, whatever the people decide they want in the tax appraisal board and whatever they decide on a commission, and separate valuation shall be made for the amount of money that the state will need to run the state part of the government, and there their authority ends and then it is left to the various counties, to each county, to make their own valuations in their own county.

You have, therefore, uniformity and in each separate individual county. Now, if you have a state board that takes the same action that was taken here which put a tremendous increase in the valuations in the various counties, due to the fact that the levy of the state is so small it can hurt nobody very much. Your big taxes, as everybody understands and realizes, is in the taxes for schools, city taxes and various other subdivisions. Now, I am sure nobody can argue that an individual county assessor or county equalization board is in a better position to know the valuation of real estate in each separate county, is in a far better position to have information, than the state board down here in Lincoln; and the result thereof, once the county assessor and county equalization board makes that valuation is that people will have an option if they think it is unfair. First, they will know who is responsible for the taxes, and second, they can go to that particular board and make a protest. You know under the present system, the individual taxpayer doesn't even have his day in court and didn't have his day in court this last year. It is true that the county attorney has the right to appear before the state appraisal board and appeal their action, but there it ends. The individual taxpayer has no right to do that. If an assessment is made in one of the counties, the taxpayer can appear before his own equalization board and appear before the District Court, and then have his day in court. I am sure no one wants to deprive any taxpayer of having his day in court.

Here is another matter: I think a lot of you folks have heard that everybody is blaming the Legislature for this tax increase. First of all, the tax appropriations were a little over $2,000,000 lower and as a result thereof, we actually reduced taxes as far as the state assessments are concerned. Now, this will take away the mystery of who sets the taxes. Everybody will know whether it is the county assessor or the school board or the city council or the county board that has set their levy, and nobody will be able to pass the 'buck' from one to the other.

I believe that especially as the bill was originally drawn—I would like to have him study this amendment, although I have been told that the Attorney General's office said he wants to have this amendment that Senator Williams introduced—but as originally drawn, I believe LB 10 will make it possible for every county in this state to reduce our taxes if they want to. I know some counties run their counties more conservatively and spend just so much, and reduce taxes accordingly. Some counties are willing to make greater improvements and spend a greater amount. Why not let the people vote on whether they want those new systems and have final say whether they will pay lower taxes or higher? Where can you find a piece of legislation which will allow taxpayers to be their own government if not in this bill? I would like to see LB 10 passed by this Legislature and give the people of Nebraska an opportunity to vote for it.

Williams: Mr. President.

Warner: Senator Williams.

Williams: Several members have come to me concerning LB 4, and I will ask unanimous consent to put No. 4 before No. 10 on General File.

Srb: There is a motion pending (Senator Burney's) to indefinitely postpone.

Burney: Would I have to withdraw that?

Srb: Temporarily.

Burney: O. K. I can write it again.

Warner: Any objections?

Moulton: I object.

Williams: Mr. President.

Warner: Senator Williams.

Williams: I move that we consider LB 4 on General File.

Motion carried.

LB 4

Warner: No. 4 has been read hasn't it?

Srb: No.

Duis: Mr. President.

Warner: Senator Duis.

Duis: I move that after the reading of the bill we adjourn until 2:00 o'clock.

Members: Second.

Warner: Clerk state the motion.

Srb: (Reading Duis motion).

Motion lost.

Warner: Reading LB No. 4.

Srb: (Reading Section 1).

Motion on the desk by Senator Liebers to amend page 2 of the bill by striking lines 6 to 16 and inserting in lieu thereof the following:

'"Sec. 1. The necessary revenue of the state and its governmental subdivisions shall be raised by taxation in such manner as the Legislature may direct. Taxes shall be levied by valuation uniformly and proportionately upon all tangible property, and franchises, except that the Legislature may provide for a different method of taxing motor vehicles: PROVIDED, that such tax proceeds from motor vehicles taxed in each county shall be allocated to the state, counties, townships, cities, villages, and school districts of such county in the same proportion that the levy of each bears to the total levy of said county on personal tangible property. The Legislature may prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and may substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state. Taxes uniform as to class may be levied by valuation upon all other property. Taxes, other than property taxes, may be authorized by law. Existing revenue laws shall continue in effect until changed by the Legislature."'

Warner: Seeking to amend Section 1.

Liebers: Mr. President, I move that the amendment be adopted.

Warner: Motion at the desk.

Srb: 'I move to amend the Standing Committee amendment to LB 4, Section 1 after the word "seed," by inserting "all farm products and also manufactured articles handled in the state.' Signed, Senator Nelson.

Warner: Senator Nelson has the Floor.

Nelson: In order that the stenographer may be able to hear me better, I would ask permission to come to the front of the Chamber.

It grieves me, as I have a high esteem for this committee that made the study of this matter, to feel impelled to make the motion that I have just come forward with. I may be criticized and condemned for dragging my feet in this session. It is true I have tried to point out some of the things in this session that have seemed unfair to me. The committee, I know, has made a very careful study. There have been those that have appeared before this committee, of special interests, asking for special legislation. That seems quite evident to me. I suppose possibly I am somewhat in the position of the Irish washerwoman's son. She was down at the parade ground watching her soldier son and others marching around and spoke of what a fine body of men they were, and said 'There is my son, Johnny. I suppose they are all out of step but Johnny.' And I suppose that applies to me.

I come from a farming community and have had no request from any farmer that every bushel of grain he has be taxed. Why should this preference be shown? Why take grain alone? We have a big sugar beet industry in the western part of the state. If you are going to tax these, make one of these a transaction tax and one a production tax. This production of ours, of grain, is manual and machine labor, the same as every product that you produce in town in factories. It is our source of income. Whenever you place a tax on that all along the line, you have reduced our source of income. There is a tax when it is raised and there is a tax on it when the truckers haul it away from the farm, and there is a tax when it hits the elevator.

As I read this, every feeder that buys corn to feed cattle will be taxed. The result will be a lower price for our corn in the farm market. It seems we have been penalized enough without picking us out especially. I went to the assessor in the State Capitol after the assessors had met, and asked him about the price assessed on grain. On Monday morning it was $1.30 a bushel there at our local elevator at that time. He said, 'I have nothing to do with it because the county assessors did that in their meeting.' At that time the corn in O'Neill was being paid for at the rate of $1.25 a bushel— shelled corn delivered to the elevator. I live 22 miles from town. My corn would have to be shelled and then hauling charges added, and that would make it worth approximately $1.15, but nevertheless that flat rate is put on for the State of Nebraska.

Now you are proposing here to pick out one segment of industry in the State of Nebraska and put this excise tax upon it. That is what is proposed in this bill. I happen to have some correspondence here, showing what the attitude is, from my part of the country. One person writes, 'Why not adjourn and leave the tax problem as it is.' I have another one here from another party who lives in a remote part of my district: 'Better let the tax business swelter awhile. Don't go for any laws that will befuddle and infuriate the taxpayer.' Since writing that letter, this man is no more.

Those are conditions that exist up in my part of the State of Nebraska.

It will place an unequal burden. I thought we were going to try to ease the burden upon real estate. I have not found one bill in here that definitely sets out for that purpose. If you pass this bill in its present form with the amendments proposed there, I agree there will be some extra taxes raised. Certainly there will. On that grain. Where will it be used in counties, that is, used to relieve real estate? What real estate will it be used to relieve? On real estate in the State of Nebraska, farm and all? Just remember they spoke of intangibles and they spoke of a 5 mill levy—correct me if I am wrong—and that was what was contemplated or at least that was my understanding.

Members: One-half mill.

Nelson: I understood it was 5 mills. Thank you for the correction. I was misinformed. I accept the correction. I am clear nevertheless in that it will be a tax, and no farmer has asked me for additional taxes. Now then, this will have to be passed on there, and it won't be as grevious as I had anticipated it would be, but it will be a tax on every bushel of grain that a person raises, and at a half mill, I wonder—I wonder. My thinking is a little confused and thick from different things told here. One-half mill, and the trucker comes and takes all of my 200 bushels of corn from my bin. What tax will we have to pay? It won't be very great, it is true. Possibly there will be a lot of bookkeeping involved there to take care of it.

As I said before, why pick on grain alone? It is the production of labor. Your sugar beets are a production of labor, your potatoes are a production of labor and the cooperation of the soil, with God Almighty furnishing a little rainfall. Everything is a production of labor and you are putting a special tax on it. You are not touching the manufactured article; and I noticed here also it goes into the channel of trade not produced here in the State of Nebraska. It seems they can ship in all kinds of grain, any from outside here, to compete with us, and though the mill levy is small we are placed at a disadvantage. The seed companies ship it in without any taxes, but if we want to relieve all the way through, why don't we make it a transaction tax? Let everybody share in this, not just any one person or group. Let's be fair about this thing and see what the ramifications are.

As I stated before, I was asked to come down here to do what I could for people where their taxes were grievous. That can be done possibly by getting all of property on the assessment rolls, but that is something that will never be accomplished unless a guard is placed in every house, though it can be done better than it has been done in times passed—that is all very true.

We are here in a session convened as a special session of the Legislature. We have passed one piece of legislation, which is No. 6. It was passed yesterday. On the rest of this, we have here what amounts to just a junior constitutional convention. That is what you have here. Practically, in a legislative body, but it is a junior constitutional convention. The people themselves have this authority. We have, thank goodness, in the State of Nebraska the privilege of initiative petition and referendum.

On practically every bill that is up here there were groups that appeared for these bills. If they would get out and wear out a little shoe leather, get behind these bills and show that they wanted them, and would circulate petitions, they would be able to get the necessary signatures. There is no reason why they shouldn't have gotten these signatures because of the confusion in the last year, if people really wanted this; and that is one of the things that our good Governor had contemplated. Eventually he concluded he would have the Legislature called into session and have them place them on the ballot. I think we should give the people the opportunity to vote on this measure—every one of these measures, instead of a reduction of taxes which may take place in them. According to one interpretation, it is going to cost you $30,000 for each one of these amendments—approximately $150,000—to put them on the ballot. When we put them on there, all the people at home will think we have given them serious consideration and that we are recommending these to be passed. They haven't always accepted them in the past. They accepted, I think, five out of six last time, but an immense amount of shoe leather was worn out between the time they were put on the ballot and the final election; and when the people have this prerogative—they cannot pass the laws down here, because that is reserved to the Legislature—there is not one thing that is on the agenda here before us in this Legislature that the people of the State of Nebraska could not do for themselves if it was their earnest wish and desire that these things be placed on the ballot. But those are the conditions that exist and I am willing to try to do my duty well, and (as Senator Vogel said) even if it takes until the Fourth of July, I am going to stay right here.

I have not wished to be out of step. I will try to get on the line if I can, if you can convince me in any way that I have been wrong, but so many of these things come up that are contrary to the wishes of the people of my district at the present time, though the item will be smaller than I anticipated, because I misunderstood that.

They tell us how good it has worked in other states. Let's look at the record: In the State of Nebraska, the average assessed valuation of each farm (according to the paper) figures out that the taxpayer is paying 53c per acre, and there is no income tax, no excise tax.

Members: Louder.

