

January 5, 1989

LB 81-160
LR 1-2

being here and thank you for your services. We also have guests of Senator Rod Johnson under the north balcony. We have Omer Troester of Hampton, Nebraska. With him is an exchange student, Alberto Porras of Costa Rica. Would you gentlemen please stand up and be recognized. Thank you for being here. We also have, over under the south balcony, a former member of this Legislature, Senator Tom Fitzgerald, would you please stand up and wave your hand. Thank you. Please welcome Senator Fitzgerald back. Thank you, Tommy. Mr. Clerk, back to the reading.

CLERK: (Read LB 81-98 by title of the first time. See pages 61-67 of the Legislative Journal.)

PRESIDENT: We'll stand at ease for some 15 minutes or half an hour while we get some of the work caught up up here in front. So be at ease, please, for a while. Thank you.

EASE

CLERK: Meeting of the Health Committee, under the north balcony, right now. Health Committee, north balcony right now.

SPEAKER BARRETT PRESIDING

SPEAKER BAPRETT: Additional bill introductions, Mr. Clerk.

ASSISTANT CLERK: (Read LB 99-150 by title for the first time. See pages 67-76 of the Legislative Journal.) That's all I have at this time, Mr. President.

SPEAKER BARRETT: More bill introductions, Mr. Clerk.

CLERK: (Read LB 151-160 by title for the first time. See pages 76-79 of the Legislative Journal.) Mr. President, in addition to those new bills I have new resolutions. (Read LR 1-2 for the first time. See pages 79-81 of the Legislative Journal.)

Mr. President, in addition to those items I have a series of announcements. Mr. President, there will be a meeting of the Executive Board today at three-fifteen for purposes of referencing. Executive Board, three-fifteen for referencing.

Mr. President, Senator Rod Johnson would like to have a meeting

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LB 58, 84, 98, 102, 140, 141, 241-266

CLERK: Mr. President, new bills. (Read titles for the first time to LBs 241-266. See pages 112-18 of the Legislative Journal.)

Mr. President, in addition to those items, the Rules Committee would like to announce that Senator Carson Rogers has been selected as Vice-Chair of the committee.

Mr. President, Revenue Committee will be or are...is conducting a meeting underneath the south balcony.

Mr. President, the Judiciary Committee will conduct an Executive Session upon recess on the south side of the Chamber; Judiciary upon recess. And Transportation will meet in the lounge upon recess...or, Senator...I'm sorry, Senator Lamb, do you want that this afternoon, Senator? I'm sorry, Transportation upon adjournment this afternoon in the Senators' Lounge; Transportation this afternoon.

Mr. President, Government Committee has selected Senator Bernard-Stevens as Vice-Chair.

Mr. President, Senator Conway would like to add his name to LB 140 as co-introducer; Senator Beck to LB 102 and to LB 141; Senators Smith and Hartnett to LB 58; Senator Hartnett to LB 98; Senator Rod Johnson to LB 84.

Mr. President, the last note is a Reference Committee meeting at two-thirty this afternoon in Room 2102; Reference Committee at two-thirty in Room 2102. That's all that I have.

PRESIDENT: Senator Emil Beyer, for what purpose do you rise?

SENATOR BEYER: Mr. Speaker, a point of personal privilege. I hope that the senators have noticed that we have a familiar face back in the Legislature and that's our Page Supervisor, Kitty Kearns. We're glad to have her back and we've missed her and we wish her good health from now on. (Applause.)

PRESIDENT: Thank you. Ladies and gentlemen, would you please listen as your Speaker speaks.

SPEAKER BARRETT: Thank you, Mr. President, and members, just a reminder to committee chairs, committee clerks, if you plan to have a hearing next week, I believe the first day would be the

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LB 48, 92, 116, 140, 176, 325, 336

section analysis of everything that is in the bill. But I thought with a couple of days advance notice you might have a chance to prepare and at least feel comfortable when the bill comes up for special order on Friday and that is the purpose of the memorandum.

SENATOR LAMB: You are out of order, Senator Landis.

SENATOR LANDIS: Am I? Thanks.

SENATOR LAMB: Senator Ashford, Senator Beyer, Senator Chambers, these are some of the people that we're looking for at this point. Senator Lindsay, Senator McFarland. Please come to the Chamber and record your presence. The house is under call. I believe Senator Bernard-Stevens has indicated that we can begin the roll call, Mr. Clerk. In reverse order, there has been a request for reverse order.

CLERK: (Roll call vote taken. See page 548 of the Legislative Journal.) 20 ayes, 18 nays, Mr. President, on the adoption of the amendment.

SENATOR LAMB: The amendment is not adopted. Mr. Clerk, do you have some items?

CLERK: Yes, Mr. President, I do. Mr. President, Senator Abboud and Lowell Johnson, or, I'm sorry, Senator Abboud would like to add his name to LB 116; Senator Lowell Johnson and Beck to LB 325 as co-introducers. (See page 549 of the Legislative Journal.)

Senator Landis has amendments to LB 92 to be printed. (See pages 549-50 of the Legislative Journal.)

Business and Labor reports LB 176 to General File with amendments. That is signed by Senator Coordsen. Education reports LB 140 to General File with amendments, LB 336 General File with amendments. Those are signed by Senator Withem as Chair. (See pages 550-51 of the Legislative Journal.) That is all that I have, Mr. President.

SENATOR LAMB: Senator Chizek, would you care to offer the motion to recess for lunch?

SENATOR CHIZEK: You don't want to come back after lunch. I

state. The amendment simply adds some more technical language to it and also allows someone an exemption, if you turn on to the back on page 4, line 13, inserts the word "any engineer or person working under the direct supervision of an engineer", for that exemption so it broadens it a little bit more. I would simply ask the adoption of the amendment.

PRESIDENT: Senator Lynch, did you wish to speak about the amendment? Senator Baack suggests you might use a better example, Senator Moore. (laughter) The question is the adoption of the Moore amendment. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

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

PRESIDENT: The Moore amendment is adopted. Now, Senator Moore, on the advancement of the bill.

SENATOR MOORE: With that being my first amendment I've got adopted this year, I would like to continue that trend and move the bill.

PRESIDENT: Any further discussion? The question is the advancement of the bill. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB 263.

PRESIDENT: The bill is advanced. Mr. Clerk, anything for the record?

CLERK: Mr. President, I do. Your Committee on Agriculture whose Chair is Senator Rod Johnson instructs me to report LB 548 to General File and LB 582 to General File, those reports signed by Senator Johnson. (See page 652 of the Legislative Journal.)

Mr. President, new A bill LB 214A by Senator Landis. (Read by title for the first time. See pages 652-53 of the Legislative Journal.)

Mr. President, a series of adds. Senator Conway would like to add his name to LB 238; Senator Ashford to LB 140; Senator Chizek to LB 89. (See page 653 of the Legislative Journal.)

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LB 140, 176

SENATOR McFARLAND: ...about the specific facts on that.

SENATOR HARTNETT: Okay, thank you.

SENATOR McFARLAND: We could certainly look that up and answer that question for you and bring it up on Select File...

SENATOR HARTNETT: Yeah.

SENATOR McFARLAND: ...too, if you would like.

SENATOR HARTNETT: Yeah, okay, I just...you know, I listened to the comments, so thank you very much.

SENATOR McFARLAND: All right, thanks.

PRESIDENT: Senator McFarland, would you like to close on the advancement of the bill?

SENATOR McFARLAND: Thank you. I would just move the advancement of the bill.

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

CLERK: 25 ayes, 0 nays, Mr. President, on the advancement of LB 176.

PRESIDENT: LB 176 advances. May I introduce a guest, please, of Senator Doug Kristensen. Under the north balcony, he has Mr. Gary Thompson of Red Cloud, Nebraska. Gary, would you please stand. Thank you, Mr. Thompson, for visiting us today. Move on to LB 140, please.

