

do come to an agreement there is some enforceability, even then it is only for two years. I would submit that in most cases they will come to a very amenable agreement, and at the end of the two years will probably voluntarily renew that agreement, because most of them are very, very successful. If, in fact, there is...someone doesn't adhere to that contract, you can at least file suit and say, come on, you agreed to this. A little pressure from the judge will probably get them to continue with that. And I think if they also came in with it's detrimental to the best interest of the child, as a judge quickly does, he may not even enforce that contract. But, hopefully, it is enough impetus to allow that biological parent to say, yes, I feel enough protection of my rights of knowledge of my biological child that I will allow them to go into a permanent home under that status. So I think, with that, if that is the impetus, and I think this bill provides that, and it doesn't put a lot of structure to it because it is an agreement, I don't think in any contract law would you want to have the parameters so narrowly defined that people are not free to enter into some kind of contract as long as they're not doing something that is lawful or unlawful. So that is the impetus. I think it is fine the way it is. I would strongly urge the body to support it and let some of these foster care children find permanent homes in the State of Nebraska.

PRESIDENT: The question is shall LB 301 be advanced to E & R Initial. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 27 ayes, 0 nays, Mr. President, on the motion to advance the bill.

PRESIDENT: LB 301 is advanced to E & R Initial. Do you have anything to put in, Mr. Clerk?

CLERK: Mr. President, yes, sir, I do. I have a request from Senator Nelson to add her name to LB 1071 and LB 1070. I have a request from Senator Peterson to add his name to LB 1030.

New bills, Mr. President. (Read by title for the first time LB 1109 and LB 1110. See pages 316-17 of the Legislative Journal.)

Mr. President, Senator Wesely has amendments to be printed to LB 301. That is all that I have. (See page 316 of the

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LB 88, 256, 861, 868A, 1015, 1057, 1083  
1110, 1133

PRESIDENT: Mr. Clerk, do you have anything to put in at this time?

CLERK: Mr. President, I do, thank you. I have reports from the Government Committee reporting LB 1133 to General File. That's signed by Senator Baack.

Health and Human Services reports LB 256 to General File with amendments; LB 861, General File with amendments; LB 1015, General File with amendments. Those are signed by Senator Wesely as Chair. (See pages 757-64 of the Legislative Journal.)

Banking Committee reports LB 1057 to General File with amendments; LB 1110, General File with amendments; LB 1083 to General File. Those are signed by Senator Remmers as Chair. (See page 765 of the Legislative Journal.)

New A bill, Mr. President, LB 868A by Senator Chizek. (Read title to LB 868A for the first time. See page 765 of the Legislative Journal.) That's all that I have, Mr. President.

PRESIDENT: Thank you. Senator Hefner is next, please.

SENATOR HEFNER: Call the question.

PRESIDENT: The question is called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye, opposed nay. This is to cease debate. Record, Mr. Clerk.

CLERK: 26 ayes, 9 nays to cease debate, Mr. President.

PRESIDENT: Debate has ceased. Senator McFarland, would you like to close on your motion, please.

SENATOR MCFARLAND: Thank you very much, Mr. President. To remind everyone, this is a motion to return the bill to committee for further consideration. I think there has been ample discussion of the inherent ambiguities and vague terms and provisions of this particular bill. These are things that should have been addressed in committee. I should remind people that this bill was brought out of committee at the end of last session, I think very unwisely brought out. The argument at that time was this is a matter that needs to be brought to the floor of the Legislature and besides...the kicker was besides we won't have to debate this year, we don't have enough time, we'll

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LB 229, 229A, 257, 320, 384, 384A, 588  
647, 647A, 943, 996, 1012, 1012A, 1042  
1110  
LR 315

Review respectfully reports they have carefully examined and reviewed LB 229 and find the same correctly engrossed; LB 229A, LB 257, LB 320, LB 384, LB 384A, LB 647, LB 647A, LB 996, LB 1012 and LB 1012A. Those bills are all reported correctly engrossed, Mr. President. (See pages 1257-61 of the Legislative Journal.)

Mr. President, Senator Hartnett would like to print amendments to LB 1110. (See page 1261 of the Legislative Journal.)

Mr. President, new resolution, LR 315, by Senator Marsh. (Read explanation of LR 315 as found on page 1262 of the Legislative Journal.) That will be laid over, Mr. President.

PRESIDENT: While the Legislature is in session and capable of transacting business, I propose to sign and do sign LR 943...excuse me, LB 943 and LB 588 with the emergency clause attached. We will move on to motions, number 7. Mr. Clerk.

CLERK: Mr. President, Senators Elmer and Barrett would move to place LB 1042 on General File pursuant to Rule 3, Sec. 19. The motion was offered on March 3. It's found on page 1161 of the Journal.

PRESIDENT: Thank you. Senator Owen Elmer, please.

SENATOR ELMER: Thank you, Mr. President, and members, we have a very important issue before us. We are all here to promote and support the well-being of Nebraska. We all here to try to make Nebraska economically strong.

PRESIDENT: Excuse me, Senator Elmer. (Gavel.) Let's hold it down so that we can hear Senator Elmer. Thank you.

SENATOR ELMER: Thank you, Mr. President. The basic wealth production of the world consists of mining, fishing, lumber, oil and gas production and agriculture. Without these foundations to produce basic products, no financial empire ever created could continue to exist. Our duty is to provide these basic wealth producers with the ability to produce their products for the world in more quantity, with greater cost efficiency and superior quality. We can only do this with good leadership and education. People of Nebraska are a great asset to our state. It is our duty to provide them with the tools to get the quality, quantity and economic rewards from our greatest

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LB 588, 817, 940, 943, 1106, 1110  
LR 316

Opposed nay. They are adopted.