Nelson: In the State of Iowa they have an income tax. They have a sales tax, and if I have not been misinformed they also have an excise tax, and the tax on each acre of real estate in the State of Iowa is $1.62. It has increased 52c since 1940 and in 1950 they had almost as large an increase over there as our total tax is per acre. Their land is more valuable, of course.

In Kansas they have a sales tax and an income tax and they have this tax on grain, and I don't know what others. The tax on each acre of land in the State of Kansas—and on land similar to ours, and with oil industries—(ours is 53c)—their tax is 71c per acre. It hasn't relieved their tax burden down there or else maybe it would have been higher, I don't know. I have a letter in my pocket from a lady who has land on both sides of the line, near Almena, Kansas. She writes to me in this letter that her tax in Nebraska on similar land is one-third of what it is across the line in the State of Kansas. I just state this to you for comparison and to show you that sometimes these things are not always like they seem.

But I want you to study it. This is not the answer—to put on excise taxes, and on only certain classes of property. Thank you for your kind attention, and I appreciate it very much that you have given me this opportunity to speak.

Warner: Motion on the desk.

Srb: 'I move that we recess until 2:00 p.m.' Signed, Senator Moulton.

Members: Second.

Motion carried.

After Recess

2:20 p.m., Tuesday, May 4, 1954

LB 4 (Continued)

Warner: The motion before the Legislature.

Srb: 'I move to amend Senator Liebers amendment to LB 4, Section 1 after the word "seed," by inserting "all farm products and also manufactured articles handled in the state.' Signed, Senator Nelson.

Warner: Any remarks?

Liebers: Mr. President.

Warner: Senator Liebers.

Liebers: Mr. President and Members of the Legislature. I want to accept Senator Nelson's amendment in good faith. I am sure he didn't want to hurt the bill, but those of us who have looked at the amendment feel that it would kill the bill. We discussed exactly the same thing that Senator Nelson has brought up, in the committee. That very question was brought up, and we decided that the legislation that the Legislature would be able to prescribe would be adequate to protect those that would come under this. I have had come to me this morning at least six or seven of this Body who have asked me personally to explain in detail just how this would work, and at this time I would be glad to do so and accept any questions.

In studying other states—and five other states adjoining us have had this sort of legislation some four or five years and it has gone through the test and has worked out satisfactorily—this is about the way our committee's concept is after studying these other states and getting all the information we could get on it; and that is the Legislature will set up legislation to govern this if the people pass it. They would provide, as we see it, so that the producers would pay a millage—a mill per bushel tax on all grain that is grown. Other states use as low as one-fourth mill. I think one or two have a half mill and some a little over, but it is a quarter to a half mill. The producers would pay that on all grain grown, and you can calculate that is a very small amount even on 20,000 or 30,000 bushels.

Then the trucker who transports it either in or out of the state is licensed and a route of his performance is available, and he would pay the same millage on every bushel that he handles. Then the local elevator man who handles the grain would also pay the same millage on all the grain he handles. The terminal elevators, likewise. The feed mill which uses some of the grain would pay the same millage and the same is true of flour mills, so there might be five different organizations that would pay the same small millage per bushel, perhaps on the same bushel, but all persons handling the grain for profit would pay their share of the tax. This is what it would do.

The question has been asked, 'Would the feeder or the livestock man who buys grain, would he have to pay the same millage?' Under the understanding of this, he would. Grain on hand, if substantial, very likely can carry that through any short crop that might come in Nebraska.

So I, for one, have calculated it in many ways and feel it would be a very fair tax for the reason that we would be very apt to get every bushel of the grain grown under taxation. At the present time, there is a large amount of the grain that never sees a tax collector. It is sort of in a 'twilight zone' and just isn't gotten ahold of for tax purposes. It would get all the grain. Everyone would pay his share.

As to seed, we have a problem of the hybrid seed which is a very big business in the state—that is for every farmer it is an important business. Much of the seed is produced in other states and comes in and Nebraska is penalized because other states have this law and we do not have the law to protect our own people. So we feel that this is a rather simple thing and it should not penalize. I would like to have you men who believe that grain is feed, who say it is double taxation, understand about this. In a way it might be so construed, but it really is not. I think every feeder that buys grain in addition to what he grows, that that is something he just calculates on. It brings under the present circumstances all he carries over, and when he buys it, the fact that all grain is taxed on the same basis, that would give them the same yield but it would be more evenly distributed.

Personally I am opposed to the amendment and I hope it will be voted down because we feel that it would kill our bill and we think that our amendment is a very good amendment to LB 4, in that with this grain we are now working under a 65-year-old plan that is out-dated, and other states look at us with a smile and wonder why we continue to do so when they have found a better method of taxing grain for both grower and dealer.

Fenske: Will Senator Liebers yield to a question?

Liebers: Yes, sir.

Fenske: Would this be an annual assessment? What I mean is, a lot of our farmers carry grain over from year to year.

Liebers: Grain under this plan would only be assessed once and that is the year it is grown. The farmer who carries grain over would not be assessed the following year according to the plan used in other states, and I can say that when passing legislation the legislators will have fine experience to guide them.

Beaver: Senator Liebers, would you yield to a question?

Liebers: Yes, sir.

Beaver: Did you say that Iowa has this particular law?

Liebers: They have a modification of it. The text I gave you of the law is, in some instances, a compilation of the best part of the laws of different states—Kansas, Iowa, South Dakota, and Minnesota.

Beaver: The reason I ask is this: As I understand it, Iowa is not able to collect on their seed corn. That is one of the troubles we have in Nebraska with hybrid seed corn, and they can't collect it and we don't, so there is no tax paid on that particular seed corn. If they have the law and can't collect, how are we going to get the taxes? How will our law be any better than theirs?

Liebers: On that question I am not able to answer you on the seed matter. If any member here can answer you, I would like to yield to them. It seems to me it would be a matter of legislation that would be the thing to cover there. If we don't have it, we should try to get it.

Beaver: There is one other question I would like to ask, Senator. Why is it necessary to put in the Constitution the words of grain and seed? Why do you pick out those two to put in the Constitution? I can understand why they would go into a law which can be changed from time to time.

Liebers: They are on an entirely different basis of taxation, and in order to get the change from the total value to a bushel basis, it is necessary. It is along the same line touching on the automobiles—about the same reason why that is mentioned in the Constitution.

Beaver: That is my point. We have taken automobiles. Now it seems we have to have seed and grain in there. In another year are we going to have to take something else? Why not leave it to the Legislature?

Liebers: They tell us, Senator, that under the present Constitution (and we would have liked to have done that the easy way out, and we asked, not only once but repeatedly)— and they said you cannot do that under the present Constitution, that is, to change the same dollar values to per bushel values.

Beaver: I don't believe you got my point. We have taken automobiles, for example, and found there should be a different way to tax automobiles, and now grain and seed. All right, that makes automobiles, grain and seed taxed differently. In another year or two are we going to have the same trouble, as someone said this morning, with potatoes or hay or something of that kind?

Liebers: The uniformity clause is the reason for doing this. We don't want in any way to affect that uniformity clause—in any way break into it.

Beaver: I just sort of hesitate to put the two words in there —grain and seed. I am afraid in a year or two someone will come in with something else.

Marvel: Mr. President.

Warner: Senator Marvel.

Marvel: Following up Senator Beaver's questions, I would like to ask Senator Liebers a question.

Warner: Will the Senator yield to a question?

Liebers: Yes, sir.

Marvel: In the deliberations of this committee in setting up the amendment to LB 4, did you find that the seed and grain category was a peculiar category and that we were not receiving a great enough percentage and that we needed to put this particular category into this particular amendment? In other words, does this pose a problem which is peculiar to the statutes and one that needs more correction than some of the other phases of the problem? Do we have facts showing that this is a grave enough problem to write these words into the Constitution? Is that what you are trying to find out, Senator Beaver?

Liebers: The answer is 'Yes,' Senator Marvel, to your question.

Members: Question.

Warner: Amending amendment made by Senator Liebers.

Lee: Mr. President.

Warner: Senator Lee.

Lee: I think it seemed to me that Senator Liebers explained that question that Senator Beaver asked, and know he asked it in all sincerity, but under the present law we had—in 1949 we had a bill for the warehouse and grain men and were unable to give them relief because of this valuation 'uniformly and proportionately.' So everything else is on a different basis. So if seed and grain are on a bushel basis, we have to have this in here. For instance, you may have seeds like alfalfa, bromegrass and some other seeds which are expensive, on a peculiar charge basis, because it has been explained to you how they use it in Kansas, and they produce, of course, a lot of wheat. We produce a lot of wheat in the west end of the state and as Senator Carmody said, the suitcase farmer comes in from California and harvests the grain and goes back to California so he can enjoy the privilege of paying a sales tax (and in Los Angeles he also pays a city sales tax), so we don't get anything out of the suitcase farmer. That can apply to your turkey raisers and other things.

I think Senator Nelson's amendment, while it tries to get a tax on manufactured articles—I believe his amendment should be voted down.

Beaver: I did ask that question in all sincerity and question now whether my question has been answered in the same sincerity in which I asked it. Personally, I don't think it has been answered yet.

Nelson: Mr. President.

Warner: Senator Nelson has the Floor.

Nelson: Mr. Chairman and Fellow Members: Senator Beaver makes the statement that he believes that this amendment was offered in all sincerity and not with the intention of killing the bill. I wish to inform this Honorable Body that this amendment was offered in all sincerity with the object of pointing out what I considered serious defects in the bill. We are just taking grain and seed. As mentioned before, you have thousands and thousands of bushels of potatoes escaping any taxes whatever in Nebraska. You have thousands of tons, of beets also escaping taxation and, too, in the Scottsbluff area there are a lot of beans which get by without taxation. But I should be for this bill. It would save me money if I were voting for my own special interest. I am paying more taxes than I would pay under this statement—that we have not arrived at and so I am not certain of passing it the next session of the Legislature.

I am a little confused in regard to some of these matters and had been informed of a one-half mill tax and now am informed that in Kansas it is one-half mill but it is suggested that one mill be used here. That will be up to the next session, providing this carries. It might be any amount of tax. It might be a great detriment to them.

There is another difficulty in this bill—something that we don't do in the automobile business. I was instrumental in writing that bill but that money was to go to each subdivision of government in proportion to what the tax revenue was in the different places. I was instrumental in putting that in the other bill. This does not state where this money goes. That will be a question of the Legislature to determine, as we take this money and send it down to Lincoln and put it in the General Fund. I said it might save me some money. If it saves me money, if it saves my district money, I—we—shall have additional real estate tax to pay because the levy on this grain is all being sent down to Lincoln. Even though it is small, we won't get it, the Legislature must determine that, but it does say that it will come back to the subdivisions of government there in regard to automobiles.

The one thing that I am sincere about in making this proposal—my sincerity went this far: I wished it to be a matter of record that I figured we were skipping by lots of property and were not giving it the same treatment we were to grain. I think it is a dangerous precedent to do that. I had hardly dared hope that enough would go along to pass this amendment but sometimes it is necessary to make some sort of amendment to bills in order to point out certain defects, otherwise they do not become a matter of record.