CLERK: Mr. President, LB 140 was a bill that was introduced by Senator Chizek and Conway. (Read title) The bill was introduced on January 5, referred to the Education Committee for public hearing, advanced to General File. I have committee amendments pending by the Education Committee.

PRESIDENT: Senator "Cap" Dierks, are you prepared to handle this as Vice Chairman? The committee amendments, I'm talking about. Pardon me? Senator Chizek, do you want to handle that? All right. Senator Chizek.

SENATOR CHIZEK: Basically, the committee amendments are amendments that I had offered that were suggested after the hearing. The one amendment would remove the language implying that financial institutions or brokers have an obligation to provide total investment counselings on the savings account and it provides that withdrawals only be from the amounts contributed as principal until the amount is closed. And it provides...the Department of Revenue requested that there be a 10 percent penalty added on the amounts withdrawn if it's used for anything other than educational expense and the penalty would be considered a tax and paid to the state. And, finally, the change in incorrect section reference is the other one. So I would ask your adoption of the amendments.

PRESIDENT: Very good. Thank you. The question is the adoption of the committee amendments. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 25 ayes, 1 nay, Mr. President, on adoption of the committee amendments.

PRESIDENT: The committee amendments are adopted. Senator Chizek, would you like to speak about the advancement of the bill?

SENATOR CHIZEK: Yes. Mr. President and colleagues, LB 140 is a bill that I have been dealing with for a couple of years now. It really wasn't long after the '87 adjournment that some constituents came to me and wanted to know if there was any way that the state or government might encourage people to save for children's education, etcetera, and by that I mean these were people who pay the taxes and hold the jobs and they don't get any special benefits and are not exactly on easy street. Out of that question came LB 860 last year and then an interim study by the Education Committee and now LB 140. The bill follows one of the options outlined by the committee's interim study, namely, the one way we could help out is to provide an incentive for savings through tax policy. We could provide that savings for the costs of college be exempt from taxable income, within reason. So that's what the bill would effect, effecting a savings plan allowing a parent to choose a form of investment. It's not as complex as it may seem. To do that, the bill allows that a specific account, an account that we style in a Nebraska college savings account can be opened at any bank, savings and

loan or brokerage in Nebraska, and that accounts, funds and interest can be used to pay the educational expense at any public or private Nebraska postsecondary education institution. No financial institution is required to offer that type of account. No one is required to open or contribute to such an account. The mechanism is totally optional. And to encourage long range savings for college through such an account if it's opened, we provide that contributors or contributions are deductible from the amount of income taxable to the state. More specifically, the amount, the contribution is deductible but the amount of the deduction cannot exceed \$2,000 annually. That's the general concept of the bill. The details are outlined on the handout that was just passed out and so I won't take time reciting it. What I will do is share with you some of the things I have heard. It's been said that if parents wanted some special type of way to save for college education for their children, they could do it now. Like most generalizations, that's true and yet untrue at the same time. It assumes that everyone has the same high degree of financial planning sophistication. I would suggest that there are some of us in this state who might not have set up an IRA or an IRA-type account until they were recognized by the federal government, or who would have rushed to CDs or money market accounts without the fact of those being advertised. What we do know for sure is the cost of higher education continues to be not inexpensive, and increasing. Department of Revenue statistics show that the per capita income in Nebraska has almost doubled over the last 10 years but then so have the tuition charges. The credit hour charge at our state colleges has risen 114 percent; at the University of Nebraska, 130 percent on average; at the technical community college campuses, 110 percent. Those increases have occurred while General Fund support has increased 36 percent for the university; 39 percent for the state colleges. But whatever, colleagues, the cause and effect may or not be there, however responsible those increases may have been, it tends to be a slap of reality for the parents. The slap stings even more when you consider the costs of fees, books, supplies, rent and then consider the situation of a parent who has more than one child in college at the same time. And it doesn't take a great deal to see that the potential cost is not inconsiderable, not to the 50 percent of Nebraska taxpayers reporting federal adjusted gross income in '85 of under 18,000, or the 75 percent reporting that income as under 30, or the 90 percent of all Nebraska taxpayers reporting that as under 40. Even if we could show that the charges just for tuition are lower than at other

schools, it doesn't make the cost less painful. So I believe that a voluntary mechanism is at least what we can do. I have had good cooperation from the Department of Revenue, from the banking sector, from the university, the education sector. Almost all suggestions have been adopted to guarantee the mechanism will work. I am confident, for example, that it is compatible with federal legislation that allows a credit for interest on federal bonds cashed in for educational cost. People could participate in both programs or either one. Savings and benefits would be realized. It's compatible with student aid and with targeted student aid, and that's not only my feeling but something that was confirmed by the educational sector. So it's my hope, colleagues, that we're ready to take this step that mandates very little but will mean much to families. We have provided optimum choice. We are at ease with federal legislation. We have deliberately not gone the route of creating a new state agency or putting this state into the bond business to get this done. Under the bill, we would be able to say that we have plugged a gap in the higher education equation. Tuition, we won't have to say to our constituents, yes, we have taxed you to retain quality faculty, to enhance research, to build good schools, but we forgot to do anything to help you send your child to the school we taxed you for to make it a fine school. Surely we can commit to this undertaking of helping the citizens of Nebraska. I would appreciate your support for the bill.

PRESIDENT: Thank you. We have a couple of speakers but I would like to call on Speaker Barrett so that he can guide us until noon so you will know what's coming up. Speaker Barrett.

SPEAKER BARRETT: Thank you, Mr. President, and members, with your permission I would again like to advance a few bills presently on Select File to the next stage, those bills that do not have amendments on them. If you would like to take a moment and check the bills with me so you can be thinking about it in the next 10 minutes, they start with LB 231. It's unamended and we can perhaps move the bill. The next one is 366, LB 56, LB 127, LB 167, LB 184, and LB 185, LB 342 and 344, LBs 195, 198 and 209. Thank you, Mr. President.

PRESIDENT: Thank you. Back to LB 140, Senator Owen Elmer, please.

SENATOR ELMER: Thank you, Mr. President and members. I rise in

support of LB 140. I think anything that contributes to financial responsibility when you have young children contributes to the future of Nebraska. Encouraging future planning in fiscal matters can do nothing but add to stability of the family. We have all heard of mid-life crisis. I think that planning for college education for a number of children who would be in your family would be nothing to help mid-life crisis if you did not have a fiscal plan in place. Anything that we can do to encourage young people to think into their future and into their children's future can be a beneficial endeavor. Even though it might be a small number of people that would participate in this type of a program, I believe it's well worth the small investment that the state might have in some tax relief for these people who would participate. Thank you.

PRESIDENT: Thank you. Senator Wesely, please, then Senator Abboud.

SENATOR WESELY: Thank you. Mr. President and members, I think Senator Chizek and the other sponsors of this bill have obviously raised a very important issue and I do plan at this point to support it. The only cautionary note I would raise and one that we ought to discuss at some point on this issue is this, I can appreciate the idea of encouraging savings and up to \$2,000 a year by a family to put away to save for college, and with two young daughters in college a ways off but still something that I'm thinking about already, I can appreciate this situation. So I applaud Senator Chizek. The only question I have is that, you know, right now, for instance, my family is unable to put away any money to save for college and I don't know, hopefully, some day I'll earn some money and maybe we'll get another salary increase down here and we'll be able to do something like that. But the question is, the real question is there is the need-based problem of paying for college and the money that would be spent for this and the question of whether or not the loss of revenue ought to be better spent through scholarship programs that would be targeted toward the needy and the low income individuals and perhaps even the middle income individuals that just can't afford to pay for college, there may be some alternatives here that we need to think about. I think this is an excellent proposal. I plan to support it but, again, we're faced with if we only have \$4 million to put into assisting people to pay for college, there may be other higher priorities that are more targeted that we may want to think about. I haven't seen those come forward and so I have no

alternative but I just raise that as an issue and a concern, because I know President Bush has talked about this as a solution to our college funding problems, that his solution is let's allow our American families to save for college. Well, there's a whole range of American families that can't afford to save for college. They can't afford to save for anything. They haven't got the income to make that difference and put it into a savings plan. And so what you really need is for the society in general in this nation or our society in this state to together help those individuals that can't help themselves so they have the opportunity for higher education, so that they have the chance to advance in our society by getting the opportunity to go to college even though they personally can't afford it but through our society, through our state, through our nation we provide the assistance they need to educate themselves and better themselves, to help all of us with a higher level of understanding and knowledge and expertise. So it's just that conceptual, philosophical question I raise at this point and look forward to discussing it with this bill as we move forward with it.