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

PRESIDENT: Senator Moore.

SENATOR MOORE: I move the bill be advanced.

PRESIDENT: You've heard the motion. All in favor say aye. Opposed nay. It is advanced. Anything now at this time, Mr. Clerk, to put in? Okay, we'll move on to General File, LB 913.

CLERK: Mr. President...

PRESIDENT: Senator Conway, is this a rather involved bill, do you know? Could I talk with you?

SENATOR CONWAY: Mr. President, I think 913 is involved enough that it may be deserving of adequate period of time and with only 12 minutes before the lunch hour I think we...

PRESIDENT: I appreciate your comment and all that and we'll do it that way if you don't mind. Now, do you have anything further to put in, Mr. Clerk?

CLERK: Yes, Mr. President, I do. Your Enrolling Clerk has presented to the Governor bills read on Final Reading this morning. (Re: LB 943 and LB 588.)

Senator Wesely has amendments to be printed to LB 1106; Senator Withem to LB 940. (See pages 1266-67 of the Legislative Journal.)

Senator Haberman has a new resolution, Mr. President, LR 316. (Read explanation of LR 316 as found on pages 1268-69 of the Legislative Journal.) That will be laid over.

And I have a request from Senator Johanns to add her name to LB 1110 as co-introducer. That's all that I have, Mr. President.

PRESIDENT: Mr. Speaker, we're just a little bit ahead but, as I understand from Senator Conway, the next bill is a little bit complicated. Would it be agreeable with you if we

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LB 294, 913, 1041, 1042, 1110, 1174

have a much lower fee but they charge the interest. So, depending on what your needs are, you will subscribe and use one card or the other. Now I happen to carry one of each and I use either one for whichever meets my needs. But it is a situation where this kind of flexibility would make us much more competitive, it would allow the consumer to have many more opportunities in terms of who he does business with, and it is to the benefit of the consumer and not at all to the detriment. So, with that, I urge the body's adoption of LB 913,...

SPEAKER BARRETT: Thirty seconds.

SENATOR CONWAY: ...advance it over the E & R Initial, and I think that in so doing you will have provided a very valuable economic development tool for the State of Nebraska, but by the same token is not in any way detrimental to the consumers that would be utilizing this particular legislation.

SPEAKER BARRETT: Thank you. You have heard the closing. And the question is the advancement of LB 913 to E & R Initial. Those in favor vote aye, those opposed no. Voting on the advancement of the bill. Have you all voted? Please record.

CLERK: 26 ayes, 6 nays, Mr. President, on the advancement of 913.

SPEAKER BARRETT: LB 913 is advanced. Anything to read in?

CLERK: Mr. President, I do, thank you. Senator Moore has amendments to LB 1041; Senator Vard Johnson to LB 1174; Senator Miller to LB 294; Senator Elmer to LB 1042; Senator Lamb to LB 1041. That is all that I have, Mr. President. (See pages 1271-74 of the Legislative Journal.)

SPEAKER BARRETT: Thank you. Proceeding then to LB 1110.

CLERK: Mr. President, 1110 was a bill introduced by Senators Hartnett, Wesely, Lynch, Goodrich, Abboud and Landis. (Read.) The bill was introduced in January of this year, referred to the Banking, Commerce and Insurance Committee for public hearing. The bill was advanced to General File. I do have Banking Committee amendments pending.

SPEAKER BARRETT: Senator Hartnett, will you be handling the bill? Excuse me, Senator Remmers, on the amendment.

SENATOR REMMERS: Mr. President, members of the Legislature, LB 1110 would enact the Stockholders Protection Act to provide certain protections from hostile corporate takeovers. The committee amendments were prepared as a white copy amendment and accordingly would become the bill. The committee amendments would add a new section declaring the intent of the bill, delete the definition of beneficial ownership, clarify the definition of a business combination, clarify the definition of issuing public corporation to provide for separate descriptions, domestic and foreign corporations, provide a new section for determination of market value of stock and property other than cash or stock and provide for a special meeting of stockholders within 50 rather than 60 days, and clarify circumstances where the act does not apply. I remind you again, the white copy becomes the bill. I'd urge you to adopt the amendment.

SPEAKER BARRETT: Thank you. Discussion on the committee amendments? Any discussion? If not, those in favor of the adoption of the committee amendments to 1110 please vote aye, opposed nay. Please record.

CLERK: 26 ayes, 0 nays, Mr. President, on the adoption of the committee amendments.

SPEAKER BARRETT: The committee amendments are adopted. To the bill, Senator Hartnett, please.

SENATOR HARTNETT: Mr. Speaker, members of the body, I would like to thank, before I begin, Senator Johanns for taking this as her priority bill. I'll simply explain the committee amendments. Where the idea came from was an article from the Wall Street Journal, dated November...Wednesday, July 1, 1987, and that is where the idea came to me. I worked with...we worked with some legal counsels and so forth to develop it. The jurisdiction of the bill covers two types of corporation, domestic and foreign corporations. In the domestic corporations within Nebraska they have to have 100 stockholders and any one of the following, it has to have its principle executive office in Nebraska, assets in Nebraska worth at least \$10 million, or 10 percent or more of its shareholders residents of Nebraska, or 10 percent or more of its stock owned by Nebraska residents. So that is one part, dealing with the domestic corporation. The other is with the foreign corporation. Must be...the protection, if all the following tests are met, has to have 100