There is another thing in regard to this. If it is not left in the community where it originates, this revenue will be taken from the grain producing sections of Nebraska, of which I have one county that is quite heavy (my home county is not heavy). You will drain whatever this mill levy is from that area into the state fund. It is not the same in other areas of Nebraska.

We have now an extensive amendment to correct some of those things. Apparently, to me, it was rather hastily drawn legislation because we were called into session rather hastily, and on account of those things, while with the condition of my thinking possibly being a little different as I come from a backwoods farm, I may think of it in terms of that sort in relation to my community. As you go south it wouldn't affect them very much as the bill was originally drawn. Practically all my land is in pasture. I have some fields but have very little to make an assessment on; but if you are going to drain this from the grain producing sections of Nebraska, which may be a matter of legislation, there is no safeguard in that constitutional amendment, and if we, who have been up before a committee to explain this bill to you—which was not done by this committee—if we could not understand this bill with explanations, somebody is going to have to do a mighty good job of explaining back home so that the people—Oh, they can read and write and all that—are going to know what is in this bill. Of course they are going to say the Legislature is conscientious and will try to do a good job.

So, as I told you, my main object was to make it a matter of record and I knew no other way to get it in there.

Liebers: Mr. President.

Warner: Senator Liebers.

Liebers: I would like to ask the Senator a question.

Warner: Will you yield to a question, Senator Nelson?

Nelson: Yes, sir.

Liebers: Are you aware of the fact that only 4 to 15% of the total wheat grown in this state is now being taxed and that only 15% to 20% of the corn grown in this state is being taxed—out of 90,000,000 bushels of wheat and 300,000,000 bushels of corn, and that that is a very small fraction? It seems to me that is something for us to think about. The few that are taxed are being punished by a very exclusive tax instead of distributing it over the entire field so that everybody would pay his just tax.

Nelson: No, I was not aware of the percentage of tax, but the tax now is about 5c so the bushels that are taxed would take care of each bushel. Now to say you would have to get 50 bushels more for every bushel, that would be 50% more which you arrive at. Now I live 20 miles from town and there would be only one tax on that many bushels in my part of the country. It would be paid in town by the elevator and we would lose the tax entirely in our area.

Liebers: I would like to ask you another question.

Nelson: Yes, sir.

Liebers: Are you also aware under the present system that between January 1st and assessment date, which could be any date—March 10th doesn't mean anything—that the price of grain in this state every year is pushed down from 7 to 8 and 9 cents by the pressure of a few people wanting to rush their grain to market before assessment and that means that the grain industry, the biggest industry in the state, is not in a healthy situation? That can go deeper. It affects livestock and good farming.

Nelson: Do you have any percentages of the amount of beans, potatoes, and sugar beets that are escaping taxation by being removed before the taxation date?

Liebers: (No answer).

Hubka: Mr. President.

Warner: Senator Hubka.

Hubka: I want to ask Senator Liebers a question.

Liebers: Yes, sir.

Hubka: Senator Nelson asked a very good question in my opinion. Suppose that in Lancaster County there was $5,000 in tax money under prescribed method of legislation and that was a tax dollar and money for tax purposes. Would the Legislature have such control over this tax money so they would allow this money to any particular subdivision, to any county in the State of Nebraska? In other words, does this constitutional requirement—Now Senator Nelson did say he did insert in the automobile bill that the tax dollar collected would be allocated to the counties, townships, school districts, etc. Now the seeds and grains proposal does not have that provision. Would the Legislature have such complete control that it could do that?

Liebers: The same as in other categories of taxation. That was a specific point we wanted to clear the way you asked for it, and that was the language they gave us.

Warner: Voting on Senator Nelson's amendment.

Motion lost.

Warner: Now, back to Senator Liebers' amendment. Does anyone want to speak on Senator Liebers' amendment, or do you wish to close the debate?

Bridenbaugh: Mr. President.

Warner: Senator Bridenbaugh.

Bridenbaugh: I have been listening to the debate. I have been studying it and I have been trying from every angle to see my way clear to support this bill. I realize that something must be done, should be done, but personally I just don't see how you can pick out just one class and legislate in the Constitution on that.

In the first place, we came here for the purpose of considering the problem of relieving the taxation on real estate. So far, I would like to have someone tell me just what we have done to correct that. Here we are talking about grains and seeds. To me this is class legislation. It was pointed out by Senator Beaver that—you take the first part of this bill and you will notice that the last session gave special privileges to automobiles. That special privilege allowed the reduction of 17% on taxable property of automobiles. I want to ask if in any place that reduction was put on real estate, the very thing we are here trying to correct?

I don't know but what this thing might happen on this bill. We open a new gate for taxable property. I do know they have gone the limit in taxing production—on farm products. Can you find any other industry in the state that is taxed like that? We are an agricultural state here in Nebraska. Can you ever imagine putting Nebraska on a production basis for our grain and livestock—now think, that makes our state commerce—and then come to an average inventory for business? And has this Body ever considered for a moment about the problem of getting the inventory? If you can't get it for March 10th, how can you get it for the year? I understand you can't get it from the grain people or from the petroleum people. Those people have the problem of getting it from their different offices throughout the state.

I would like—I hate to get up and talk against something, but I am trying to improve some problems in our state, but since we are just opening the gate, the next time there will be something else, and surely if we take one of these steps we are getting farther away from the Constitution and equalization. How can we equalize under the provisions contained in this bill? I think usually I would go along with the bill. It would save me money. I think it would save money to go along with the bill to take household goods and personal effects out of the taxable field. I would gladly compare my return with others in my county to verify that statement; but there is a principle. I don't care if it would save money on every one of those bills. There is the principle of the thing. Are we doing it for some individual or some class? We people are writing an amendment to the Constitution which should equalize and treat all classes equally throughout the state. Is that accomplishing that, as written and outlined in this amendment?

Bixler: Mr. President.

Warner: Senator Bixler.

Bixler: I would like to answer, in a way, Senator Bridenbaugh's question by giving some figures. I know what it is out home on motor vehicles, but thought it was due to being on the Wyoming line. They slip over and buy cars in Nebraska and go back. Carl Berg, Treasurer of Lancaster County, gave me some figures on ad valorem tax collected in Lancaster County: For the month of April they have some 1,400 cars and the collections, which are about 95% complete, amount to about $27,000 a month and when they are through they are going to have more. The same thing would be happening to grain, cattle, pigs, and any number of classes of property in the state that aren't there now. When we get through with this possibility, I am sure there will be more classes, with real estate bearing less of the burden.

Bridenbaugh: That is just the point I want to bring out. Senator Bixler is right, bringing up hogs. I am willing for that, but put other business in the State of Nebraska under the same basis so that they will be on the same production basis.

Burney: Now he is talking income.

Adams: Mr. President.

Warner: Senator Adams.

Adams: I would like to ask Senator Bixler a question. In all candor, too, I am trying to do what I can to get down to it. Are we now giving to the people anything they do not now possess?

Bixler: In what way, now? How do you mean?

Adams: I mean any protection.

Bixler: Are we giving them additional protection? I don't know how we can give any more protection.

Adams: Very well. Are we now giving to the people a law-making procedure they do not now possess?

Bixler: I think so.

Adams: In what way?

Bixler: Well, I am not a constitutional lawyer, but I think we are making possible the passage of laws which will in effect bring about additional revenue which will have the further effect of lowering our real estate taxes. I am not sure if it needs to be in the Constitution, but I am sure it is going to spell out well in view of the fact that 85% of the bushels of grain are going untaxed. If we get that on the rolls, that is going to mean a lowering somewhere, isn't it?

Duis: Mr. President.

Warner: Senator Duis.

Duis: I wonder what would happen if we put a period before the word 'taxes' and eliminate 'upon grain or seed produced or handled in this state.' Now, would that help, Senator Beaver? All I am offering this for is just a thought, because by doing that it would leave the Constitution in such shape it wouldn't have to be amended from year to year for washing machines, hay, or what have you. The Legislature could put the words 'upon grain or seed produced or handled in this state' all down in the law. It is done now for automobiles, but thought this would help solve this question that Senator Beaver had.

Adams: Senator Lee, can I ask you a question please.

Lee: Yes.

Adams: If we don't do anything on this bill, would the people have the right—a lawful right, a constitutional right—themselves to do what we are now attempting to do?

Lee: By initiative petition they could, Senator Adams, but if 43 legislators who are accustomed to wrestling with these problems can't agree, how can we expect 300,000 electors to get some common ground for signing a petition. Those petitions are never initiated unless some particular group is interested in something they want to foster. I don't think you could get anyone to agree, as we can't seem to agree.

Warner: Senator Carpenter has a motion on the desk.

Srb: 'I move to amend LB 4, Section 1, line 8 as amended by adding after the word "vehicles" the following: "and real estate" and also after the last word "vehicles" in line 8 and amend the title to conform.' Signed Terry Carpenter.

Carpenter. Mr. President. I would like to, first, if I can, answer Senator Beaver's question. The purpose of this discussion, I think, is how far we are willing to trust the future legislators by the delegation of authority we are attempting to give them now by the vote of the people. For example, are we willing to trust them with grains, are they competent for that but not hay and other things? Actually we are afraid to do the one thing necessary to give a broad grant of authority to future legislatures to write legislation. Now, if we are not willing to do that and try to do the rest of it, let's admit what we are trying to do. Let's say to the people, 'We are going to trust you 10% but not 100%. We are willing to trust you for grains and seed but no further than that.' I think we are here for one purpose. Our real estate taxes are too high and if they are, what are we going to do about that. We talk about everything else except why we are here, and I think it is precluded by not putting in there that we are trying to do something—for what? Real estate. That is the thing that has been hurt in this whole procedure.

Senator Bixler says we are raising a great deal more money on motor vehicles, not by reassessing, but by tightening up on collections. Now for Heaven's sake, let's confine ourselves to what we are talking about. We are not going to write legislation here for some future legislature. The sole question is simply this: How much power are we willing to submit to the people of this state to vote on as to what they will delegate to the future legislatures of this state, assuming those legislatures will be about the same as this one is—no better and no worse. I think we represent an average cut of the people of this state—average thinking, average intellect, and average education. So I think we work with the mechanics of what we have now because we represent the people. We represent the common thought. We make up our minds individually, but try to arrive at a common purpose of compliance. I think it is unfair to bring into the minds of the members today the problem of trying to anticipate what others after us are going to write into law, because we cannot do it with any good form or judgment. We cannot anticipate conditions then as against now.

Now if you want to help real estate, if you think real estate taxes are too high, then here, in this bill, or in LB 10, you have the only two opportunities. Now I can see, in my own way, no objection if LB 4 as represented by the committee amendment is sound and good, why we should hesitate to write in the words 'real estate.' That is what we are here for. But you want to take the position first, that the people of this state are not competent to vote on this subject. Do you want to preclude now that future legislatures are not responsible and you cannot trust them to write future legislation? Are you going to say that those legislatures, as well as us, cannot resist pressure? Are you going to say we cannot trust those whom the people elect and, if so, are you going to say that the people are not adequately protected by recall? This Legislature or any other legislature cannot write legislation that cannot be corrected at the next election. That is the redress people have.