PRESIDENT: Thank you. Senator Abboud is next but may I introduce some guests, please. Senator Coordsen, under the north balcony, has Mr. Allen Holle of Deshler. Would you please rise. Thank you. Senator Robak has a guest today, under the south balcony, Bill Schneider who is a professional agent in Columbus, Nebraska. Senator Dennis Byars has a guest in the north balcony, Mr. Bob O'Neill of Beatrice. And Senator Schellpeper has a guest under the north balcony from Stanton, Nebraska, Jim Campbell. Would you please stand. Thanks to all of you for visiting us today. Senator Abboud, you are next.

SENATOR ABOUD: Question.

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

CLERK: 26 ayes, 0 nays, Mr. President, to cease debate.

PRESIDENT: Debate has ceased. Senator Chizek, would you like to close, please.

SENATOR CHIZEK: Yes, and I will be very brief, but I want to yield some of my time to Senator Conway. Senator Wesely, I will

be talking to you about some of your concerns. We have some other handouts that I didn't hand out today that will deal with that issue you brought up. So I will be discussing it with him but I would just urge and appreciate your support for the advancement of the bill. I think it sends a signal. Obviously, we talk about being a debtor nation and this is something that would encourage young people to begin even if it's minimal to start and to start now. And I would yield the balance of my time to Senator Conway.

PRESIDENT: Thank you. The question is the advancement of the bill. All those in favor...

SENATOR CONWAY: Whoa, whoa, whoa, whoa.

PRESIDENT: I overlooked that. I'm sorry. Senator Conway.

SENATOR CONWAY: I felt that was purposeful, Mr. President. Thank you, Senator Chizek. I just wanted to add a couple of comments and I think particularly with respect to...as co-introducer, with respect to Senator Wesely's comments which I think were very appropriate but I think that, as we look at this, the real value of this particular proposal is that as a person who works with college students a great deal and hears a lot of their financial trials and tribulations you find that as the costs of higher education have increased there are lots of opportunities under the need basis with respect to a lot of opportunities with grants and the like if, in fact, you are in the lower income categories. If you are in the higher income category, the assumption is made that you can afford higher education. The real difficult squeeze, as we find in many sectors of society, is really in that middle income category. And the real beauty, I think, of this particular proposal is that it's really designed to fit into that category where you may have parents and grandparents and the like who are in a situation that they have an additional inducement to provide money into a fund to support that middle income person who often does not qualify for some of the special grants and aids that comes along under the qualification standards but yet are not in that wealthy category but what higher education is a very definite financial burden. So I think that's the beauty of this that it helps fill that gap a little bit and Senator Wesely's comments are well taken and I think that that all fits into the broad scheme of financial support for higher education. So I would hope that the body advances this legislation and we can

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LB 140, 231, 366

continue to discuss the philosophy of financial support in that regard.

PRESIDENT: Now the question is the advancement of the bill. Those in favor please vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 25 ayes, 2 nays, Mr. President, on the advancement of LB 140.

PRESIDENT: I think we'll leave our General File at this point. I would like to introduce a couple more guests. A guest of Senator Peterson, under the south balcony we have Mr. Marlin Winter of Norfolk, Nebraska. Also, Senator Lowell Johnson has a guest, under the north balcony Louis Johnson...no Arnie Gebers of Scribner, Nebraska. Would you please stand. Thank you, gentlemen. Now to the Select File we'll be taking off LB 344. I understand there are amendments coming on that. We'll start with LB 231.

CLERK: LB 231, Senator, I have E & R amendments pending.

PRESIDENT: Okay, Senator Lindsay, 231, E & R amendments.

SENATOR LINDSAY: Thank you, Mr. President. I would move that the E & R amendments to LB 231 be adopted.

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

CLERK: Nothing further on the bill, Senator.

PRESIDENT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I would move that LB 231 as amended be advanced.

PRESIDENT: You have heard the motion. All in favor say aye. Opposed nay. It is advanced. LB 366.

CLERK: On 366, Senator, I have no amendments to the bill.

PRESIDENT: Okay, Senator Lindsay on the advancement.

SENATOR LINDSAY: Mr. President, I move that LB 366 be advanced.

February 10, 1989 LB 35, 36, 38, 42, 44, 45, 51
53, 60, 79, 110, 123, 140, 168
169, 189, 190, 207, 408, 607, 610
708, 775
LR 2, 29

for the record, Mr. Clerk, at this time?

CLERK: I do, Mr. President. Mr. President, your Committee on Judiciary whose Chair is Senator Chizek reports LB 42 to General File; LB 44, General File; LB 708, General File; and LB 110 as indefinitely postponed. Those are signed by Senator Chizek.

Mr. President, Revenue committee whose Chair is Senator Hall reports LR 2CA to General File; LB 607, General File with amendments; LB 775, General File with amendments. Those are signed by Senator Hall. (See pages 690-91 of the Legislative Journal.)

Health and Human Services Committee whose Chair is Senator Wesely reports LB 610 to General File with amendments. (See page 691 of the Legislative Journal.)

Mr. President, Report of Registered Lobbyists for this past week as required by statute. (See page 692 of the Legislative Journal.)

I have amendments to be printed to LB 408 by Senator Barrett.

Mr. President, communication from the Governor to the Clerk. (Read communication regarding signing of LB 35, LB 36, LB 38, LB 53, LB 79, LB 123, LB 190, LB 51, LB 60, LB 189, LB 207, LB 45, LB 168 and LB 169. See page 693 of the Legislative Journal.)

Mr. President, your Committee on Enrollment and Review reports LB 140 to Select File with E & R amendments attached. (See page 693 of the Legislative Journal.) That's all that I have, Mr. President.

PRESIDENT: We'll move on to LR 29, please.

CLERK: Mr. President, LR 29 was offered by Senator Langford. It's found on page 656. (Read resolution.)

PRESIDENT: Senator Langford, please.

SENATOR LANGFORD: Mr. President and colleagues, I offer this resolution with a great deal of joy because this gentleman plays cards and plays golf with Jack, my husband, every day, practically, in the summer. He has been instrumental in the

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520, 582A

pages 786-88 of the Legislative Journal.)

I have a new A bill. (Read LB 582A by title for the first time.
See pages 788-89 of the Legislative Journal.)

Madam President, bills read on Final Reading this morning are now presented to the Governor for her review. (Re: LB 56, LB 127, LB 167, LB 184, LB 185, LB 366 and LB 195.) Senator Schellpeper would like to print amendments to LB 520; Senator Chizek has amendments to LB 140. And, Madam President, Senator Elmer would like to add his name to LB 183 as co-introducer. (See pages 789-91 of the Legislative Journal.)

SENATOR LABEDZ: If there are no objections.

CLERK: I have nothing further, Madam President.

SENATOR LABEDZ: Thank you, Mr. Clerk. Senator Lowell Johnson, would you like to adjourn us until Tuesday, February 21st.