or more stockholders, its principle executive offices in Nebraska, has assets in Nebraska worth at least \$10 million, 10 percent or more of the stockholders are residents of Nebraska, or 10 percent or more of the stocks are owned by Nebraska residents, and it has at least 500 employees. So all of these conditions must be met. There are two controls of this Shareholders Protection Act. The first is to control shares acquisition preservation. This provision was upheld by the United States Supreme Court in Indiana CTS case last April. Control share laws generally deny voting rights in the corporation to the acquires of a specific percentage of a target company's voting stock, unless approval to exercise a voting right is granted by votes of the remaining shareholders at a special annual stockholder meeting. The Nebraska act in its entirety acquires control shares the voting power or above 20 percent, 33.5 percent or 50 percent, only exercises voting rights in these shares if it is approved at the shareholders meeting by a majority of all votes cast, excluding the control share. In order to acquire the voting rights, an acquire must submit an information statement to the corporation, identify itself and all its affiliates and associates the number and class of shares of stock owned prior to the control of the share acquisition, the number and class of shares of stock proposed to be acquired pursuant to the control shares acquisition. The acquirer can request the board of directors to call a special meeting for the purpose of calling the shareholders to vote on the issues of control stock voting rights. If the shareholders do not permit the acquirer to vote his control shares, those shares become voting shares when they are sold, so long as they are not sold under circumstances that would bring the sales under the provisions of the bill. That is one control that we have in this control. The other is the five year moratorium provision, that is Section 22 of the bill. These provisions are somewhat referred to as the freeze-out provisions in other states. This was adopted in New York. It would apply to any person that acquires 10 percent or more of the voting stocks of any subject or target corporation and prohibits from engaging any business combination as defined in the act with the subject company for five years, unless the company board of directors have approved the business combination prior to the time the individual becomes a 10 percent shareholder. This permits the raider from accomplishing, by indirect, through a public board of directors what the bill prohibits outright. I think Senator Johanns has some other information she would like to share with us.

SENATOR JOHANNIS: Thank you, Senator Hartnett. I am urging the passage and have selected LB 1110 as my priority piece of legislation because it really is an example of the kind of bill that everyone seems to support. It is a priority bill of labor. The AFL-CIO has come out in support of it, and it is also supported and testimony was received by NACI, the Nebraska Association of Commerce and Industry, in support of this bill. One person did appear in opposition to the bill, and they appeared in opposition on a totally free market concept. One thing that I want to point out is this bill does not prohibit anyone from buying stock. It does not prohibit anybody from acquiring stock. What it does do is it slows the process down and requires a vote of the current stockholders to approve the voting rights of the acquired stock. That is all it does, is slow things down. We had a briefing today in the Senators Lounge, at one-fifteen, and the question came up, does Nebraska need this law right now? And the answer to that question is we really don't. There are no threatened takeovers occurring right now. However, similar pieces of legislation have been passed in 33 other states, and in at least one of those states, Minnesota, they went into a special session and passed similar legislation in three days because they were threatened, one of their corporations was threatened, the Dayton-Hudson Corporation, for a hostile takeover. One of the reasons I support this is because one of the things that a hostile takeover attempts to do is to drive the bottom line for stockholders. Not all corporations are 100 percent interested in the bottom line and get involved in such things as community projects, donating high schools, being a good corporate citizen which really adds to the benefit of having that corporation in the community. If they are forced to look at profits only and bottom line only, those are the first things they cut out. I became interested in this issue when there was a threatened takeover of Goodyear. When I was a county commissioner I attended a closed circuit thing with mayors and also with Goodyear management from all over the country. Let me hasten to add that this would not have affected the Goodyear situation because their corporate headquarters are not in Nebraska. But that is what made me aware of the potential and the situation that might occur in the State of Nebraska for our own homegrown corporations. I would urge your adoption today, your passage, and I would be happy to try to answer any questions, with Senator Hartnett, that you might have. Thank you.



SPEAKER BARRETT: Thank you. Discussion on the motion to advance? Senator Wesely, Senator Hartnett on deck.

SENATOR WESELY: Thank you, Mr. Speaker, members. As a co-sponsor of the bill I do appreciate Senator Johanns picking this as a priority bill and Senator Hartnett's hard work on drafting and developing the background materials on it. The issue is one that has arisen in the last year or so and great interest has been seen across the land on the issue of corporate raiding. We've seen some diminishment of that since the plunge of October 19th of last year. You're not seeing near the interest in playing the stock market, although that may change in time. But it is obvious that this is a symptom of a much greater disease that is afflicting our national economy. The concept that we start to make wealth and make people rich over the transactions involving business, versus the production of that business, is of great concern to me. We're more interested in the gamesmanship on Wall Street than we are in the production on Main Street of the best services and products that this world will ever see. It seems as though this change in style and attitude that has occurred in the eighties, this corporate greed in fact that has dominated so much of our mentality on our major markets is really hurting our country. And I think we're finally recognizing that, in the last year or so, that this attitude must be stopped and it must be stopped at the state level, because at the federal level we have not seen the response that we ought to see. There has been, thank goodness, a federal court ruling that now allows the states to intercede on this matter, as of last spring. This intercession has resulted, as I believe Senator Johanns talked about, of a number of states adopting a similar type act as this bill would have for the State of Nebraska. In the past we didn't think the states had an opportunity to do that. Now we know that we do have that right, and I think that responsibility to act. In my estimation this bill runs at the direction of where our country ought to be going in terms of its economic development in the same fashion I believe in; that is the long-term over the short-term, the productive capacity of the country being built up versus the, as I said, the financial leveraging and the corporate raid mentality that I think has hurt us a great deal over the years. As Senator Johanns talked about, I got involved in this issue with Goodyear and saw what its effects were at the local level. It nearly devastated that company and the plant in Lincoln, and I saw first hand what it could mean to the State of Nebraska. It could mean devastation in small towns and larger