We pass a law, and it takes months for that law to become a law, and during that time certainly no law we can pass, and certainly no law others coming after us can pass, can be so detrimental that the people of this state should hesitate, or that we should hesitate, to delegate power to the Legislature of this state; and if people cannot trust this Legislature in the future—present or future—then who in God's Name can they trust? The problem is, are we going to trust the people? I realize that people probably know less about these problems than we do, and that is as it should be, but I am sure if we pass this amendment and suggest it to the people of this state that they will be amply informed on both sides of the question. Nobody is going to sell the people a bill of goods on this type of amendment. It just can't be done. So I say again, let's consider only what we were to do. Let's not be crowding the issues on other things, and when voting, let's confine it to that specific thing. Are we going to give, first, to the people and then to those men to follow us (are they not as competent and honest as we are, and if we think they are not, on what basis can we prejudge them?) our trust? It has been requested to amend this bill to do what the people of this state want to be done—to give the same favorable consideration to real estate because of its physical identity, because it cannot disappear, there it is. It has none of the advantages of any other type of property, whether tangible or intangible. It is static, it cannot be taken off the tax rolls, and the Supreme Court of this state has given a formula that is rigid, that must be applied everywhere, on how it is to be measured in relationship to the few sales in comparison with values on the assessors' books, and we automatically force—the Board of Equalization tries to force—not only that property, but everybody's property, up to that level.

Warner: Does anybody else wish to speak?

Coffey: Mr. President.

Warner: Senator Coffey.

Coffey: Mr. President, I would like to request that Mr. Srb read Senator Liebers' amendment.

Srb: (Re-reading Senator Liebers' amendment).

Aufenkamp: Mr. President.

Warner: Senator Aufenkamp.

Aufenkamp: If this Legislature or any future Legislatures have the right to pass laws without any constitutional protection on one-half or two-thirds of the value of all property in Nebraska, as far as that part of the Constitution which regulates the laws of taxation is concerned, you might just as well forget it.

As far as automobiles are concerned, I believe the present automobile uniformity should be so many dollars for every automobile, whether a 1950 Ford or a 1954 Cadillac. We don't do that. It was said here on the Floor that the things in the Constitution to regulate assessment of taxes on automobiles lowered the taxes on automobiles 17%. I can't see it that way. These things in valuation of automobiles which were made official by the equalization board is the thing that lowered the taxes on automobiles. In other words, before the Constitution was changed, some people in the state came out with measures to tell us that automobiles were assessed somewhere in the neighborhood of 70% of actual value, real estate was assessed at 20% or less, and they should be equalized to get those things back in line, but it lowered automobiles and raised something else. We certainly assessed automobiles about the same, but they were assessed at a different time of year; but as far as arriving at the amount of tax each automobile is to be assessed for, we do it by arriving at the valuation of the automobile, by cutting it in two, and levying the personal levy on the value of an automobile exactly the same as on a tractor, a second-hand tractor, or any other taxable merchandise.

Members: Question.

Warner: Clerk read motion.

Srb: Senator Carpenter's motion: 'I move to amend LB 4, Section 1, line 8 by adding after the word "vehicles" the following: "and real estate" and also after the last word "vehicles" in Line 8, and amend the title to conform.'

Liebers to Carpenter: We have an opportunity to talk on this?

Carpenter: As far as I am concerned.

Liebers: Mr. President.

Warner: Senator Liebers.

Liebers: This places us exactly in the position that we were in at the time we had our hearing. This is the position we found ourselves in the last three days when we met with the various groups that had objected to LB 4. Step by step a meeting of the minds was accomplished and we finally came in here yesterday with not what we wanted but what we hoped we could get for a beginning of relief on real estate or business inventories and on a matter like grain and seeds.

I hate to disagree with Senator Carpenter, and no doubt it has great merit, but if you want to pass LB 4, I am just afraid that your amendment will kill it because immediately we are putting ourselves wide open again, in the same position as we were three days ago. Therefore, I would have to vote against it and I express my opposition against the amendment.

Warner: Any other remarks? Close the debate.

Carpenter: Mr. President: I first want to answer Senator Aufenkamp, that the reason cars and trucks were able to be reduced or raised was because the Constitution makes the exception as to motor vehicles. It delegates to the Board this responsibility and opportunity to do what they see is fit in the raising or lowering of motor vehicle values. That is exactly what I want to do for real estate. You may say, 'Where is the money coming from?' I say to you, 'Where did it come from prior to the passage of LB 272?' That is the answer to it, because I want to put it back to where it was prior to LB 272, and give real estate some relief.

Let me say to Senator Lee: When they sent we Senators down here, they didn't send us to represent any group. I don't know what group it was, and don't care, but I know the leader of that group is not here in person. The important thing is those who are here in person and your constituents who elected you to represent them, and not a group, and if you are going to issue them a fog to make them believe they are getting something they are not getting, then so far as I am concerned I prefer to kill the bill because these people don't want words, they don't want any compromise, they want to have the opportunity to get some relief, irrespective of a group.

Now we are talking about pressure and we find out the pressure has demonstrated sickness before it ever got on the Floor. I was invited to sit down with a group and don't know how many Senators here were invited to sit down with this group. I think the responsibility is mine and yours, rather than to sit with any group. I prefer to see how effective any group is in telling this Legislature what it can or can't do. That is the responsibility of every individual Senator. If you were invited to participate with the group and did participate, of course, you know more about the 'shenanigans' and demands and reasons than I do. I am not concerned with what railroads want, what the banks want or any group of people want. The only thing I want is to put real estate on a basis that the incoming Legislature does not have its hands tied, so that real estate in a group can come before this Body and those committees and obtain for themselves the same favorable consideration the other groups have already obtained for themselves. That is just as plain and simple as it can be said.

If this amendment is defeated, I will propose another amendment which would do what we ought to do, but it would be clear, there would be no misunderstanding as to the intention of this Legislature. You might say, 'What is that?' I will take the same section and just do this:

> 'The necessary revenues of the state and the governmental subdivisions shall be raised by taxation in such manner as the Legislature may direct.'

Now if you want a clear-cut issue, if you want the people of this state to understand what we are trying to do, why not give it to them in a form even a school child can understand, and then if the people, as a majority, distrust this legislative body and want to stand holding a cross of thorns as far as real estate tax is concerned, then they ought to remain in that way. Let's go the full way and give it to the people straight. Like the World Herald said, 'God hates a coward.' Let's do it in the open and let each Senator do what he understands and what the people understand—a simple amendment, a broad designation of power in which eventually the Legislature can determine ways and means to correct not only this situation, but any other situation, insofar as revenue and taxation are concerned.

Warner: Clerk will read the motion.

Srb: (Reading Senator Carpenter's motion to amend the Liebers amendment).

Carpenter: I have asked for a record vote.

Record Vote. Motion lost. (Page 60.)

Warner: Motion on the desk.

Srb: 'I move to amend Senator Liebers' amendment (pending) to LB 4 by striking out in Section 1, line 5, everything after the word 'direct.' Signed Terry Carpenter.

Members: Second.

Warner: Senator Carpenter has the Floor.

Carpenter: I will not take much time because I covered this in part in my previous explanation. All this does is that it delegates to future Legislatures, if passed by the people of this state, broad powers in order to raise by whatever means a majority of the Legislature desires in the future, the revenue necessary to operate this state, and puts every class and kind of property in the same category of consideration.

Warner: Any further remarks?

Carpenter: I ask for a record vote, Mr. President.

Record Vote. Motion lost. (Page 60.)

Srb: Motion on the desk.

Warner: Clerk read the motion.

Srb: 'I move the Liebers amendment be amended by striking after the word "values" in line 14, the following: ", and may substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state". Again in Section 2 and in the title.' Signed, Dwight W. Burney.

Members: Second.

Burney: Mr. President, Members of the Legislature. I think Senator Duis will pardon my amendment. Senator Bixler said a minute ago that would help us in this amendment. He said, 'Look at all the pigs that are sold before they are taxed.' I might also mention D. J. Cole's calves or maybe Fenske has them too. Why should we pick out grain? Next time we will be in here to exempt pigs, calves, etc. So what would my amendment do? It would have the Liebers amendment read thus:

'The Legislature may prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values.'

Then we would be writing no legislation for special groups. I sent down a minute ago and got the list of people who appeared for LB 4. They are J. G. W. Lewis, John E. Eidam of the West Central Cooperative Grain Company; J. O. Person; Arthur Carmody; O. H. Liebers; Charles Marshall, President, Nebraska Farm Bureau Federation; A. C. Sidner; Warner Sheldon, Nebraska Grain and Feed Dealers Association; and H. Clyde Filley, Nebraska State Grange. It shows that those who were appearing at the hearing were, about half of them, interested in grain and feed. Here is an elevator man, he has invested his money in grain and it comes the 10th of March. Why does he have that money invested in grain? To make money. Then why shouldn't he be taxed? Here's Hal Bridenbaugh, he has invested in cattle. Why should this grain dealer be treated any differently than Hal on his cattle on the 10th of March? Every farmer accumulating grain on the farm expects to make money off it. It is his asset. It is what he is trying to make money out of. Why should you treat grain any different than livestock? We say a lot of it is shipped without taxing. The same thing is true of a lot of items. Your turkey man never pays a tax. I would take the grain dealers out of your amendment.

Bixler: Mr. President.

Warner: Senator Bixler.

Bixler: I would like to answer you in this way. I think there is no intention that any one class be given any favored position at all. When I mentioned pigs I spoke about pigs the same as calves, but would point out under this constitutional provision it would permit this average annual inventory to tax all business in town or on the ranch on the average part of the year. That is what we want—what we are after—something that would benefit everybody.

I would like to ask if you also asked who the men were that appeared against LB 4? You will find that five represented the same, or one, outfit.

Burney: Mr. President, I would like to ask Senator Bixler a question. Now with the amendment as I propose to amend it, Senator, wouldn't we have that ability to say we will tax them on an average inventory? We are saying 'The Legislature may prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values.'

Bixler: I would be every bit in favor of that, but are you for this bill under that proposition?

Burney: I am, but I can't be for the bill if you are going to take the grain and seed dealer out from under taxation.

Bixler: Do you think with your amendment on it, the bill would pass?

Burney: I think so.

Liebers: Mr. President.

Warner: Senator Liebers.

Liebers: I would like to reply to Senator Burney that we are not trying to take any one out, we are trying to get a uniform, fair tax rate from a certain property that now is certainly out of line and has been for many years. As I said here before in my talk before you, if only 4 to 15% of the total wheat grown in this state, and the biggest single item of agriculture, corn, is being taxed only 15 to 20%, I don't believe we are on very good ground when we try to dodge that issue. We are trying to get a fair tax program for Nebraska.

I am informed my name was given on the list of those who appeared for this bill. I was very proud to appear for this bill because when I appeared before the committee on grain, I was representing agriculture as a whole, not only the grain grower, the grain handler, the possessor of grain, but also the livestock man. I was also representing in the interest of good, sound farming, which means the year-around operation of livestock, not just in and out. So that is the approach that I had to this. If we take this out, we have missed an opportunity to correct a situation in taxing the people. Now we have promulgated this thinking and it is this fact, as far as the tax purposes are concerned. The reason why it had to be treated separately was the uniform values clause, to change it from a dollar to a bushel basis, and because of the peculiarity of production.