SENATOR L. JOHNSON: I would. Madam President and members of the Legislature, I move that the Legislature adjourn until 9:00 a.m., Tuesday, February 21.

SENATOR LABEDZ: Thank you, Senator Johnson. We are adjourned until Tuesday, February 21st, 9:00 a.m.

Proofed by: Arleen McCrory
Arleen McCrory

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LB 140

LB 140.

CLERK: Mr. President, I have E & R amendments to 140.

PRESIDENT: Senator Lindsay, please.

SENATOR LINDSAY: Mr. President, I move that the E & R amendments to LB 140 be adopted.

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

CLERK: Mr. President, Senator Chizek would move to amend the bill.

PRESIDENT: Senator Conway, you're going to handle that?

SENATOR CONWAY: Yes, Mr. President. Mr. President, members, during General File some discussion was made that Senator Chizek and I, as co-introducer of LB 140, would have a couple technical amendments that we would offer on Select that weren't quite ready. Those are now ready and were found on Journal page 790, I believe, is the right amendment, 790, right. What those are are three, basically, technical amendments, a language flow situation that makes a change that was necessary by virtue of the way the language was reading. It needed to be straightened out. Another point in the amendment is that account shall not be assessed as available income in an application for financial aid. The Association for Financial Aid Administrators looked at that and, through the university, also felt that it would be inappropriate to have such an account out there that one may or may not know about that would be added into the financial aid formula as to what one would qualify, whether or not that account was or wasn't there. So that also is included in this amendment. And, finally, another technical amendment that was used to make the thing flow and read better that was offered up would be the very third part, so that all three of them are really of a technical nature and I would move the adoption of that and then we'll discuss the bill.

PRESIDENT: Thank you. Senator Moore, please.

SENATOR MOORE: On the bill.

PRESIDENT: All right. You've heard the explanation on the

Chizek amendment. All those in favor vote aye, opposed nay. We're voting on the adoption of the Chizek amendment. Record, Mr. Clerk, please.

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

PRESIDENT: Thank you. Anything further on the bill, Mr. Clerk?

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

PRESIDENT: Okay, Senator Conway, on the advancement of the bill.

SENATOR CONWAY: Mr. President and members, this bill, LB 140, that Senator Chizek offers and he continues to be ill today, I agreed to try to offer as a co-introducer. We discussed it at some, I think relatively well during General File, but I will remind you at this point what it really attempts to do. It's the college savings plan concept that Senator Chizek introduced last year and that we've reintroduced this year with some modification, some changes and so forth. He has gone the full distance to go to literally anyone who had interest with respect to institutions, with financial aid directors, with the banking association, other interested people who would be the custodians of these accounts, the beneficiaries of the accounts, putting together the language to make this thing flow in terms of the various nuts and bolts, if you will, of how this thing can be implemented. Conceptually, what it simply is is a process where people may establish an account in the name of an individual for their higher educational purposes. They can put as much as or up to \$2,000 that would be an adjustment to their federally adjusted gross income with respect to Nebraska income tax calculations, up to 2,000. If they put in \$10, that's all that they would be able to show as an adjustment to that adjusted gross going into it, but it could go as high as \$2,000, put that money into a savings account to draw interest. The individual, the student upon going to a Nebraska institution of higher learning then could use that money for tuition, books and the necessities associated with attending that postsecondary institution. Upon doing that, it could be drawn from that account and would be used for that purpose. There are provisions in there that if the individual doesn't go to school, drops out of school, whatever, how that money comes back if that account is disrupted prior to or not being used for educational

purposes, there is a repayment of any tax that would have been paid on that money prior to the deduction, as well as a 10 percent penalty; very similar to what we...what some of us are familiar with as we deal with IRA accounts and the like. So, conceptually, that is the way the bill works and I will offer that and try to answer any questions anyone may have.

PRESIDENT: Thank you. Senator Moore, please, then Senator Nelson.

SENATOR MOORE: Mr. President and members, I hesitate to rise and say something...question some of the things about this bill, particularly since Senator Chizek is not here and Senator Chizek is probably watching it on TV, knowing Senator Chizek, so I wave to him, but, you know, I do have a little bit of problems with this bill. I've watched it go across. I was not here on General File. I'm not going to ask a whole lot of questions, but I am going to, for the record, voice a couple of my concerns about the bill. I have been involved in this Legislature on some movement towards some need-based tuition assistance for students attending Nebraska's public and private institutions of higher learning. I firmly believe that there is a variety of people in this state that are having a lot of trouble coming up with the finances to attend the university of their choice, whether public or private, and I really firmly believe that we need to do all we can in the state to help truly needy people have the resources to attend college. LB 140, in my opinion, you know, there is nothing need based about it because obviously you have to have a little bit of...you have to have plenty of money as a parent to be able to use to put \$2,000 aside and not spend it in a given year. Now, for instance, we've heard a lot about the plight of our teachers' salaries in this state and, obviously someone, a single income earning family, let's assume they were a teacher in this state with the average salary of, whatever it is now, I forget, 21, \$23,000, they had one or two kids in high school or even in grade school, I firmly do not believe that they are probably going to have money, \$2,000 to set aside in a situation like this. Whereas, you have someone, a more upper middle class wage earner, someone probably makes up the bulk of Senator Chizek's district, they are probably going to have the money to put aside in a fund like this which is fine. I really don't have a problem with helping those people out, but the fact of the matter is that Nebraska ranks like forty-ninth or fiftieth in the amount of tuition assistance they give to students of all income brackets and I guess I'm a little

bit hesitant to jump forward with Senator Chizek's, which I will grant, innovative plan. We're not doing near enough for the truly needy in the State of Nebraska, so that is my first and foremost concern. And, like I said, I hesitate to talk about...question this bill because it is something like questioning apple pie because how can you question a bill that is designed to help parents save for their students' education. But I question what is the wisest way for us to spend our money. I particularly think we may think about, instead of spending money this way, helping someone that can, obviously, afford to stick \$2,000 away every year, maybe we should be helping a student that is 18 years old, doesn't have the money to go to school right now, it's a brain going to waste because they don't have the money to attend an institution of higher learning. Secondly, one of the problems I have with this bill and I will let Senator Conway have the balance of my time to answer it as he wishes and this may have been answered on General File, but you know, let's say that two uncles...I'm eventually, I am getting married and eventually I have a son, let's just say for instance I have two rich uncles and say a son is born to me, they like this kid, they're going to say we're each going to put \$2,000 or however it works, I'm not sure, or each a thousand, whichever it is, and have two uncles that put money in. And first off, would someone like that be able to set up an account, an uncle? Is that even...

SENATOR CONWAY: That's correct. That's correct.

SENATOR MOORE: Let's say 15 years, they do that for 15 years, they've...you could put \$2,000 in a year?

SENATOR CONWAY: Right, up to 2,000 a year.

SENATOR MOORE: Up to? Let's say you have \$30,000. When the kid gets to 15 years old, let's say his hair is a little bit too long, he's got a tattoo on one arm and he's smoking cigarettes and his uncles...let's say this son falls from grace of those two uncles and they want to pull that money out, now can you really go back for all 15 years, collect that lost tax independently? I mean, is there...I mean for...in this, can we actually go back for 15 years and collect all that money? I mean, if they want to fight it and say, hey, statute of limitations, I'll give you five years' worth, the first 10 years...I mean, it's just...answer that concern for me. You can have the balance of my time.

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LB 140

PRESIDENT: One minute.