towns across the state, and we have to understand its impact is not only in the Goodyear case, but could come at any other time down the road that we may not even yet anticipate. One way it arose in this state and hurt us was dealing with Enron, for instance. Enron was the subject of a corporate raid out of a fellow out of Minnesota. They were very fearful of being taken over. As a result, they looked to find a partner, a white knight, so to speak, in terms of Wall Street terminology. And they went down to Houston Natural Gas and they merged. This was an attempt to try and block that hostile takeover. They were successful in blocking the hostile takeover, what they did was set the stage for an internal takeover and Houston Natural Gas eventually took control of the board of directors, took control of the corporation and moved it to Houston. This all happened, of course, in the last couple of years. That wasn't a hostile corporate raid, that was a threat of a hostile corporate raid that ended up losing us one of the best corporate citizens this state has had in its history. So we've suffered already, we've suffered from this activity, and it is time we put a stop to it by allowing the citizens and the shareholders of this state a right to say no to these attempts to short circuit, I think, the market system at its finest, and instead move toward the greed and short-term philosophy that I think has hurt us so much in the last year or so. So I would definitely support the bill,...

SPEAKER BARRETT: One minute.

SENATOR WESELY: ...its advancement, and ask support from all of you. A lot of work went into the bill and a lot of effort. I think, at the same time, we have a lot of hope that this bill will help block some problems in the future as we've seen problems in the past.

SPEAKER BARRETT: Thank you. Further discussion on the bill, Senator Schmit. Senator Schmit, would you care to discuss the bill?

SENATOR SCHMIT: Just very briefly because I did, I believe way back in the seventies and then I think in '83, I had a similar bill to this and the Attorney General said it was unconstitutional, but it was never tested in the court. I just want to call attention again once more to the ambivalence of this body because where we, just a moment ago, opted for free enterprise and the free market system, we are now opting for protection and we are saying, in effect, there may be some

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LB 1083, 1110

particular instances where some of these little companies, there's only a only a billion or two, need to be protected from some hostile takeovers. So I just want to say that I guess I'm all for it, Senator. I'm not sure it is good or bad, but it does say something for this body. Thank you.

SPEAKER BARRETT: Thank you. Further discussion? Seeing none, Senator Hartnett, would you care to close.

SENATOR HARTNETT: I appreciate, Mr. Speaker and members of the body, I appreciate Senator Schmit, because I think he did this in the past with the bill, and I think it....What it does is simply allows the corporation to protect themselves from hostile takeovers, that is really what it is at. If you want to buy stock of a company and have a legitimate purpose, you can make your other stockholders and let them share in the growth of a better company, and I think that is good. It's like Senator Wesely said, it's not for the purpose of making money by just simply the manipulation of stock and making money that way and simply for just going in the pockets of a few people. So, with that, I would close, unless Senator Johannis has anything. So, I'd just ask for the advancement of the bill.

SPEAKER BARRETT: Thank you. The question is the advancement of LB 1110. All in favor vote aye, opposed nay. Have you all voted? Please record.

CLERK: 30 ayes, 1 nay, Mr. President, on the advancement of 1110.

SPEAKER BARRETT: LB 1110 is advanced. LB 1083.

CLERK: Mr. President, 1083 was a bill introduced by Senators Landis, Haberman, Schmit, Lynch, Conway, Remmers, Weihing and Goodrich. (Read title.) The bill was introduced on January 12 of this year. At that time it was referred to the Banking Committee for public hearing. The bill was advanced to General File.

SPEAKER BARRETT: Senator Landis, would you care to explain the bill.

SENATOR LANDIS: I most certainly would, Senator Barrett.

SPEAKER BARRETT: Proceed.

March 10, 1988

LB 377, 518, 817, 826, 897, 901, 903  
909, 912, 929, 942, 969, 973, 977  
1038, 1103, 1103A, 1110, 1126, 1130, 1142  
1159, 1174, 1193, 1197, 1220

Select File; LB 1110, Select File; LB 942, Select File, all having E & R amendments attached. That's all that I have, Mr. President. (See pages 1315-16 of the Legislative Journal.)

SPEAKER BARRETT: Thank you. Senator Hall, please.

SENATOR HALL: Mr. President, I move that this body recess until one-thirty this afternoon.

SPEAKER BARRETT: You have heard the motion to recess until one-thirty. Those in favor say aye. Opposed nay. Carried. We're recessed. (Gavel.)

RECESS

SPEAKER BARRETT PRESIDING

CLERK: There is a quorum present, Mr. President.

SPEAKER BARRETT: Thank you. Any announcements, Mr. Clerk?

CLERK: Mr. President, Enrollment and Review reports LB 817 correctly engrossed, LB 826, LB 897, LB 901, LB 903, LB 909, LB 912, LB 929, LB 969, LB 973, LB 977, LB 1038, LB 1103, LB 1103A, LB 1126, LB 1130, LB 1142, LB 1159, LB 1174, LB 1193, LB 1197, and LB 1220, all reported correctly engrossed. I have an Attorney General's Opinion to Senator Wesely regarding LB 377. (See pages 1317-19 of the Legislative Journal.) That is all that I have, Mr. President.

SPEAKER BARRETT: Thank you. A quick announcement regarding tomorrow's agenda, a change following lunch from Select File to senators' priority bills. We will spend some time on General File on senators' priority bills beginning at one-thirty tomorrow afternoon. I previously announced this morning we would be on Select File. We will be on General File. Item 8, General File, Mr. Clerk.