Lee: Mr. President.

Warner: Senator Lee.

Lee: I would like to call to the attention of this Body that there were also grain men who were against this bill before the committee. Well, I suppose you would call Frank Haumont a farmer. He is with the Nebraska Farmers Union. I don't call Joe Reavis a farmer—but Haumont was not the only one against it. He was against it, so it wasn't unanimous, even in the trade, as to whether they wanted this exempt. It isn't exactly an exemption either. As Senator Liebers pointed out, we are not letting anybody else out.

Warner: Any further speakers? Mr. Burney, close debate.

Burney: Mr. President, Members of the Legislature. I know the men who introduced this amendment and the amendment as it is written, but I believe they are going to lose the amendment and the bill unless they accept my amendment. When we write into the Constitution a special dispensation for automobiles, and now a special dispensation for grain and seed is proposed, and what difference is there between the man who sells grain without tax and the man who sells calves without tax on them.

Warner: Clerk, read the motion of Senator Burney.

Srb: 'Amend the Liebers amendment to LB 4 by striking after the word "values" in line 14 the following: ", and may substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state". Again in Section 2 and in the title.'

Carpenter: Mr. President.

Warner: Mr. Carpenter.

Carpenter: I request a call of the House.

Warner: A call of the House.

(36 members present).

Carpenter: Mr. President, I move that the call be raised.

(Motion prevailed).

Warner: Voting on the Burney amendment.

Adopted.

Warner: Voting on the Liebers amendment as amended by the Burney amendment. Clerk, state the question.

Srb: (Reading Liebers amendment as amended by the Burney amendment).

Adopted.

Srb: Motion on the desk, Mr. President.

Warner: Clerk, read the motion.

Srb: 'I move to indefinitely postpone LB 4.' Signed, Terry Carpenter.

Members: Second.

Carpenter: If Senator Carmody has an amendment, I would like to withdraw my motion and consider his.

Carmody: Mr. President.

Warner: Senator Carmody.

Carmody: I move that we reconsider our action when we voted down the Carpenter amendment adding the words 'and real estate.' I voted on the prevailing side so I believe I am in order making this motion.

Members: Second.

Carmody: Mr. President, I am going to speak very briefly. Many people have spoken to some length and probably will again. The committee has tried to do something. As you know we have very little left of our original constitutional amendment to permit the Legislature to prescribe standards and methods for the determination of values of tangible property at uniform and proportionate rates. That was the phraseology under which we hoped to do something for real estate. I believe in what little we have left that if we would add the words 'and real estate' as in the Carpenter amendment, we could do a better job, and for that reason I am making the motion that we reconsider our action at this time and at least try to do something for the people of this state in the area where they say taxes would be the most painful.

Warner: Any other remarks? It takes 22 votes.

Carmody: Record vote requested.

Members: Question.

Coffey: Mr. President.

Warner: Senator Coffey.

Coffey: I would like to ask a question for clarification. I have not voted yet. I shall address this question to the legal attorneys in the room. I want to know if this amendment of Senator Carmody's is adopted, does that throw real estate wide open for a lowering or a raising above the average, without protection from the Supreme Court?

Carmody: Senator Coffey has asked a pretty wide request, and I see no one else has arisen, so I will try to answer. It would, as I interpret it, be what it says: It may provide for a different method of taxing motor vehicles and real estate. We are now taxing real estate on an actual value deal which is defined in the ordinary course of trade. I believe that if the people had a chance to vote upon it that they would vote for this one and if they did, I think the next Legislature would have the right to designate what method they would use in arriving at actual value. Certainly, I think they can find something much better than 1% of sales of real estate. They might set up a yardstick of sales over 10, 15, or 20 years—something used prior to the Laflin case. That is what we are trying to do, Senator Coffey.

Burney: Mr. President, may I ask Senator Carmody a question?

Warner: We ought to be voting, but I have no objection.

Burney: Senator Carmody, couldn't we do this same thing under the Liebers amendment, as you are talking about under your amendment? 'The Legislature may prescribe standards and methods for the determination of the value of tangible property' —couldn't you do the same thing under that amendment?

Carmody: That was what I thought we could do yesterday, but we met with a great deal of opposition in statements on that. It is not clear—it is just a little cloudy on that issue. The other is right out in the open, but I think the net result would be the same. In the one we referred to 'and real estate' and in the other that is not present.

Burney: You are leaving it wide open.

Carmody: Real estate may be wide open, but it is wide open to taxation now.

I request a record vote.

Carmody: Mr. President, I request a Call of the House.

Warner: A Call of the House.

(42 members present).

Beaver: Mr. President, I move that the Call be raised.

(Motion prevailed)

Warner: Voting on reconsideration. 22 votes to reconsider.

Record Vote. Motion lost. (Page 61.)

Warner: Any other amendment to Section 1? Clerk, read Section 2.

Srb: (Reading Section 2)

I have an amendment by Senator Liebers to Section 2 by striking lines 6 to 10, and inserting in lieu thereof the following:

'Constitutional amendment to permit the Legislature to prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and to permit it to substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state.' Amend the title of the bill by striking lines 5 to 9 and inserting in lieu thereof the following:

'permit the Legislature to prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and to permit it to substitute for ad valorem taxes other taxes upon grain and seed produced or handled in this state; to provide for the submission of the'.

Liebers: Mr. President, I move that the amendment be adopted.

Members: Second.

Burney: My amendment included that, Mr. President. Why didn't you amend this section to agree with Section 1?

Warner: Voting on the adoption of Senator Liebers' amendment as amended.

Motion carried.

Warner: Any other amendments to Section 2?

Lee: Mr. President.

Warner: Senator Lee.

Lee: If we haven't done so, I should like to amend line 2, Section 2 by striking the Roman numeral 'XV' and inserting 'XVI' in lieu thereof.

Members: Second.

Voice vote. Motion carried.

Warner: Any other amendments to Section 2? Read Section 3.

Srb: (Reading Section 3).

Warner: Any amendments? Read Section 4.

Srb: (Reading Section 4).

Warner: Any amendments to Section 4? Any amendments to the bill as a whole? Clerk, read the title.

Srb: (Reading title).

Carpenter: Mr. President. There is a motion pending on the desk.

Srb: 'I move to indefinitely postpone LB 4.' Signed, Senator Terry Carpenter.

Members: Second.

Carpenter: Mr. President. First I would like to ask the chairman of the committee in whose name the bill has been brought about, to give me any single instance where real estate can get any relief.

Liebers: The Legislature may pass legislation at the next session that may give some relief and consideration. It is definitely felt by the legal brains that we have called from time to time and those of our committee and those in our group here, that if nothing more, it would have a tendency to loosen up and liberalize the term 'actual value' and with proper legislation proposed at the next session we might accomplish consideration towards getting a formula or yardstick for real estate that we want.

Carpenter: Will you read that section of the bill, Senator, which will do what you say it does, what you contend it will do —where real estate can be benefited?

Liebers: Of course, what we are after is a formula or yardstick or any sensible, business-like valuation of real estate. That is what we are after. This, here, is not as clean-cut, as we would like to have it. This would do (and it all depends upon the interpretation of the courts) if the Legislature comes in with strong legislation to set up a yardstick for measuring real estate, and will at least have a tendency to liberalize the attitude of the court and their interpretation of the statute as it now is.

Carpenter: Let me state part of the reason we are making a transcript, in which I understand the court probably will, at some future date want to understand the intention of why the Legislature passed this bill, Liebers, is why I am asking you specific questions. So I want you to point out where in this bill here it says what you say it will do, specifically.

Liebers: Where it says that 'The Legislature may prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values.'

Carpenter: Is that the intent of this committee there to do for real estate what is being done for other tangible property?

Liebers: It is our intent to accomplish that, but I am not in a position to say, and I do not think there is anyone in this room who can say, that we can accomplish that program in full or to a very large degree as it is now written, but if we could gain even the liberalization of the court's interpretation of that standard of actual value, we will have accomplished a great deal.

Carpenter: Let me ask the Senator: As long as we have the opportunity to speak and to eliminate any doubt in the mind of the court, why don't we do it now?

Liebers: You wish an answer on what the committee feels about it?

Carpenter: From you as chairman.

Liebers: I am personally hoping we can accomplish an articulate measure for real estate.

Carpenter: But you have just mentioned grain and seed. Carmody in speaking asked why, as long as in special session we did not add the words 'and real estate'. Why not eliminate or correct his concern and spell out what we mean?

Liebers: If we can accomplish that, I am for it.

Carpenter: How does it accomplish it?

Liebers: By getting agreement in the minds of the people.

Carpenter: It is your opinion we can get agreement in the minds of the people?

Liebers: You will recall quite clearly what happened at the hearing.

Carpenter: How do you mean?

Liebers: There were certainly those that didn't want things spelled out. No one apparently wanted things spelled out. The committee gave their expressions.

Carpenter: You have a legal opinion from the Attorney General's office which would lead you to believe that the passage of this bill by this Legislature would be the means by which the Supreme Court could more liberally interpret the position of real estate?

Liebers: Not alone by the Attorney General's office, but by the legal minds in this room here. I would like, I think, to hear from Senator Brower, who has been thinking a good deal on this. I think he would be in a better position to give the opinion I am talking about.

Carpenter: I would like to ask Senator Brower if he can explain, in his legal judgment, what would happen.

Brower: Mr. President.

Warner: Senator Brower.

Brower: I am not prepared to say what the Supreme Court would do under this amendment. I know this—that the territory covered would do this: The Legislature can prescribe a certain yardstick for the assessment of real estate, but I don't know what the Supreme Court would do to the laws. I will say this: That in some of those cases they didn't directly hold that it was unconstitutional. They held that it was also in disagreement with certain other statutes. Other cases have the inference that perhaps the court might hold it unconstitutional.

We have left in this bill just about one line that adds anything to our present Constitution, and that is that the Legislature may prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values. Now that should, in my opinion, influence the court's opinion in liberalizing their prior opinion and in giving us some hope that the court would hold that we may use some yardstick in which we would spell out that they could use the income of real estate and the fluctuation over a period of time on real estate as a value. I am quite sure, however, that I can't assure you of the holding of the court. That is true.

You must know that the committee had a wider bill to start on. That bill was heard before the legislative committee and was voted down; and that there was the assurance of Mr. Liebers that we intended to amend it that way if we ever got it out of committee at all. He added on to this grain and seed. We felt that because they were in the seed business, although very real tangible property, handling of seed is represented as intangible. That is, after leaving the farm, where it is on a tangible basis, and it is sent to the elevator, it seems then to be on past receipts in some instances and on stores of grain in some instances, and nobody knows what particular grain is there, only that all of it is in Kansas City or any place here. For that reason, we felt that perhaps this other tax that the Legislature has not seen fit to enact might be a good thing, but the Legislature has not seen fit to add it and we have left in this constitutional amendment but one thing there. If there is a need in there, it is this: To liberalize the interpretation of the Supreme Court as to applying a yardstick for determining the values in certain instances. That is what we have got, and that is all we have got, and I am not in a position to guarantee what the court will say.