SENATOR CONWAY: From a legal perspective, I think that without question you can do that, no different than you would on an IRA or anything else that...for instance, we do a continual recapture whenever anybody under a depreciation schedule when, in fact, depreciation didn't unfold as it was scheduled. We take a straight line or accelerate it and then something does last or is worth more, like we do a house, then we go back and we recapture it and the county procedures are well designed to do that and the recapture actually would be more detrimental to them because if they had to recapture and show, let's say accumulated \$15,000, if you recapture that \$15,000, you'd have to recapture that in one year which, in essence, because of escalated rates, you would actually pay more tax because of recapturing a whole amount than what little minimal reduction on a marginal scale you would have taken each of those progressive years. So it would be detrimental, plus there is also a 10 percent penalty on top of that, so it does make you think...the kid better fall out of pretty serious grace before you would want to do that.

SENATOR MOORE: But you're saying that there is no question in your mind there would be no...there is no way if that uncle really wanted to play hardball with the state saying, that first ten years the statute of limitations ran out and you can't get it, there is no way legally he can do that.

SENATOR CONWAY: I believe under these kinds of provisions you can because the statute of limitations doesn't run out on a linked function where you're on contract and following that schedule. You would have one in terms of I think, what, a six-year limitation in terms of going back to audit unless something has been on file or you've got a contractual arrangement otherwise. So the statute of limitations would be at the point of discovery and we'd have to get into a...probably an attorney that understands this completely to explain that, but under a linked function you can keep going back as long as you can see that someone agreed to something and continually stayed within that...(interruption).

PRESIDENT: Time.

SENATOR MOORE: Okay.

PRESIDENT: May I introduce two groups of guests we have. Senator Morrissey, in the north balcony, has eight Sacred Heart senior students from Falls City, Nebraska, with their teacher. Would you folks please stand and be recognized. And Senator Kristensen has a group of visitors in the north balcony from Wilcox, Nebraska, with their instructor. Would you folks please stand. Thanks to all of you for visiting us today. Senator Nelson, please, followed by Senator McFarland.

SENATOR NELSON: Mr. Speaker, members of the body, this is one of these times that I'm really very hesitant to get up and speak, particularly since Senator Chizek isn't here. In fact, I almost didn't speak for that reason, but I guess that is not good legislation when we feel too guilty about one of our colleagues not being here to defend his position.

PRESIDENT: Senator Nelson, may I interrupt you? (Gavel.) May we please have it quieter so we can hear the speakers. Thank you.

SENATOR NELSON: We had this bill last year, almost very similar to it excepting it was changed a little bit this year, more to the satisfaction of the Internal Revenue Department and so on. The bill has a lot of merit, but, again, when we pass legislation down here, and I see a lot of it this year, I particularly got hammered on my nursing bill because of the fact of need. This bill, I have to agree with Senator Moore, it is not designed to help the middle class or the person that is in 20 or 30,000. They can if they have the extra \$2,000 to put away for a simple 3 percent or \$63 a year. Agreed, that tax interest accrues tax free too, but the problem of it is and relating back to the problems associated with the Revenue Department, going back and collecting taxes, the administering the program, the processing, going back on those tax returns for at least six years back become almost monumental. This year the bill is better in that respect but still has concerns. I don't know, I'm assuming most of you know but in October of 1988 Congress did pass a bill exempting interest on U.S. Series E savings bonds if the bonds are transferred to an eligible educational institution as payment of qualified educational expenses and this will become available after January 1, 1990. There is a phase-out on incomes above \$60,000 to 90,000 or 40 to 50,000, I think it is, or 55 for a single, but if you look at the fiscal note on this, \$4 million fiscal note, I would say

that's at least doubled, so let's go back and think 2 million maximum or something like that and I would doubt that even that many would use it. But here we are, \$121,000 next year to implement 225,000 the next year and the idea has merit, maybe my parents would give to my kids or the grandkids and so on but, as I say, I want all of you to kind of realize what you're voting on on this bill and I feel so guilty in even speaking out about it, but I felt rather...last year, I just had a lot of problems with it and I've really not changed my mind a lot this year. And I know the bill is important to Senator Chizek so I will let the rest of you make your mind up and push your button like you want to, but I wish...it's just not a bill that is simple to implement and the benefits are very little and it does not help the truly poor or the truly needy. You have to have that money to put away in hopes of saving a very, very minimal amount and the amount of money to administer it is, in some cases, far more than whatever the gains would be.

PRESIDENT: Senator McFarland, please, followed by Senator Smith.

SENATOR MCFARLAND: Thank you, Mr. President. Like the senators that preceded me, I rise with some apprehension in expressing my reservations about the bill since Senator Chizek is not here. My apprehension has only increased knowing that he may be watching but, nevertheless, I shall try to make my points. I was not there, unfortunately, when this bill was voted out of committee, but I wanted to relate to you the discussion that occurred last year when Senator Chizek introduced LB 860 which was a very similar bill to our committee. He made a very eloquent presentation to our committee about how money could be set aside, that people would plan for their sons' and daughters' education by setting money aside. We ought to encourage this, we ought to give some kind of tax deduction for it and that the effect of it would be that it would encourage middle income people to put their money aside in these accounts so that their children have money for their education, and that by providing tax benefits for this procedure we would be encouraging it. So I was fully ready to support and vote in favor of the bill. It seemed like an excellent idea. I thought it was a good one and he had presented it well, but then when we got into Exec Session Senator Johnson was on the Education Committee and he brought up a very interesting point and his point was that similar types of legislation have been passed in the...on the federal level, not directly identical to this, of course, but the concept has been

introduced on the federal level where persons can set aside money for certain beneficial purposes and get some type of tax benefit from it. And Senator Johnson pointed out that in these federal types of programs the problem was that the only people whoever set aside the money were the people who were fairly wealthy and fairly upper middle income or upper income bracket who could afford to do it and so the actual practical effect of it was that...that the middle income working people who are living on a month-to-month basis generally do not make these type of investments or set asides to receive the tax credits and so the...in theory, what you want to promote does not really occur, at least according to Senator Johnson, and what you end up doing is giving tax benefits to fairly wealthy individuals and those benefits are not distributed according to need or according to the persons that really need to take advantage of the program. Unfortunately, working people, even though this would be a benefit to them, do not as a practice, according to Senator Johnson, take advantage of it so we really just give the tax credits to upper income and upper middle income people. So, for that reason, I am going to vote no on this. If the bill passes, I may research it further and then when Senator Chizek is here we can have a more extended discussion on it on the floor. If the bill does not advance this time, certainly it can come back up again and at that time when Senator Chizek is here we can discuss it further. But I do have reservations about the bill. I suspect, knowing Senator Johnson, he was probably right in his assessment of the tax consequences of it. Of course, he was Chairman of the Revenue Department and really followed these things very closely...

PRESIDENT: One minute.

SENATOR MCFARLAND: ...and, believe it or not, Senator Johnson and I did agree on occasion although you may not believe it, having heard the debate for the past two years between him and me. So, for that reason, I'm going to vote no. I ask you to look into it as well and examine this issue, examine what the practical aspects of it are because in theory it sounds like a great idea, but I think in reality other programs like this have not had the desired results and I'm afraid that this program would not have the desired results either. Thank you.

PRESIDENT: Thank you. Senator Smith, please, then Senator Conway.

SENATOR SMITH: Thank you, Mr. President. I would like to ask some questions, if I may, of Senator Conway.

PRESIDENT: Senator Conway, please.

SENATOR SMITH: Senator Conway, I'm looking...trying to look at the fiscal note here and I think I heard Senator Nelson say it's about...would become nearly \$4 million. Is that what she said?

SENATOR CONWAY: You'll have to ask her what she said.

SENATOR SMITH: It's very difficult...well, can you tell me what it is?

SENATOR CONWAY: The fiscal note came down, I believe it was in the neighborhood of \$4 million by virtue of the only way to calculate it was to look at the maximums. I called today to the Coordinating Commission. We currently only have a 100...just barely over 100,000 students in postsecondary education in Nebraska right now totally, totally. But the assumption that they used was 60,000 people taking...being involved in this so there is just no way to calculate it. One, you don't know how many will participate. All they can go on is if everybody did it, how bad would it be? Well, here's what their best guess would be, so...(interruption)

SENATOR SMITH: Well, let me ask you another question. Does this...is there ever a payback from this account? And why is there a cost? Is this a cost to the state?

