

January 12, 1990

LB 224, 465, 1127-1133

SPEAKER BARRETT: Thank you. The question is the advancement of LB 465 to E & R. Those in favor vote aye, opposed nay. Record, please.

CLERK: 33 ayes, 0 nays on the advancement of 465, Mr. President.

SPEAKER BARRETT: LB 465 is advanced to E & R. Anything for the record, Mr. Clerk?

CLERK: Mr. President, new bills. (Read for the first time by title: LB 1127-1133. See pages 315-17 of the Legislative Journal.)

Hearing notices, Mr. President, from the Government Committee and from the Transportation Committee signed by their respective Chairs. That is all that I have.

SPEAKER BARRETT: Thank you. Moving to Select File, Mr. Clerk, LB 224, please.

CLERK: Mr. President, 224 is on Select File. E & R amendments have been adopted. When we left the bill in March of last year, I had pending an amendment from Senator McFarland. That amendment is now before us, Mr. President. Senator, I have your amendment that is on page 1271 of last year's Journal. It reads on page 7, line 10, after the word "the" insert "aggregate penal"; and strike beginning with the word "approved" in line 24 through the word "or" in line 25 on page 10.

SPEAKER BARRETT: The Chair recognizes Senator McFarland.

SENATOR MCFARLAND: Excuse me, Mr. Clerk, could you repeat which section. I remember the language now but I want to focus in on that.

CLERK: It is page 7, line 10, after the word "the" insert the words "aggregate penal"; and then also, Senator, on line 24, strike beginning with the word "approved" through the word "or" in line 25.

SENATOR MCFARLAND: Strike which language again?

CLERK: Strike beginning with the word "approved" in line 24.

January 17, 1990

LB 163, 821, 822, 823, 824, 825, 826
827, 828, 829, 1102-1135, 1158-1161

PRESIDENT NICHOL PRESIDING

PRESIDENT: (Microphone not activated) ...pastor at UN-L, and now is pastoral associate at Trinity Lutheran Church here in Lincoln. Would you please rise for the invocation.

DR. NORDEN: (Prayer offered.)

PRESIDENT: Dr. Norden, thank you for being with us again, we appreciate it. Come back again. Roll call, please. Record, Mr. Clerk, please.

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

PRESIDENT: Thank you. Do you have any messages, reports or announcements this morning?

CLERK: Mr. President, Reference Report referring LBs 1102-1135, as well as three gubernatorial appointments to the appropriate standing committees for hearing. (See pages 348-49 of the Legislative Journal.)

Received a report from the Department of Roads filed pursuant to statute, Mr. President. That's all that I have.

PRESIDENT: Would you like to introduce any new bills, or would you not like to?

CLERK: Mr. President, I'm sorry, I do have some other items. Your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 821 and recommend that same be placed on Select File; LB 822, LB 823, LB 824, LB 825, LB 826, LB 827, LB 828, and LB 829, all on Select File, some of which have E & R amendments attached, Mr. President. Now, that's all that I have, Mr. President. (See pages 350-51 of the Legislative Journal.)

PRESIDENT: New bills, please.

CLERK: Mr. President, new bills. (Read LBs 1158-1161 by title for the first time. See page 352 of the Legislative Journal.) That's all that I have at this time, Mr. President.

PRESIDENT: We'll move on to General File then, LB 163.

sunset in this bill? This amendment?

SENATOR CONWAY: Yes, Senator, there is a two-year provision on this.

SENATOR MOORE: Yes, I mean, quite simply what the Conway amendment says is that as we write out a \$211 million check, to answer the many critics of this bill, starting with...well, I won't even start naming, some of the critics of this bill that says there is no "guarantee" of property tax relief, this is just one way to further guarantee that. And, basically, it says we are going to write a \$211 million check, and for through the transition, for a two-year period, we are going to say those other...the other four of the big five, the big five being schools, cities, counties, tech colleges, and NRDs, and some of those are bigger brothers than others, we are going to say that those big five consumers of property tax dollar, we are, indeed, going to have a lid on all of them. Now, yes, the Conway amendment places a different type of lid on the other four, but it is a short-term lid, for two years, that, basically, helps us get us through the transition of shifting our burden of taxes, shifting it around from property to sales and income. I think the body just has to think about what it is that they want to do. I guess the one thing, if the Conway amendment fails, I would hope that the entities involved in the amendment, the cities, counties, NRDs, and tech colleges, would definitely be aware, because if the Conway amendment fails, we pass LB 1059, and those entities go out there with 10 to 15 percent increases in their budget, gobble up this money you are throwing out there, I can assure you, just speaking for myself, that I will copy a chapter that Senator Warner and the Governor gave us last year in a retroactive lid that was originally contained in LB 1130. So whatever happens with the Conway amendment, I can go either way, but if it fails, I certainly hope the message is loud and clear to those other subdivisions that, okay, if we don't put a lid on you, you are on your honor. But if you gobble up that money, you can expect something, you know, something a little bit prohibitive next year. So if it fails, I certainly hope those entities are very aware of the consequences, if they do not adhere to the spirit of tightening budgets. With that, I'd...we'll see what happens.

PRESIDENT: Thank you. Senator Withem, please, followed by Senator Rod Johnson.

SENATOR WITHEM: Yes, Mr. President, and members of the body, this particular question has been one that has plagued those of us on the School Finance Review Commission as we go around the state talking to citizens about LB 1059 and what it will do. One of the first questions, of course, is, does this bill guarantee property tax reduction? And you explain to them how the funding mechanism works for schools and most of the people out there, once you go through that explanation, they understand how, yes, schools' property tax askings will go down. But the next question you get almost universally is, won't the other subdivisions of government come in and eat up the increase then? If they know property taxes are going down for schools, they will feel more comfortable, and pretty soon those other subdivisions will eat it all up. I have been a defender of the other subdivision in those meetings. I have been a defender from early on when we were talking about budget increases that may be in existence in LB 1130, and the Jaksha approach. But more and more as I hear that, the more and more I am asking, and, frankly, I don't know what direction I am going to push my button when it comes time to push the button on the Conway amendment, but more and more I understand the rationale for some type of guarantee that the property taxes will go down in those areas that do get increased state aid to schools, that it not be another hollow promise that comes from state government concerning what we are going to do on the local level, and then not follow through with it. On the other hand, I have never...I have not been comfortable including the other subdivisions bringing them under, in effect, a penalty type of provision because they aren't benefiting from this. The schools, we have been...had very frank, harsh discussions with a number of the school people around the state saying, if you expect us to fix the school finance problems in this state, part of the price of that is going to have to be a budget limitation. If you are expecting us to underwrite 45 percent of the cost of education, and expect us to be a signer on a two-party check, one of two parties signing a check, we have to have some input on what those numbers will be. For the cities and the counties and the other subdivisions, we are not doing that. We are not doing that. We are not giving them any increased revenues to fund their programs. So that mitigates against support for this. The Moore approach, that we need to send it very clear that if they do have huge increases in their budgets, we can look at that next year, and we can do retroactive lids. We have seen that proposed by the Governor and in the bill that Senator Warner is carrying. That can be done, and we will look