Carpenter: It is the intent of the Senator—of the committee—that the bill as now before this Senate is to provide a more liberal interpretation of the rules, and the flexibility of real estate? That, in your judgment is the purpose of the bill as now contemplated?

Brower: That is the only purpose.

Carpenter: I would like to suggest—I may be a little bit presumptive—but I think this is an important bill, and I would like to make the record so if the bill does pass that we will have in writing something that the court can, at some future time, interpret and I am attempting, trying, to ask the Senators to make a statement as to what their intent is and if they can point out in any existing law what their intent is.

Vogel: Mr. President.

Warner: Senator Vogel.

Vogel: I would say we should leave it up to the Supreme Court to determine what the intent of the Legislature is. I would say, if this bill ever gets up to the point of voting on it, I expect to vote for it, with the understanding that it will permit the Legislature to adopt a yardstick to measure values.

(The Legislature recessed from 4:15 to 4:30 p.m.)

Warner: Motion before the Legislature.

Srb: Motion before the Legislature that LB 4 be postponed indefinitely.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: There are, as I recall, 42 Senators present, and I would like to ask all the 42 Senators assembled whether or not now there is any one Senator who disagrees with the objective there in this—as to whether this bill (LB 4) can provide a more liberal interpretation by the court in order to make possible obtaining a different formula in the assessing of real estate than now prevails. If there is a Senator here, of the 42 present, who believes that is not the intent of LB 4, I would like to have him so state.

Tvrdik: Mr. President.

Warner: Senator Tvrdik.

Tvrdik: Mr. President, Senator Carpenter, Members of the Legislature. I think that this bill as now amended by the Legislature will spell out specifically the intent and position of this Legislature, with regard to what is intended. I want to state further that with some of the legal minds that we have, that right now under the present Constitution, we can make statutory changes and those are the questions I would like to refer to the legal minds of this Legislature. We have a definition of what is actual value in our statutes, and I believe the Supreme Court has said that it is in compliance with the Constitution, if you say with the statute, for instance, on 'actual value', that everything has to be on an actual value basis. We could use another terminology or word like 'normal value' or any other phrase as long as we say that all the property is in the same sphere.

Now, Senator Carpenter has asked the members of the Legislature what their interpretation is, and I would like to ask him his interpretation of the statute. I would like to say that in Section 77-112 it says that actual value is defined. First, I would like to refer to Section 77-201, 'the property tax value basis of assessment on property of the state not expressly exempt therefrom shall be assessed at its actual value'; and the other section, which is a definition section, defines what actual value is. By actual value is meant 'the market in the ordinary means of trade.' This is an old law which dates back to 1903 and is carried back to our statutes from time to time. I am fuzzy on it myself, but it had something to do with 20-year averages or something, that taxes had to be considered in the value of assessment, and the

Supreme Court ruled otherwise. Then it goes on and the same part of the law is carried since that time.

Senator McNutt, you have legal training, maybe you could give us a further explanation.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: In a court decision in 1938, the Supreme Court said that so far as the existing Constitution is concerned, that we are now considering, it couldn't be done. The Laflin case —the prevailing decision—says this:

'It is clear from an examination of the record' (I am quoting the Supreme Court) 'before us that the Board failed in its duty to value farm lands and improvements on the basis of their actual value and to equalize between counties for the purpose of compelling compliance with controlling statutes on the subject. We cannot see where the 20-year average sale price of lands of similar kind or class in a county can have any evidentiary value in determining present market value. It seems to us that an attempt to offset present high or inflationary values by averaging in the low market values of 1933 and 1934 is in direct opposition to the intent of the law. It is the duty of the Board to fix the value of farm lands and improvements at their actual value at the time they are appraised for assessment purposes.' (Which is every year.) 'Any attempt to depart from this provision of the statute by averaging values during past periods of time which are too remote to have evidentiary force, constitutes a noncompliance with legislative direction and any relief from this requirement, if relief is required, must come from the Legislature.'

Now as to the relief we are trying to get from the Legislature in this bill we are now considering, the Supreme Court said real estate is in a fixed position. It can be considered on no other value except the actual value each year as assessed in relationship to those sales made. Now we can't change the law until we change the Constitution unless you say the Supreme Court has no force or effect. So the court is plainly explicit that the only interpretation holders of real estate have is in this sentence. Now our object is to pass some law that will enlarge the interpretation of how real estate will be assessed, and if we don't do it here in this session, it cannot be done for three years.

I say this to the Senator from Omaha with good fellowship, as I think his point is well taken, only I offer this in explanation of why we can't tamper with the word 'actual' because the Supreme Court in numerous decisions has said this in strict language: We find that real estate because of its physical nature can't disappear and has to be assessed and is the only type of thing in tangible property that can't be flexible insofar as the taxpayer is concerned. For example, if you had corn on the farm (and I don't say any farmer would do it) and thought the taxes through levy and taxation were too high, irrespective of what the Board said should be assessed, he could regulate the tax by not seeing all the corn. The same thing is true of cows or hay or calves or stocks and bonds. Everything can be squeezed down within the taxpayer's conscience. That is the difficulty we find ourselves in today. The purpose of all these laws is to put real estate in the same flexible condition. Even so, the law doesn't say it is receiving that.

I am assuming, Senator Tvrdik, that you have no disagreement with the intent—that it is the intent of this law to liberalize the interpretation of assessment of real estate.

Tvrdik: If I may, Mr. President, and without infringing on my colleagues—I believe the Supreme Court, in what you read and stated majestically, said you could not use a 20-year average on real estate, unless you would extend it to other classes of property on the 20-year basis. If you want to leave the 20-year average on real estate, then you must extend that into all classes of property.

Carpenter: Does the Senator think that would be a practical application?

Tvrdik: I think so. I think this present Legislature, under its present statutory rights, given us by the Constitution, can do those things, but this present bill will spell it out specifically. Now the Attorney General is somewhat hesitant to say that the present Constitution could do that, and if this goes out to the people and it is enacted, there might be a case come to court and the Supreme Court would say, in effect, that we cannot use this 20-year average, and then our purpose has been nullified. So it could be embarrassing from that angle.

Carpenter: Would you say that if you were to adopt the 20-year average, it would be practical on stocks and bonds, real estate, livestock, cattle, motor vehicles and trucks, that you could from a practical standpoint apply it on all forms of property, tangible and intangible, if we can do it?

Tvrdik: I don't know whether it is practical, but it is a possibility and those are the things that can be discussed with legal minds—possibly with the Attorney General.

Bixler: Mr. President.

Warner: Senator Bixler.

Bixler: I had a part in the writing of this amendment here offerred, or what is left of it, and Senator Tvrdik was present when that was discussed with the legal minds of the Legislature, along with the Attorney General's office, and I know we had a combination of forces who have opposed this bill for various reasons. Some believed their own formula might be concerned. Some think that the uniformity clause would be disturbed and they don't trust us too far and don't trust future Legislatures too far, but some adjustment was made and all were willing to go all the way, and there is some possibility that we will have a court interpretation that will allow a graduated classification.

Carpenter: Is it the Senator's belief that it is his intent and the intent of the committee, to the best of his knowledge, to make it possible by the passage of LB 4 for the courts to interpret a more liberal formula insofar as real estate is concerned?

Bixler: That was expressed in the meeting when this was brought up. At that time those representing the opposition agreed to do, in essence, the same thing.

Carpenter: Let me again put the question and I will shut up. Is there any Senator present of the 42 members but what thinks it is the intent of this bill to allow the Supreme Court of the state to interpret more liberally and allow a more flexible formula to be applied to real estate?

Tvrdik: I want to say that some members of the Legislature do not allow that it will.

Liebers: I would like to add this: I don't want to repeat what has been said, but in our concern over this amendment, we looked at the constitutions from a number of other states bearing on this specific thing, and while their language in many cases was almost identical with the language in our Constitution dealing with this matter—in dealing with values of real estate—we have found that they are more liberal. In fact the comment has often been made in our state that our Constitution is more restrictive than that of any other state. That gives us additional hope, as expressed by Senator Brower, that it might make it worth while to get a yardstick for measuring our real estate under proper legislation.

Carpenter: I have done what I could in my small way to get on the record this matter for whatever good it might be. I ask that my motion be withdrawn.

Warner: Clerk, read amendment on the desk.

Srb: 'I move to amend LB 4 by inserting at line 14 "and may substitute for ad valorem taxes other taxes per unit of measurement as defined by the Legislature".' Signed, Herbert J. Duis.

Members: Second.

Duis: Mr. President. I propose this amendment in a very sincere attempt to solve that problem which has been brought up by Senator Liebers and probably others here, in the cutting out of the entire amount. I think that this amendment would take care of different types of units if this is written in there, but not what that unit of measurement should be, (we think it should be a unit per bushel) and it would open up the Constitution so it could be acted upon by the Legislature if they see fit.

Warner: Voting on the adoption of these amendments.

Srb: (Reading the Duis amendment).

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: I would like to ask Senator Liebers if he is in favor of this amendment, since it is his bill.

Liebers: Yes, I am.

Members: Question.

Amendment adopted.

Liebers: Mr. President.

Warner: Senator Liebers.

Liebers: I move that LB 4, as amended, be advanced to E and R.

Duis: Mr. President.

Warner: Senator Duis.

Duis: I intend for that section to take on that title. I ask for unanimous consent to amend the Liebers amendment number 2 and the title of the bill to conform to the amendment just adopted to Section 1.

Burney: Mr. President.

Warner: Senator Burney.

Burney: I object. I would like to make a statement on this second motion. If I understand Senator Duis' motion at all, he is opening this taxation problem wide open. He now has it so that we can tax anything any way we decide we are going to and we will be in here for a year or six months.

If I understand his amendment correctly, he is making it as wide open as if we had accepted Senator Carpenter's amendment to strike everything except that first sentence. I hope we understand what we are voting on if we accept Senator Duis' amendment.

Nelson: Mr. President.

Warner: Senator Nelson.

Nelson: The remark was made this was practically what my amendment was this morning. I did try to explain what my amendment was and to let people know that this was preferential legislation, as I saw it. Now the danger of this amendment is that if the Legislature so sees fit to go into different classes of property, they could do so. What are we going to run our local schools on in our territory when that excise tax is put into the state treasury. There is no protection except to fall back on the real estate in our area if they adopt this amendment. This is dangerous legislation, when you try to take personal property tax out of our school district.

Vogel: Mr. President.

Warner: Senator Vogel.

Vogel: I should say what we are discussing now is a change in the introducer. I think the motion is out of order.

Adams: Mr. President, what is the motion?

Srb: To amend Section 2 of the Liebers amendment and then amend the title to conform to the amendment adopted to Section 1.

Adams: Senator Burney, may I ask you a question?

Burney: I will try to answer it for you.

Adams: Senator Burney, from the case read by Senator Carpenter, that we are now engaged in, is it your conception that the case itself makes the inference that the Legislature can make those changes, and will the same inference be there that this Legislature has the power to do what we are now asking the Constitution to do? Will you make that plain to me?