SENATOR CONWAY: It is foregone income would what would be the cost.

SENATOR SMITH: What do you mean by that?

SENATOR CONWAY: Foregone income taxes that they think they would have collected, otherwise now you can keep from the taxing mechanism by virtue of committing it to a student's education.

SENATOR SMITH: I see what you're saying. Okay. All right, it is my understanding also, and I'm not very...I have not had much experience with...since I have not been able to save dollars or pass them on to my kids, isn't it also possible at this point in time for parents, is it parents only who can set aside or who can give gifts up to, what is it, \$3,000 a year per child?

SENATOR CONWAY: No, anyone could establish an account in the name of a specific beneficiary.

SENATOR SMITH: No, no, I'm talking about aside from this bill. Isn't it already possible for parents to provide a gift to children up to \$3,000 a year?

SENATOR CONWAY: Sure.

SENATOR SMITH: Okay, so then that could be in addition...it seems to me with this bill, and I'm like all the rest of the people here, it's very difficult to stand up here and say I don't support this. It seems like this bill is really aimed at those people who can already afford to do this because the ones that would like to be able to do it, the ones that really should do it are not going to be able to set aside the \$2,000 a year, where if you have already the opportunity to set aside or give, as a gift, \$3,000 per year, and now you're saying another \$2,000 per year which would be tax free for those people who are giving the gift, that makes it quite a large amount of money. Now the next question that I have, Senator Conway...

SENATOR CONWAY: Pardon?

SENATOR SMITH: The next question that I have is, in my understanding there is no limit to the number of years that money could be put into this account?

SENATOR CONWAY: There is no limit, but you would also have to consider the fact that it has to be for educational expenses...

SENATOR SMITH: Right.

SENATOR CONWAY: ...that are specifically tuition, books and housing so, therefore, if you had a huge, huge account built up, ultimately you're going to have to recapture it anyway because the student wouldn't use that for those specific uses.

SENATOR SMITH: I'll bet they could. Okay.

SENATOR CONWAY: Gold-plated books.

SENATOR SMITH: Okay, so is it limited to what they can use the money for? It is limited, they can't...living expenses, those

kinds of things, incidentals?

SENATOR CONWAY: Housing, books, tuition, the very specific items that belong...(interruption)

SENATOR SMITH: Not incidentals?

SENATOR CONWAY: Pardon?

SENATOR SMITH: Not incidentals?

SENATOR CONWAY: I don't believe there is incidentals in it, no. It would have to be all approved by the institution as part of their financial (inaudible)

SENATOR SMITH: Okay. And would they then have to pay, at any time, taxes on the account, those people that are the recipients?

SENATOR CONWAY: Only if they use the money for something other than those prescribed educational expenses.

SENATOR SMITH: So it really is a tax loss to the state because of the money being set aside by individuals who are also receiving the benefit of not having to pay it? And then the people who receive it don't have to pay a tax on it either?

SENATOR CONWAY: The only loss to the state would be the fact that there is some income set aside that is not taxable income in that year. Then there is some, to some extent, I assume we could say there is recapture to the extent that what is happening is then you have cash dollars out of those accounts ultimately going back to the educational institutions, but, no, there is no recapture of that tax as long as the money is used specifically for educational purposes.

PRESIDENT: One minute.

SENATOR SMITH: Well, you know, these are questions that I think you're answering that make me feel very uncomfortable about the bill, quite honestly. So, at this point in time, I'm not sure that I'm going to be able to support it. Thank you.

PRESIDENT: Thank you. Senator Conway, followed by Senator Warner.

SENATOR CONWAY: Thank you, Mr. President, and possibly some points of clarification. First of all, I say you have to look at this being a...you know, the question of need keeps coming up. This is something separate from need and in my experiences in higher education I can assure you that right now in higher education the most needy entity are students that are coming out of the middle income families. There are financial aid opportunities for people who are poor. There are, naturally, the economic stature of those that are wealthy and they don't have a problem going to school. The most difficult group right now are those who are just high enough income level where your family may have the wherewithal that those numbers, due to the calculations, don't get you in on guaranteed loans, don't get you in on SSIGs and Pell grants and these kinds of things, you don't qualify but yet your income is not so strong or healthy that you can really afford to send the person to school. And so this is really where you're probably going to find more people using this particular technique than anything else. I think if you just search your own financial situation, many of the people in the body, much like myself, are in that middle income, lower to middle income category in part because we're here I suppose, but in many cases our incomes would still be just high enough that our children would not qualify for a lot of the financial aid that is there and we're going to foot the bill. And to have an opportunity like this where there is enough incentive with a little bit of state tax deduction which wouldn't amount to a whole lot...

PRESIDENT: Senator Conway, may I interrupt you a moment, please?

SENATOR CONWAY: Sure.

PRESIDENT: (Gavel.) Let's hold the conversation down, please, so that we may hear the speaker. Thank you, Senator Conway.

SENATOR CONWAY: The incentive to the individual wouldn't be all that great, that all I can deduct from my taxes are the state income tax portion of that amount, but it may be just enough to try to entice a few people to save ahead of time so that we are not at a crisis point. You know, it's almost like a withholding mentality so that people will move in those directions to try to have those funds available when their children are ready to go to school, or for Aunt Martha or whoever else that wants to

contribute and have that beneficiary for a student going to an educational setting in the State of Nebraska. You know, we keep talking about need base, well, this is something different than need base. The needy students, we have those programs and this will not detract from, will not have anything to do with those. This program is really that slice of people that we have not done anything for, that many times are in a crisis situation and then the student is in a difficult dilemma relative to being ready for school, they don't qualify for any of the financial aid or very little of the financial aid that is out there and they need this pool of money to attend school. So this is where it is directed and I think it's probably an area that we should focus on. It's...these people may be the most needy at this point. We've got 90,000...or 90 percent of the taxpayers in Nebraska are filing returns with taxable income of less than 40,000 right now. There are some of those people at that upper end. They are not qualifying much on the financial aid, but they are also not an income category that they find sending a student to school at all very comfortable relative to their financial situation; those people that are in that 30 to \$40,000 category are basically needing to consume the majority of that to live in the standard of living that they expect they should want to. So this is where this plan really fits best.

PRESIDENT: Thank you. Senator Warner, please, followed by Senator Hall.

SENATOR WARNER: Well, Mr. President, I hadn't anticipated speaking on this issue either today. But last night those of you who watched or heard about the program on ETV brought it to mind what has been bothering me about this bill, and not just this bill but several others. Last night two or three people who testified brought to our attention again what has occurred essentially since 1967. More than one person talked about the problem of increasing exemptions, narrowing tax bases resulting in a smaller base and a higher rate and fewer people. And quite a bit was made to what had happened in the area of property tax. The thought has been bothering me a lot ever since we passed LB 773, and I voted for it with some reluctance. But now that we had our own income tax system the potential to begin to do a variety of exemptions was going to become very real. If there was any one single policy that was prevalent throughout the entire Legislature in '67 was...and when we went to the sales income tax, that to have an equitable tax system you had to have minimal exemptions, virtually none, on both sides. And

gradually, for a lot of reasons, we keep expanding that. Each exemption, of whatever nature, whatever tax, seems to germinate another. In fact, I think you get two plans for every one seed that you plant. I suspect that we're going to....I think there is a very crucial policy issue that the Legislature needs to be concerned about because, if we are not careful, once you start the route of exemptions there is very little justification not to do another. And they will continue to expand, as they already have. Broad tax policy dictates, time and time again, the concept of broad-based low rate, keeping your budgets within reason is what is best for economic climate, it's best for government services, it's best for the citizens throughout the state. And as tempting and as justified as each exemption is, as we individually view them, collectively we are talking about deterioration of a tax base. One of the lessons I can remember being told, I don't know that I learned it all that well, but many years ago when you try to do social programs for tax programs it is virtually impossible to be definitive enough to target the real thing that you're trying to get at. As I've been listening to discussions just on the specifics of the bill this morning, obviously, that is a problem with, or at least a concern with some of you, that you can't target it exactly the way you want to do it. I would suggest, if it's to help students, there probably are far less problems trying to help a student through the appropriation side of a...