CLERK: Mr. President, LB 518 was a bill introduced by Senator Johnson. The bill was introduced in January of last year, referred to Health and Human Services. The bill was considered, Mr. President, on March 3 of this year. Senator Johnson had an amendment to the bill. Senator Hefner then made a motion to

March 22, 1988

LB 1110, 1232  
LR 361-365

paraphernalia for our worthy organizations in existing gambling arenas, i.e., bingo halls and in places that currently are regulated for their activities, i.e., taverns and saloons, and that is what this amendment does. Be mindful, if this succeeds by a simple majority of greens, this will be what we will have unless Senator Hall's amendment succeeds.

PRESIDENT: Thank you. The question is the Johnson amendment to the committee amendments. All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

CLERK: 23 ayes, 8 nays, Mr. President, on adoption of Senator Johnson's amendment to the committee amendments.

PRESIDENT: The Vard Johnson amendment is adopted. Yes, would you read things into the record, please.

CLERK: Mr. President, Senator Chizek's has amendments to LB 1110. New resolutions. (Read brief explanation of LR 361, LR 362, LR 363, LR 364, LR 365. See pages 1618-24 of the Legislative Journal.)

Mr. President, an announcement that the Appropriations Committee meeting, Executive Session, will be tomorrow morning at 8:30 a.m. in Room 1003 instead of tonight, Appropriations Exec Session, tomorrow morning at eight-thirty.

Mr. President, the next amendment I have to the committee amendments is by Senator Hall.

PRESIDENT: Senator Hall, please.

SENATOR HALL: Mr. President and members, this amendment, as I stated earlier, is the amendment that would allow for those operators who are currently selling pickles, currently selling pickles, other than pickle parlors. If you look at the handout that reads Synopsis of Nebraska Businesses Licensed as Retail Pickle Card Operators that has a number 6, page number 6 down at the bottom, was passed out with Senator Johnson's initials at the top, you see that the vast majority of those fall into that amendment that was just adopted, Senator Johnson's amendment. A much smaller number of those outlets are in my amendment. We do away with the pickle parlor. We do away with the pickle parlor, but we allow for those operators who are out there to continue to provide a service to the charitable organization, to receive

March 25, 1988

LB 632, 764, 764A, 1110, 1157

PRESIDENT: Thank you. The question is, shall the Chair be overruled? If you are in favor of overruling the Chair vote aye. If you are in favor of sustaining the Chair vote nay. Have you all voted? Senator Vard. Senator Vard Johnson.

SENATOR V. JOHNSON: I guess that a call of the house and a roll call vote is probably irrelevant.

PRESIDENT: Record, Mr. Clerk, please.

SENATOR V. JOHNSON: A bad ruling stands.

CLERK: 12 ayes, 22 nays on the motion to overrule the Chair, Mr. President.

PRESIDENT: The motion fails. Do you have something else, Mr. Clerk?

CLERK: Mr. President, items for the record, if I might.

PRESIDENT: Okay.

CLERK: Senator Landis has amendments to be printed to LB 1157. Your Committee on Enrollment and Review reports LB 764 as correctly engrossed, LB 764A, and I have amendments from Senator Chizek to LB 1110 to be printed, Mr. President. (See pages 1777-81 of the Legislative Journal.)

Mr. President, I have...back to LB 632, I have nothing left or I should say I have the amended committee amendments pending.

PRESIDENT: We are now on the adoption of the committee amendments, right?

CLERK: As amended, yes, sir.

PRESIDENT: Senator Hartnett.

SENATOR HARTNETT: Mr. President, members of the body, I think, you know, we have spent...we have talked about this issue all afternoon, I guess, and I think the issue has been discussed, so I simply ask for the adoption of the amendments.

PRESIDENT: Thank you. Any further discussion? Were you

a...for a child victim or witness upon the showing of compelling need. I think the bill is still true to its purpose. It does protect children. It does not unduly favor either the prosecution or the defense. And, with that brief description, I would ask you to advance the bill so that we can work on a few more of those bills down the list that are probably equally important and perhaps more important to some of you. Thank you.

PRESIDENT: Thank you. Senator Abboud, please.

SENATOR ABBOUD: Yes, Mr. President, colleagues. Quickly, I would just like to thank Senator Scofield for having to put up with all of this. This has been, I know, a job for her. I recall LB 90, a few years ago, had the same number and it was practically the same bill. And I think that she has had more than her share of work on getting this issue before us. I think it is a fair bill in its current form, fair to all parties and I urge its adoption onto Final Reading and its eventual passage. Thank you.

PRESIDENT: Senator Scofield, would you like to close? The question is the advancement of the bill. All those in favor say aye. Opposed nay. It is advanced. Mr. Clerk, anything for the good of the cause?

CLERK: Mr. President, one item, I have a confirmation report from the Natural Resources Committee. That is signed by Senator Schmit as Chair. That's all that I have, Mr. President.

PRESIDENT: Move on to LB 1110.

CLERK: Mr. President, 1110 is on Select File. I have Enrollment and Review amendments first of all.

PRESIDENT: Senator Scott Moore.

SENATOR MOORE: Mr. President, I move we adopt the E & R amendments to LB 1110.

PRESIDENT: You've heard the motion. All in favor say aye. Opposed nay. They are adopted.

CLERK: Mr. President, the first amendment I have is by Senator Hartnett. Senator, this is the amendment found on page 1261 of the Journal.

PRESIDENT: Senator Hartnett, please.

SENATOR HARTNETT: Yes. Mr. President and members of the body, this bill, 1110, was introduced to avoid hostile takeovers, but we discovered that there are a few corporations in Nebraska that are owned...50 percent are owned by one stockholder. And what this amendment does is simply exclude these people from this bill because they should have the right to sell it, so that's really what the amendment does. So, with that, I'd ask for the acceptance of this amendment.

PRESIDENT: Have you finished, sir?