Burney: All we can do is put a constitutional amendment up to the people and if they vote for it, then we are supposed to believe that the Legislature can implement it.

Adams: As we stand, are we with the power ourselves to do just exactly what we are proposing to do?

Burney: I believe we are.

Adams: May I ask Senator Brower the same question? The Supreme Court has indicated that the Senate itself has power to do now, what we are proposing here to do?

Brower: I am glad to say that not in that case. In other cases, as I understand it, it would be against the Constitution. This particular amendment that you have now opens up the whole matter, provided—

Carmody: Mr. President, I move that we adjourn.

Members: Second.

(Voice Vote. Motion carried.)

Warner: Legislature adjourned.

Legislative Chamber, Lincoln, Nebraska

9:45 a.m., Wednesday, May 5, 1954

LB 4

Duis: Mr. President.

Warner: Senator Duis.

Duis: I wish to do this morning what I realized I should have done last night in deference to Senator Burney. He got up at the right time and objected to the unanimous consent of adding my amendment to Section 2 and the title. I do not know whether I submitted a motion or not.

Srb: Yes, sir.

Duis: I ask consent to withdraw the motion.

Warner: Any objections?

Burney: Mr. President.

Warner: Senator Burney.

Burney: In order to keep the record straight, I want to have the motion read.

Srb: Motion of Senator Duis asking 'unanimous consent to amend the Liebers amendment number 2 and the title of the bill to conform to the amendment just adopted to Section 1.'

Warner: Any objections?

Adams: Mr. President, I object.

Duis: Since there is an objection, I move the adoption.

Members: Second.

Duis: Mr. President: I would ask a machine vote.

Warner: Voting on Duis amendment to Section 2.

Motion lost.

Duis: Now, Mr. President, as I was on the prevailing side—as a matter of fact I proposed the amendment—I would move that we reconsider our action on the vote on my amendment of LB 4 of yesterday on Section 1.

Members: Second.

Srb: Reconsideration of Senator Duis' motion adopted yesterday: 'I move to amend LB 4 by inserting at line 14 "and may substitute for ad valorem taxes other taxes per unit of measurement as defined by the Legislature".'

Members: Question.

Motion carried.

Duis: Now, Mr. President, first of all, I wish to say to the Legislature that in my amendment to 4 yesterday, I truly tried to help and I would like to have LB 4 become a reality in good form. Sorry I delayed the vote and sincerely apologize to Senator Liebers and any one else who I might have attracted into this proposition in a hurry. I think we should have taken more time to think it out, but I am happy about one thing. I think that by holding the bill over for serious thinking on what we want in the bill, you will come up with thoughts which will put it right in everyone's mind, and I hope that is so because I wish to do whatever we can to help whatever we can in this matter of the tax situation. I have asked that this amendment be reconsidered now and put to a vote and put us back where we can get back on the right track.

Members: Question.

Adams: Mr. President, I would like to ask the Clerk to read the amendment, please.

Srb: 'Amend LB 4 by inserting in line 14 "and may substitute for ad valorem taxes other taxes per unit of measurement as defined by the Legislature".' Signed, Senator Duis.

Adams: Mr. President.

Warner: Senator Adams.

Adams: I think that this amendment should not be allowed to be withdrawn and ought to be supported for the following reasons: The resolution that we have just adopted (Legislative Resolution 2) definitely indicates that we are at sea as to what we are trying to do and that further study is necessary. The resolution of the last session of the Legislature which sent this question to a special committee to be reported back to the succeeding Legislature, prevailed. Hasty action such as we are now having (and candidly I am definitely sure that we are guessing what we are trying to do)—we are absolutely too hasty in concluding upon a matter so ponderous as this matter is. I think that in all fairness to those of us who expected that this question would be finally determined by a committee and submitted to the Body by which the report was requested, that that should be done.

Now this bill that we are now acting upon is a part of the report of that committee. No question about that. The report of the committee could itself be handled by the Legislature, and since it is reporting, it could have parts of it deleted, were that necessary, and parts adopted. So you have taken away the privilege of the citizens of this state, and you ought not to do that.

Now I am definitely sure that the leading minds of the State of Nebraska upon the requirements for proposals of this kind have taken time out and appeared before this Body and advised with this Body. Notwithstanding that advice, we are now in a pell-mell, helter-skelter hurry to do something we are imposing upon the people of the state unnecessarily. I believe (I am candid) that, left to justice and evenness of conscience, you would say I am right and go along with that. It is not necessary. No emergency exists. There is not a single person in this room that can stand on the Floor and say what the emergency is, and yet I would say you are blindfolding the people of the state in declaring an emergency when that emergency doesn't exist. I make this statement because I feel I am neutral. I was not a part of any coalition or a part of any group meeting in the hotels. I think there is a fundamental part of the people of the state who are just as anxious about the tax question as you. I conclude with this statement, and again, I think that I am right:

If you can stand up and say in what respect, as representatives of your constituents, you are not representing special interests to the disadvantage of the taxpayers of this state, then I will close my mouth forever. Take them, one by one, and show me how the ordinary voter of the state stands as to those to whom you are giving special attention.

Now, gentlemen of the Senate, let us by the presence of statesmanship, forget friends, forget any heat or pressure, and let's be neutral. If neutral, we will be absolutely fair to the last Legislature that sent this question to the succeeding Legislature and we will not take it out of their hands.

Warner: Any remarks?

Members: Question.

McNutt: What is the question?

Srb: Voting on the Duis amendment to Section 1. We have voted reconsideration and we are voting on the adoption.

Motion lost.

Srb: Mr. President. A motion on the desk.

Warner: Read the motion.

Srb: 'I move to amend the Liebers amendment to LB 4, line 13, after the second word "of", by adding the words "real or other" and by adding the same amendment to Section 2, line 4.' Signed, Senator Carmody.

Members: Second.

Carmody: Mr. President, Members of the Legislature. If this amendment is adopted, here is all it would do and how it would read:

'The Legislature may prescribe standards and methods for the determination of the value of **real or other** tangible property at uniform and proportionate values.'

Now, yesterday afternoon I think the intent of this Body was, to a great extent, clarified and they were united in their views to do something for real estate. Now I have talked with the Attorney General's office on this amendment and they favor it and suggested the word 'or' and it was added—my thought was 'and'—that it may further clarify and further carry to the Supreme Court the views of this Body and that it could in no way hurt, and might be helpful, in further clarifying the intent of this Body to relieve in some manner the exclusive tax on real estate, and that is all it is, gentlemen.

Burney: Mr. President.

Warner: Senator Burney.

Burney: I want to concur with Senator Carmody on this. I had the same idea yesterday in my amendment but was informed that tangible included intangible property. I go along with this amendment.

Syas: Mr. President. I am not in favor of it.

Members: Question.

Warner: Voting on Carmody amendment.

Motion carried.

Person: Mr. Chairman. I move that LB 4 be advanced to E and R.

Srb: Mr. President. Amendment on the desk.

Warner: Read amendment.

Srb: 'Mr. President, I move to amend the Liebers amendment to LB 4 after the word "values" in Section 1, line 14, to read: "and may substitute for ad valorem taxes other taxes upon grain." And the same amendment in Section 2, line 5.' Signed, Senator Carmody.

Tvrdik: For all practical purposes, that is reconsideration.

Members: Second.

Carmody: Mr. President, Members of the Legislature. This is how it would read:

'The Legislature may prescribe standards and methods for the determination of the value of tangible property at uniform and proportionate values, and may substitute for ad valorem taxes other taxes upon grain.'

And we stop right there. If the Legislature sees fit to adopt it and if people of the state see fit to adopt it, the next Legislature would have the problem on their hands in order to decide what to do with it.

I want to read, if I may, a short statement by the editor of Nebraska's largest newspaper, and this is what he has to say in the editorial column this morning:

'The second part of the sentence quoted above proposes to authorize needed tax relief for the grain and seed industry.

'At the present time Nebraska taxes grain at the ad valorem (according to value) rate, while the neighboring grain states of Kansas, Iowa, South Dakota, and Minnesota tax it by the bushel—at rates varying from 1/8 to 1/2 mill per bushel.

'The difference between that system and Nebraska's is substantial, and if continued would severely handicap one of Nebraska's basic industries. As a matter of fact, in most

Nebraska counties the ad valorem tax on grain is from 300 to 500 per cent larger than the terminal's fee for handling the grain. In other words, the dealer is obliged to handle from three to five carloads merely to pay the tax on one carload that was in his possession on March 10.

'In older times, when grain was in brisk demand in a free market, both growers and dealers could protect themselves by selling before March 10. But in these piping times of surpluses, somebody is bound to get stuck.'

Now the Omaha World-Herald has at times not been friendly to this special session, but in this they have faced the problem with an open mind, without prejudice. This newspaper is not owned by any special interest that I know of.

Nelson: Would the Senator yield to a question?

Carmody: Yes, sir.

Nelson: Have you ever considered what this will do to the school districts outstate when you take this amount of personal property out of those districts and what it will do to real estate and other property?

Carmody: Senator, as I read it 'existing revenue laws shall be continued in effect until changed by the Legislature'. Now the next session of the Legislature, Senator, will have it within their power, if the people so decide, to tax this grain and allocate the tax in any manner they decide.

Nelson: If taxed at a lower rate, it would decrease the revenue for schools in that area.

Carmody: Is that a question? Assuming that it is, I would say that we have a group of people not seeking to escape taxation from the producers' standpoint, but a group actually asking for taxes in order that **all** producers may be taxed.

Tvrdik: Mr. President.

Warner: Senator Tvrdik.

Tvrdik: I would like to talk to the Legislature this morning. This thing disturbed me, so overnight I had occasion to call on one of the finest law firms (with due deference to those lawyers in this Body) in connection with statutory rights of grain dealers. This can be verified. I am told we have a grain statute—Sections 77-1222 to 77-1224, inclusive.

I am told we can pass legislation, or we have now on our books, such legislation, that we can tax the grain people on average invested capital, and there are cases cited by the Supreme Court; and I want to say (so I am told) that this Legislature does now have the authority and the right to tax on a millage basis under the present statute. If you just stop to think, we tax on a millage basis now, money in the bank and tangible receivables. I believe it is unnecessary to adopt this amendment to tie it into the Constitution. This bill, as it is now in shape, in my way of thinking, is a good bill and does like Senator Brower and others—Senator Liebers and others—said. It will give a broader interpretation to the Supreme Court of the intent of this Legislature, and I believe if it is passed by this Legislature that it would be favorably received by the people of Nebraska and would be made a part of our Constitution, especially in view of the fact that we have those rights now. My point was to call that to the Legislature's attention.

Syas: Mr. President.

Warner: Senator Syas.

Syas: Mr. President and Senators. The next motion is going to be to advance this bill. Before we do so, let's do exactly what we started to do yesterday, and make our intent clear. I think Mr. Carpenter should take over to make our intent clear all over again, for the reason we have had some amendments taken off and put on since then, and I think any one reading the records now would be all mixed up. We should make the intent clear before it is advanced.

Burney: Mr. President. We have an amendment to be discussed now.

Warner: Clerk read amendment on motion.