PRESIDENT: One minute.

SENATOR WARNER: ...program than the probability of not doing what you ought to do or want to do on the tax side. It's just very difficult to accomplish. But that really isn't my...I'm not concerned about 140 in that respect. I just want to caution...hope that you give some thought that 10 years from last night there will be a another ETV program in which people again will appear and comment on how we narrow the income tax base as we had done the property tax base, to some extent the sales tax base. And then we'll begin to wonder why are we having all these inequities in the tax system, why are we disgruntled with the tax system. I would suggest that where you start, where you start to have and retain equity in a tax system is minimizing exemptions, in whatever the form of taxation is. So I think there is a very serious issue, not with 140 but with a lot of bills, and that is the broad tax policy of are we going to narrow the income tax base, as we have the property tax base, and to some extent the sales tax base, or have we learned from

history and are going to refrain from repeating mistakes of the past.

PRESIDENT: Thank you. Senator Hall, please, followed by Senator Withem.

SENATOR HALL: Thank you, Mr. President and members. I supported LB 140 when the bill was on General File and because...my gut reaction was that of I think many of the members in that this is a bill that promotes and supports education and the ability for individuals to basically plan for their child's future. It's difficult, as I think Senator Smith pointed out, to argue with that. It's difficult to be a bad guy with regard to that type of an idea, that type of a proposal as Senator Chizek and others bring it to us in the form of LB 140. But the issue of how this impacts the income tax system, as Senator Warner just stated, and the issue also that has been raised yet this morning with regard to who does this really impact, who is going to have the ability to use this, are two that need to be discussed and I'm not sure were discussed fully on General File with regard to LB 140. The bill went to Education Committee. It did not come to the Revenue Committee and it has as much an educational impact as it does a revenue impact. The revenue impact is slight in terms of the numbers, probably. It is difficult to get a hold on that, but the issue of narrowing the base, and I'm as guilty of anyone with regard to my own pet interest with regard to introducing bills that I feel strongly about with regard to not only the income tax but the sales tax. We all can take the stand that the base has been eroded except, and it should be corrected except when it comes to areas that are near and dear to us. So I can't say that it is...I can take a Puritan standpoint with regard to feeling that there won't be a time and point where somebody may read this transcript back to me and say, but, Senator Hall. The issue here is one for me not only of erosion of the tax base, but also those individuals who would benefit from this. The way I read the bill, and I think I'm reading it correctly even with the amendments, an individual could take the \$2,000, put it into an account and send their wife to school as long as their wife met the qualifications, it could be an executive of a company. As long as the wife who becomes a student met the qualifications with regard to the number of hours, the residency requirement, that individual would be able to take that tax deduction just like an 18-year-old who leaves home, travels to Lincoln and takes up residence in a dormitory. That's what the bill allows

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LB 140, 443

for. I think that emotion has taken over and we have too quickly endorsed this idea that is in LB 140 without completely examining it and, at this point in time, because of the issues that have been raised, both by Senator Warner and others, I'm not ready to support LB 140 and advancing it to E & R Final. I'm going to vote no on this measure and I'm sorry that Senator Chizek is not here today to fight for his bill because I think the principle and the idea behind it is probably a good one to promote education, but the specifics that are entailed in LB 140 are big policy issues and without a better understanding, without more discussion...

PRESIDENT: One minute.

SENATOR HALL: ...and without, in my opinion, the conscious vote of the body to say, look, we want that base to erode, I don't think that LB 140 is ready to be voted on on Final Reading. And for that purpose, Mr. President, I'm going to oppose this bill at this time. Thank you.

PRESIDENT: Thank you. Mr. Clerk.

CLERK: Mr. President, I have a motion from Senator Moore to indefinitely postpone LB 140. I assume Senator Conway, as a co-introducer, has the ability to lay the bill over, Mr. President.

PRESIDENT: Senator Conway, did you wish to respond to the friendly kill motion?

SENATOR CONWAY: I think since the kill motion is so friendly and the chief introducer, who I know feels very strong about this bill and should have the opportunity to stand here and defend himself is not here, that I think the friendly kill is in order and I think I will not take it up.

PRESIDENT: Okay, very good. We'll move on to LB 443.

CLERK: Mr. President, 443 is on Select File. Senator Moore, I do have E & R amendments, Senator.

PRESIDENT: Senator Moore.

SENATOR MOORE: I move we adopt the E & R amendments to LB 443.

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LB 54, 84, 140, 162A, 214, 214A, 254
284, 284A, 318, 320, 357, 432, 443
499, 588, 611, 652, 781
LR 1, 7

General File; LB 432 is indefinitely postponed; LR 1 indefinitely postponed; LR 7 indefinitely postponed, and LB 588 advanced to General File with committee amendments. (See page 1049 of the Legislative Journal.)

Your Enrolling Clerk has presented the bills read earlier this morning to the Governor. (Re: LB 284, LB 284A, LB 499, LB 443, LB 214, LB 214A, LB 318 and LB 320. See page 1057 of the Legislative Journal.)

Priority bill designations: Government Committee is 640 and 639, Senator Abboud LB 592, Senator Hall LB 653, Senator Lindsay LB 681, Senator Elmer LB 429.

New A bill, Mr. President, LB 162A from Senator Rod Johnson. (Read by title for the first time as found on page 1057 of the Legislative Journal.)

I have amendments to be printed to LB 357 from Senator Schellpeper and Nelson, Senator Lindsay to LB 54, Senator Baack to LB 254, Senator Chizek to LB 140, Senator Hall to LB 781, Senator Withem to LB 652. (See pages 1049-57 of the Legislative Journal.)

Unanimous consent for addition of names as co-sponsors, LB 611 Senator Rod Johnson; and LB 84 from Senator Haberman. (See pages 1057-58 of the Legislative Journal.)

That's all that I have, Mr. President.

SPEAKER BARRETT: Thank you. The Chair recognizes the member from the 33rd District, Senator Jacklyn Smith.

SENATOR SMITH: Thank you, Mr. Speaker. I would like to make a motion to adjourn until Monday, March 13 at 9:00 a.m.

SPEAKER BARRETT: You've heard the motion to adjourn until nine o'clock Monday morning. Those in favor say aye. Opposed nay. Ayes have it, motion carried, we are adjourned.

Proofed by:

Arleen McCrory
Arleen McCrory

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LB 95, 140, 257, 280, 289, 311, 330
336, 387, 395, 438, 444, 478, 561
588, 603, 606, 643, 683, 705, 710
721, 736, 739, 744, 761, 762, 767
769, 780, 807

indefinitely postponed; LB 478, indefinitely postponed; LB 561, indefinitely postponed; LB 387, indefinitely postponed, all those signed by Senator Chizek as Chair of the Judiciary Committee. (See pages 1081-82 of the Legislative Journal. Journal page 1082 shows LB 721 as indefinitely postponed.)