SENATOR HARTNETT: Yeah.

PRESIDENT: Okay. Senator Johanns, please, then Senator Schmit.

SENATOR JOHANNS: Mr. President and members, this is my priority piece of legislation and the amendment that Senator Hartnett is referring to is on page 1261 and it is very small and just simply says that on page 8, line 11, strike "or"; and in line 15 after "exchange" insert ";or (f) from a person who owns over fifty percent of the shares of an issuing public corporation who acquired the shares prior to the effective date of this act". The point being that you cannot, if you own over 50 percent, it cannot be a hostile takeover in the classic sense of the definition and so that is what we're trying to do is leave the status quo for those people who already own over 50 percent, and I encourage your passage.

PRESIDENT: Thank you. Did you wish to close, Senator Hartnett, on your amendment?

SENATOR HARTNETT: So move the advancement of this amendment, adoption of the amendment.

PRESIDENT: Okay, the question is the adoption of the Hartnett amendment. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of Senator Hartnett's amendment.

PRESIDENT: The Hartnett amendments are adopted.



CLERK: Mr. President, I now have an amendment by Senator Chizek. Senator Chizek is...

PRESIDENT: Senator Conway, are you going to handle that? All right.

CLERK: Senator, I have AM2537 in front of me. There are several up here. I have 2537 in front of me.

SENATOR CONWAY: Withdraw down to number 2797.

PRESIDENT: It is withdrawn.

CLERK: I'm sorry, give me a number again.

SENATOR CONWAY: I would like to withdraw everything down to number 2797.

CLERK: 2797. Okay. Mr. President, Senator Chizek would move to amend. It is found on page 1777 of the Journal.

PRESIDENT: Senator Conway, please.

SENATOR CONWAY: Mr. President and members, I'm going to offer this for Senator Chizek, and I could read Bisbee's notes but I know the bill and the amendment quite well and I would just as soon not try to upstage Senator Wesely. This amendment as it is offered to LB 1110 is really a compromise between three different bills that were heard in the Judiciary Committee and I think it is apropos that I'm able to offer this for Senator Chizek because one of the three bills I offered to the Judiciary Committee which was LB 920, also Senator Pirsch's 968 and Senator Chizek's 1129 were all melded into this one particular amendment to then offer to LB 1110. I also was on the Banking Committee and heard LB 1110 when that came through and we saw the opportunity where this fits very well. Basically what this amendment does is provides some immunity to the outside directors of corporations and if we put the thing into the basic perspective of how this works, I'll say directors are somewhat uniquely different than the so-called "inside" directors by virtue of the fact that in many cases they do not have information available to them but make general policy judgments. What this immunity does is it doesn't affect the outside world on their actions but a situation where you have a stockholder, a

situation where you have a stockholder who is in a position to give the immunity to that outside director that they will not file suit relative to loss in the value of the stock by virtue of the decisions they make. It does not grant them any immunity with respect to what the corporation does to...and behaves with respect to the general public but it is an internal, it's kind of like a family situation where stockholders are not going to hold inside or outside directors liable for various negligent breaches that may lead to a loss in the value of the stock. And so it is my particular bill, in terms of the negotiated settlement between Senator Chizek and I, was a situation where it has to be a proactive move on the part of the stockholders. The stockholders have to vote and determine and include in their articles of corporation that they will grant this immunity. So it's a cumulative decision by a popular vote, so to speak, amongst the stockholders that they grant such immunity to those outside directors for these particular types of breaches so it's something that I think would be very valuable to corporations incorporated in the State of Nebraska with respect to immunity and with a positive flair and relationship between the stockholders and the outside directors. They are not required to offer this immunity, but if they decide internally, then that would bar suit by internal stock or by the stockholders relative to their outside directors. So with that, I offer the amendment to LB 1110.

PRESIDENT: Thank you. Any further discussion on the amendment? If not, the question is the adoption of the amendment. All those in favor vote aye, opposed nay. Senator Conway.

SENATOR CONWAY: I hate to do this, but it looks like we're suffering a little late afternoon drift. I guess I would call...well...I think we'll have a call of the house and take call ins. Well...let's...I suppose I could change my mind here. Let's forget the call of the house. We don't need to do that.

PRESIDENT: You talked me into it. Record, Mr. Clerk.

CLERK: 25 ayes, 3 nays, Mr. President, on adoption of the Chizek amendment offered by Senator Conway.

PRESIDENT: The Chizek amendment is adopted.

CLERK: I have nothing further on the bill, Mr. President.

PRESIDENT: We're on the advancement of the bill. Senator Schmit, did you wish to speak about that?

SENATOR SCHMIT: Mr. President and members, I'm going to speak briefly on this bill and I hope that my remarks are not misunderstood. I know this is an important bill to those individuals who have their names on it and it's also important to Senator Johanns and I want to explain. I carried this similar type of legislation twice and I was very much enamored with the legislation. I'm still not exactly opposed to it, but I am somewhat concerned that maybe we are going a little bit too far on the side of management in this instance. I hope that if the bill becomes law that my remarks are not justified and that I am wrong. I just want to say that I have confidence in the individuals who introduced this bill, that they will continue to monitor it and that if problems develop that they will bring it back and make those corrections. And so with that little bit of admonition I will, I guess, just let the...nature take its course.

PRESIDENT: Thank you. Senator Hartnett, did you wish to speak about this? It's...

SENATOR HARTNETT: I'd simply ask the bill be advanced.

PRESIDENT: Okay, the question is, shall the bill be advanced? Senator Schmit, your light is still on. Did you wish to speak again? The question is the advancement of the bill. All those in favor say aye. Opposed nay. It is advanced. Senator Lynch has asked me to announce that over here on the left, or on the north is something that is left over. I don't know what it is, but it's to eat I believe. It is a leftover of what NACO...so feel free to go over and help yourself, whatever it is. He says it's good. We'll move on to LB 518.