Bixler: Mr. President.

Warner: Senator Bixler.

Bixler: I should like to ask Senator Tvrdik a question: You say that we are now presently able to tax grain on a millage basis—a production tax?

Tvrdik: That is my understanding according to this law firm. And you know last session we reduced tangible Class B from 8 to 4 mills. That is a statutory right.

Lee: That is an intangible tax.

Carpenter: Mr. President.

Warner: Senator Carpenter.

Carpenter: I think that we are governed with a practical situation here, that the bill as it is now amended by the first Carmody amendment, from what I can feel, is pretty much acceptable to almost every member here. I think this thing is a compromise in that we must give and take to the extent we are going to end up with something. I sense a great deal of opposition to the last amendment. There is no question that the amendment has a great deal of merit, but I don't think any amendment should have the merit to put the bill in the position that it may be defeated in its entirety. I think this Legislature now ought to make up its mind to rest the bill as it now is—move it over and pass it; that it is the best deal this Legislature can pass; that it is not what we want, not what any one wants, but is a compromise as to what everyone wants. We have something now at least, I feel, if this Legislature will accept this bill as it is, but if you put anything more in I think we will end up with nothing.

Carmody: Mr. President.

Warner: Senator Carmody.

Carmody: Members of the Legislature. My purpose in making the second motion was in order to be allowed to speak on this problem this morning and bring to you the feeling of Nebraska's largest newspaper, and I believe full well the agricultural interests and people who would like to see grain placed in a better position than we have today, will circulate petitions and have it on the ballot. My idea was to split this so there was a separate item on grain and not on LB 4, and now with your consent, since we have had this discussed, I move we have this motion withdrawn, as I have accomplished my purpose.

Warner: Clerk, read motion.

Srb: Senator Carmody's motion to amend the Liebers Amendment to LB 4 after the word "values" in Section 1, line 14, to read: "and may substitute for ad valorem taxes other taxes upon grain." And the same amendment in Section 2, line 5.'

Warner: Any objections? Motion will be withdrawn.

Person: Mr. President. Motion to advance the bill.

Members: Question.

Voice Vote. Motion carried.

LB 10

Williams: Mr. President.

Warner: Senator Williams.

Williams: Mr. President and Members of this Distinguished Body: At this time I want to thank the members of the Joint Committee who realized the importance of Legislative Bill No. 10 when they let it out of committee by unanimous vote. I still feel as I felt yesterday and I know several members of this Body and several people of the State of Nebraska consider this the most important piece of legislation before us, but I want you people to remember this is probably the most drastic tax change to be considered in this Legislature for the last 30 years, and I am willing and think it should be done—that a committee should be appointed and a special study made on this subject and then it should be brought before the next session of the Legislature.

For that reason and with the wish of the other members of the Legislature, I would like to make a motion to indefinitely postpone LB 10.

Burney: Mr. President.

Warner: Senator Burney.

Burney: To keep the record straight I am asking: Did the motion that said we should take up LB 4 include LB 10? We were considering the resolution and I think we are going to have to consider the resolution or consider the motion before. I think our motion should have been included with 4. It is just a question of procedure.

Williams: That doesn't make any difference.

Adams. Mr. Chairman.

Warner: Senator Adams.

Adams: I am venturing an objection, but this is contrary to law and our procedure and I believe that LB 10 is the property of this assembly now and it may not be withdrawn in the manner attempted. At this time I ask the ruling of the Chair.

Williams: I asked to have it indefinitely postponed.

Warner: Clerk, read motion.

Srb: 'I move that LB 10 be indefinitely postponed.' Signed, W. J. Williams.

Members: Question.

Voice Vote. Motion carried.

Williams: Mr. President.

Warner: Senator Williams.

Williams: There is a resolution on the desk which I would like to have considered at this time.

Srb: Legislative Resolution 3, introduced by Senator W. J. Williams.

'WHEREAS, the State Board of Equalization and Assessment now equalizes the value of all tangible property in the State of Nebraska for taxation, and

'WHEREAS, counties and political subdivisions feel that if equalization of the value of property was on the local level, a more uniform valuation would be obtained on the same class of property.

'NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA LEGISLATURE IN SIXTY-SIXTH (EXTRAORDINARY) SESSION ASSEMBLED:

'That the Legislative Council appoint a committee to make a study of the tax laws as required by this resolution and report to the next regular session of the Legislature. The report to contain:

'1. Methods of equalizing values of tangible property by counties; and

'2. Necessary bills to be introduced in the Legislature to carry out the provisions of the report.'

Williams: Mr. President. I ask unanimous consent to consider this resolution at the present time.

Warner: Clerk, state the motion.

Srb: The motion is to suspend the rules to consider Legislative Resolution No. 3.

Motion carried.

Warner: Adoption of the resolution.

Members: Read it again.

Srb: (Reading Legislative Resolution 3.)

Warner: Voting on resolution. 22 votes necessary.

Motion carried.

I, Edith McMahon, hereby certify that this is a true and exact copy of the transcript of discussion on Legislative Bills, pursuant to motion by Senator Robert McNutt adopted by the Legislature appearing in the Legislative Journal for the First Day, April 20, 1954, of the Sixty-Sixth (Extraordinary) Session, and motion by Senator Terry Carpenter adopted by the Legislature appearing in the Legislative Journal for the Sixth Day, April 29, 1954, of the Sixty-Sixth (Extraordinary) Session.

(Signed) Edith McMahon
Reporter

CERTIFICATE

I, Hugo F. Srb, Clerk of the Legislature, hereby certify that the foregoing is a true and correct copy of the Legislative Journal of the Sixty-sixth (Extraordinary) Session of the Legislature of the State of Nebraska, convened and held in the city of Lincoln, State of Nebraska, April 20, 1954 to May 7, 1954.

(Signed) Hugo F. Srb
Clerk of the Legislature

July 1, 1954
Lincoln, Nebraska

LEGISLATIVE BILLS

Approved After Adjournment

The following Legislative Bills were approved by the Governor after adjournment:

May 10, 1954

Legislative Bill 1
Legislative Bill 2
Legislative Bill 3
Legislative Bill 4
Legislative Bill 7

STANDING COMMITTEES

STANDING COMMITTEES OF THE LEGISLATURE

Sixty-sixth (Extraordinary) Session

(April 20-May 7, 1954)

AGRICULTURE—Bridenbaugh, Chairman

Moulton	Brower	Martin
Marvel	Cramer	Coffey
Williams	Carson	

BANKING, COMMERCE AND INSURANCE—Kotouc, Chairman

Klaver	Nelson	McNutt
Duis	Carpenter	Hubka
Diers	Beaver	

BUDGET—Carmody, Chairman

Liebers	Pizer	Dooley
Syas	Peterson	McHenry
Anderson	Shultz	

COMMITTEE ON COMMITTEES—Lillibridge, Chairman

Duis	Klaver	Marvel
Peterson	Vogel	Bridenbaugh
Carson	Hill	Wilson
Larkin	Kotouc	Burney

EDUCATION—Marvel, Chairman

Moulton	Williams	Carson
Brower	Martin	Cramer
Bridenbaugh	Coffey	

ENROLLMENT AND REVIEW—Martin, Chairman

GOVERNMENT—Wilson, Chairman

Aufenkamp	Klaver	Larkin
Britt	Vogel	Fenske
Duis	Person	

JUDICIARY—McNutt, Chairman

Tvrdik	Nelson	Hubka
Carpenter	Kotouc	Lee
Adams	Beaver	

LABOR AND PUBLIC WELFARE—Klaver, Chairman

Vogel	Larkin	Duis
Britt	Person	Wilson
Aufenkamp	Fenske	

MISCELLANEOUS APPROPRIATIONS AND CLAIMS—Hill, Chairman

Burney	Cretsinger	Bixler
Lillibridge	Diers	Cole

PUBLIC HEALTH AND MISCELLANEOUS SUBJECTS—Person, Chairman

Adams	Cretsinger	Cole
Aufenkamp	Fenske	Bixler

PUBLIC WORKS—Carson, Chairman

Brower	Moulton	Martin
Bridenbaugh	Cramer	Coffey
Williams	Marvel	

REVENUE—Vogel, Chairman

Lillibridge	Wilson	Lee
Burney	Larkin	Britt
Tvrdik	Hill	

RULES—Cramer, Chairman

Duis	McNutt
Beaver	Klaver

INTERGOVERNMENTAL COOPERATION—Burney, Chairman

Members

Williams	Bridenbaugh
Lillibridge	Vogel

Alternates

Moulton	Hill
Beaver	Nelson

Lee, delegate at large

Carmody, alternate at large

REFERENCE—

Charles J. Warner, Lieutenant Governor
Charles F. Tvrdik, Speaker
C. C. Lillibridge, Chairman of Committee on Committees

LEGISLATIVE BILLS
By Original Introducers

LESTER H. ANDERSON

9 Homesteads, tax exemptions.

J. MONROE BIXLER

1, 4, with others.

ROBERT C. BROWER

4, with others.

ARTHUR CARMODY

1, 2, 3, 4, with others.

TERRY CARPENTER

4, with others.

TOM COFFEY

8 Sales tax, income tax, combination.

HERBERT J. DUIS

7 Prohibiting levying of state property tax.

SAM KLAVER

10, with others.

OTTO H. LIEBERS

1 Appointment, Tax Commissioner, Tax Commission.
2 Appointment, County Assessors, Boards of Equalization.
3 Tax exemption, household goods, personal effects.
4 Determination of value of real or tangible property.
5 Sales tax, allocation.

JOSEPH D. MARTIN

1, 4, with others.

O. H. PERSON

1, 3, with others.

KARL E. VOGEL

1, 2, 3, 4, with others.

W. J. WILLIAMS

10 County valuations, equalization.
9, with others.

LEGISLATIVE BILLS WITH MORE THAN ONE INTRODUCER

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1 Liebers, Carmody, Bixler, Martin, Person, Vogel. Appointment, Tax Commissioner, Tax Commission.
2 Liebers, Carmody, Vogel. Appointment, County Assessors, Boards of Equalization.
3 Liebers, Person, Carmody, Vogel. Tax exemption, household goods, personal effects.
4 Liebers, Carmody, Vogel, Martin, Bixler, Carpenter, Brower. Determination of value of real or tangible property.
9 Anderson, Williams. Homesteads, tax exemptions.
10 Williams, Klaver. County valuations, equalization.

LEGISLATIVE BILLS INTRODUCED BY COMMITTEES

BUDGET

6 Appropriation, expenses, special session.

LEGISLATIVE BILLS IN COMMITTEES

BUDGET

Chairman—Arthur Carmody

6 Appropriation, expenses, special session.

JUDICIARY-REVENUE JOINT COMMITTEE

Chairman—Robert D. McNutt

1 Appointment, Tax Commissioner, Tax Commission.
2 Appointment, County Assessors, Boards of Equalization.
3 Tax exemption, household goods, personal effects.
4 Determination of value of real or tangible property.
5 Sales tax, allocation.
7 Prohibiting levying of state property tax.
8 Sales tax, income tax, combination.
9 Homesteads, tax exemptions.
10 County valuations, equalization.

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