CLERK: Mr. President, 518...

PRESIDENT: (Gavel.) We're moving on to 518 which might be a little bit difficult, so I'd ask your attention, please. Mr. Clerk, what did we say?

CLERK: Mr. President, the first item I have are Enrollment and Review amendments on 518.

PRESIDENT: Senator Moore, swallow.

March 30, 1988

LB 294, 716A, 987, 987A, 1110

CLERK: Excuse me, Senator. Mr. President, Enrollment and Review reports LB 294, LB 987, LB 987A correctly engrossed. Senator Hall would like to print amendments to LB 716A. Senator Conway would like to add his name to LB 1110 as co-introducer. (See pages 1938-39 of the Legislative Journal.) That is all that I have.

PRESIDENT: You have heard the motion to adjourn. All those in favor say aye. Opposed nay. You are adjourned until eight o'clock, tomorrow morning, eight o'clock.

Proofed by:

Marilyn Zack  
Marilyn Zack

April 5, 1988

LB 90, 294A, 295, 395A, 518, 518A, 700  
703, 766, 766A, 833, 835, 855, 858  
899, 940, 940A, 998, 1004, 1030, 1039  
1039A, 1073A, 1073, 1089, 1092, 1110, 1143  
1143A, 1207, 1207A, 1221, 1221A, 1226, 1233  
LR 249

PRESIDENT NICHOL PRESIDING

PRESIDENT: Ladies and gentlemen, welcome to the George W. Norris Legislative Chamber. We have with us this morning as our Chaplain of the day, Dr. Joe Scahill of the First United Methodist Church in Fremont, Nebraska, and this, of course, in Senator Lowell Johnson's district. Would you please rise for the prayer this morning. Dr. Scahill.

DR. SCAHILL: (Prayer offered.)

PRESIDENT: Thank you, Dr. Scahill for being with us this morning. Please come back again. Roll call, please.

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

PRESIDENT: Thank you. Do we have any corrections to the Journal this morning?

CLERK: No corrections, Mr. President.

PRESIDENT: Do we have any messages, reports or announcements?

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 1073A and recommend that same be placed on Select File, LB 294A, LB 395A, LB 1004, LB 700, LB 1039, LB 1039A, LB 998, and LB 1092, some of which have Enrollment and Review amendments attached, Mr. President. (See pages 1995-99 of the Legislative Journal.)

Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 90 and find the same correctly engrossed, LB 295, LB 518, LB 518A, LB 703, LB 766, LB 766A, LB 833, LB 835, LB 855, LB 858, LB 899, LB 940, LB 940A, LB 1030, LB 1073, LB 1089, LB 1110, LB 1143, LB 1143A, LB 1207, LB 1207A, LB 1221, LB 1221A, LB 1226, LB 1233 and LR 249CA, Mr. President. All of those are reported correctly engrossed. (See pages 1999-2009 of the Legislative Journal.)

April 7, 1988

LB 1030, 1089, 1110, 1143A, 1143

PRESIDENT: LB 1030 passes with the emergency clause attached. LB 1089, please.

ASSISTANT CLERK: (Read LB 1089 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 1089 pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: (Read record vote. See pages 2188-89 of the Legislative Journal.) The vote is 32 ayes, 9 nays, 7 present and not voting, 1 excused and not voting, Mr. President.

PRESIDENT: LB 1089 passes. LB 1110 with the emergency clause attached.

CLERK: (Read LB 1110 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 1110 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

CLERK: (Read record vote. See pages 2189-90 of the Legislative Journal.) 42 ayes, 2 nays, 3 present and not voting, 2 excused and not voting, Mr. President.

PRESIDENT: LB 1110 passes with the emergency clause attached. LB 1143 with the emergency clause attached.

CLERK: (Read LB 1143 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 1143 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

CLERK: (Read record vote. See page 2190 of the Legislative Journal.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President.

PRESIDENT: LB 1143 passes with the emergency clause attached. LB 1143A.

April 7, 1988

LB 855, 858, 899, 940, 940A, 1030, 1089  
1110, 1143, 1143A, 1207, 1207A, 1217, 1221  
1221A, 1226

because some of the athletes need financial aid for expense money? The federal government offers Pell grants for those who cannot provide for expenses not covered by their athletic scholarships. The maximum grant is \$1,400 a year, or \$116 a month, for individuals that need the money and come from backgrounds that are not able to afford it. Now Senator Chambers, I believe, has shown a great deal of concern, good concern for the university players. And I do feel that he does have the interests...the best interests of the players at heart by introducing this particular legislation. I think that the Legislature acted in a wise manner by enacting a law that demanded that scholarship benefits of an injured athlete be honored until the full scholarship is exhausted. But I do feel that the...by paying amateur athletes it violates that particular code that separates an individual from an amateur and professional athlete. What is at stake today is the amateur code in major college athletics. I don't believe we should violate our own state Constitution and the principles of amateur competition by paying football players. I believe that precisely because we are recognized as a football state, the State Legislature of Nebraska ought to go on record supporting the principle of amateur college athletics and I don't believe that by enacting this particular bill we are doing that. As I stated, I plan on withdrawing this particular amendment, because offering any amendment to a bill would, in fact, kill the bill. And I do feel that it should be given ample opportunity to be voted on by this body, but I will leave the amendment up for discussion by the members of the body. Thank you.

PRESIDENT: Thank you. While the Legislature is in session and capable of transacting business, I propose to sign and do sign LB 855, LB 858, LB 899, LB 940, LB 940A, LB 1030, LB 1089, LB 1110, LB 1143, LB 1143A, LB 1207, LB 1207A, LB 1217, LB 1221, LB 1221A. Senator Chambers, please, then Senator Hefner.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, although Senator Abboud has milked this cow once, he wants to take another shot at it. And since he is trying to put things into the record, it shouldn't be necessary to make misstatements as to the Constitution, the powers of the Legislature, or what this bill does in order to state an opinion in opposition to the bill. Now, Senator Abboud is right. I fought hard to get a bill into law, with the assistance of the Legislature, that put an insurance program in place for athletes like none in the country. Senator Abboud did not assist in that effort. When

April 7, 1988

LB 88, 855, 858, 899, 940, 940A, 1030  
1089, 1110, 1143, 1143A, 1207, 1207A, 1217  
1221, 1221A  
LR 439-442

for the record, I would like very much to return, at this point, to LB 88, which was rolled over this morning you'll recall. I would hope that the body can last for one more bill on Final Reading. I'd ask you to stay very close, it should not take too long, and then perhaps we can adjourn for the day. Mr. Clerk.

CLERK: Mr. President, new resolutions. (Read summary of LR 439-442. See pages 2203-06 of the Legislative Journal.) Mr. President, two more veto overrides, one from Senator Wesely, the other from Senator Wesely. The last time, Mr. President, bills read earlier on Final Reading have been presented to the Governor. That is all that I have, Mr. President. (See 2206 of Journal re. LB 855, LB 858, LB 899, LB 940, LB 940A, LB 1030, LB 1089, LB 1110, LB 1143, LB 1143A, LB 1207, LB 1207A, LB 1217, LB 1221, and LB 1221A.)

SPEAKER BARRETT: May we then proceed to LB 88.

CLERK: Mr. President, first of all on LB 88, Senator Labedz, you...Senator, you and Senator McFarland....Senator Labedz.

SPEAKER BARRETT: Senator Labedz.

CLERK: You had a motion to return, Senator. Do you want to offer that?

SENATOR LABEDZ: Yes, I would respectfully ask that to be withdrawn.

SPEAKER BARRETT: It is withdrawn.

CLERK: Senator McFarland and Senator Ashford had amendments printed, Mr. President. I understand you want to withdraw those, Senator.

SENATOR MCFARLAND: Withdraw them.

SPEAKER BARRETT: Withdrawn.

ASSISTANT CLERK: (Read LB 88 on Final Reading.)

SPEAKER BARRETT: All provisions of law relative to procedure having been complied with, the question is, shall LB 88 pass? Those in favor vote aye, opposed nay. Voting on the passage of LB 88. Have you all voted? Senator Marsh, did I hear you to



April 8, 1988 LB 90, 295A, 301, 301A, 352, 369, 419, 419A, 445, 463  
632, 664, 664A, 672, 684, 700, 703, 716, 716A, 766, 766A, 823  
833, 835, 855, 858, 866, 884, 890, 899, 913, 934, 940, 940A  
942, 953, 978, 987, 987A, 998, 1004, 1008, 1008A, 1013, 1013A  
1039, 1039A, 1042, 1079A, 1079, 1089, 1092, 1100, 1100A, 1110  
1126, 1143, 1143A, 1157, 1207, 1207A, 1217, 1221, 1221A, 1233

balcony. We have 18 third, fourth, fifth and sixth graders from District 53 in Ayr, Nebraska. Would you folks please stand and be recognized. Thank you. We're glad to have you with us. Another guest of Senator Peterso., Mike Nolan, the City Administrator at Norfolk is under the north balcony. Mr. Nolan, would you please stand and be recognized. Thank you. Glad to have you with us too. Anything for the record, Mr. Clerk?

CLERK: Mr. President, I do. I have a series of veto messages. (Read veto messages received from the Governor. Re: LB 942, LB 1221, LB 1221A, LB 672, LB 1079A, LB 823, LB 1143, LB 1143A. See pages 2339-42 of the Legislative Journal.)

Mr. President, I also have a series of letters addressed to the Clerk. (Read letters regarding signing of the following bills, LB 940, LB 940A, LB 1100, LB 1100A, LB 855, LB 858, LB 899, LB 1089, LB 1110, LB 1207, LB 1207A, LB 1217 and LB 1233, LB 419, LB 419A, LB 664, LB 664A, LB 352, LB 934, LB 1126, LB 463, LB 913, LB 1079, LB 1157, LB 301, LB 301A, LB 684, LB 987, LB 987A, LB 890, LB 1013, LB 1013A, LB 90, LB 445, LB 703, LB 766, LB 766A, LB 833 and LB 835. See pages 2243-44 of the Legislative Journal.)

Mr. President, in addition to those items, I have a Lobby Report for this past week to be inserted. (See page 2245 of the Legislative Journal.) And your Enrolling Clerk has presented to the Governor the last few bills read on Final Reading this morning, Mr. President. (See page 2244 regarding LB 295A, LB 369, LB 632, LB 700, LB 716, LB 716A, LB 866, LB 884, LB 953, LB 978, LB 998, LB 1004, LB 1008, LB 1008A, LB 1039, LB 1039A and LB 1042.)

That's all that I have.

SPEAKER BARRETT: Thank you. Back to Final Reading. Members, please return to your seats. (Gavel.) Members, return to your seats for Final Reading. LB 1092E, Mr. Clerk.

ASSISTANT CLERK: (Read LB 1092 on Final Reading.)

SPEAKER BARRETT: All provisions of law relative to procedure having been complied with, the question is, shall LB 1092 with the emergency clause attached pass? Those in favor vote aye, opposed nay. Have you all voted? Please record.