Mr. President, a series of priority bill designations. Senator Hall would like to designate LB 762 as a committee priority. Senator Hartnett designates LB 95 and LB 444 as Urban Affairs priority bills. Senator Hartnett chooses LB 603 as his personal priority bill. LB 739 has been selected by Senator Hannibal; LB 606 by Senator Schimek; LB 761 and LB 289 by the Natural Resources Committee, and LB 807 by Senator Schmit, personally. LB 769 by Senator Labedz; LB 705 by Senator Ashford; LB 438 by Senator Wehrbein; LB 710 by Senator Scofield; LB 643 by Senator Bernard-Stevens; LB 588 by Senator Chambers; LB 739 by Senator Hannibal; LB 330 by Senator Pirsch; LB 767 by Senator Smith; LB 736 and LB 780 by General Affairs Committee; LB 395 by Senator Peterson. Senator Lamb selected Transportation Committee's LB 280 as a priority bill. LB 311 has been selected by Senator Landis as his personal priority bill; LB 683 by Senator Schellpeper.

Mr. President, I have a series of amendments to be printed. LB 744 by Senator Withem; LB 336 and LB 257, those by Senator Withem. (See pages 1083-88 of the Legislative Journal.)

I have an Attorney General's Opinion addressed to Senator Haberman regarding an issue raised by Senator Haberman. (See pages 1088-90 of the Legislative Journal.)

Mr. President, Natural Resources Committee will have an Executive Session at eleven-fifteen in the senate lounge, and the Banking Committee will have an Executive Session at eleven o'clock in the senate lounge. Banking at eleven o'clock, Natural Resources at eleven-fifteen. That's all that I have, Mr. President.

SPEAKER BARRETT: Thank you, Mr. Clerk. Proceeding then to Select File, LB 140.

CLERK: Mr. President, 140 is on Select File. Mr. President, the bill has been considered on Select File. On March 2nd the Enrollment and Review amendments were adopted. There was an amendment to the bill by Senator Chizek that was adopted.

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Senator Moore then offered a motion to indefinitely postpone. That laid the bill over. That motion is now pending, Mr. President.

SPEAKER BARRETT: Senator Moore, please.

SENATOR MOORE: Yes, as I mentioned the last day we debated LB 140, when Senator Chizek was home ailing, that kill motion was indeed a friendly kill motion to give Senator Chizek a chance to come back and defend himself on the onslaught that this bill suffered and since Senator Chizek is here I would like to withdraw that kill motion and continue debate on the merits of LB 140.

SPEAKER BARRETT: The motion is withdrawn.

CLERK: Mr. President, Senator Chizek would move to amend the bill. Senator, I have your amendments printed on page 1050 of the Journal.

SPEAKER BARRETT: Senator Chizek, please.

SENATOR CHIZEK: Mr. Speaker and colleagues, sometimes it seems that you have dealt with one of your bills for such a length of time and you have looked at it with so many people and that you have amassed so much data that the time in all those meetings and the information concern the positives, you can't help but wonder how to boil it down to the sort of information that you need to make available on the floor. LB 140 does happen to be one of those. But since this body is rarely at a loss for words, I hope you will bear with me while I attempt to summarize some of the important provisions of LB 140. I think we are all...we all, by now, understand the permissive nature of the bill. With a limited tax incentive provision, it allows the establishment of a savings account for the cost of higher education. Where that account can be established and what form the account can take, are items which we allow individual freedom of choice. We similarly apply that same principle to the choice of school within Nebraska. The sole condition placed on that is that a student utilizing an account must meet a degree of qualifications as a full-time student. And we have drawn from the existing statute in the state scholarship program. Almost all of the rest of the bill constitutes mechanics of the practical aspects. It's particularly worthwhile to note that principle because from time to time and

in conversations that I have had with some of you, it's been natural enough to have allusions to other state programs aimed at assisting or encouraging savings for college. At least eight other states have set up some kind of program. The subtleties are different but they all have two major features that are alike. The first is a considerate allowance for freedom of choice of schools, which seems to me to be sound. But the sound is in one way or another...as sound as it is, they involve the purchase of bonds issued by the state. Michigan, as you recall, was the first state to move in that direction and their plan has been snagged in IRS rulings. We have avoided those potential problems by not setting up a new state agency. We're not putting the state into the bond business or doing anything to compete with the private sector. Instead, we put the private sector to work and on a level playing field. I want to make one more point in comparison with other states and their experience. LB 140 is an adjunct to student aid, as we have heard in committee. It would be a part of the picture, something compatible with existing options. Virtually all other states have some form of scholarship aid like our SSIG program. We have asked Legislative Research to check on other states which have already enacted a savings plan. And in Michigan, Illinois and the others the savings program has not either discouraged state appropriations to the scholarship program or cut into it in any adverse way. The savings plan has worked as how it is supposed to. The costs of college seem to be unquestionably justify allowing this option. On General File, I noted the Department of Revenue's statistics showing that the per capita personal income in Nebraska has almost doubled over the last ten years, but tuition charges have more than kept up with the pace. The credit hour tuition charges over that same period of time have risen about a 114 percent in our state colleges, about 130 percent at the university on average, and at our technical colleges, about 110 percent. Perhaps these increases were reasonable. The LR 390 report, the Education Committee's interim study on college savings plans, points out that nationally tuition charges rose an average of 75 percent during those seven to 10 years. The report additionally notes the U.S. Department of Education's projections of an average 7 percent additional rise this year, a price that the department says, "is going to go up at this rate forever. Nothing in the immediate offering will exert very much restraint." It doesn't take much to realize that those prices and increases are that slap at reality that I have mentioned. And even if it is a pulled punch, it is only tuition, it doesn't begin to account

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for books, supplies, rent, room and board. Add that in and the cost is not inconsiderable. You can understand why student borrowing from student loans has skyrocketed, 700 percent over a 15 year period, spanning the seventies and the eighties. It is to the level where now, according to the LR 390 report, the student debt at 1986 graduation averages \$7,400, and add a special debt on top of their share, as national leaders have been telling us of the national debt incurred not for frivolity but to seek an education at institutions their parents have already been taxed to build and to maintain. Nebraska parents and families are often at their financial limits even before the children go to college and these costs loom large as they wonder how they can help. I can attest to the fact that it is not easily managed and I can't imagine it would be for most Nebraskans. LB 140 will help. Let's make a quick calculation where a family put aside \$5 for about 18 years for about \$250 a year. At this point, there would be enough to cover three-quarters of four years tuition at UN-L, our most expensive public institution. Eighteen years from now the numbers will be up but the proportion of the amount to family income will not be radically different, colleagues, which what that means in the bottom line sense is that the greater number of students having savings available to them, the greater the financial aid pool for students who don't have those savings available to them. The financial aid dollar stretches further to more students. It could very well make Nebraska students less vulnerable to the vagueness that has existed in federal appropriations. The bill, either as a bill or as a concept, underwent and withstood four public hearings before reaching General File, two interim reports including it as an option. Technical suggestions from the Banking Committee have been consistently incorporated, suggestions specifically of the Nebraska Bankers Association through committee amendments. They are on page 6 in lines 9 through 11 and, again, in lines 18 to 20. Specific Department of Revenue suggestions are on page 2, lines 15 and 16, page 4, line 20, and all of Section 15, and all of Section 26 in their entirety. Without tinkering, the University of Nebraska's suggestions are on page 14, lines 17 to 23, on page 9, line 11 to 15, page 10, 12 to 24; suggestions made by financial aid administrators. Finally, the amendment that I filed is one more bow to the concerns and hesitations. I respect yours. The amendment caps eligibility for participation by income levels. The income levels for phase out and cut off are drawn exactly from the federal legislation with one exception, colleagues. We have lowered the cut off from participation...

SPEAKER BARRETT: One minute.

SENATOR CHIZEK: ...from an income of 90,000 to an income of 70,000. A married couple could participate fully if their taxable income were under 60, between 60 and 70. The maximum credit would be reduced one-half. A nonmarried contributor with an income exceeding 55,000 cannot claim any deduction whatsoever. That will help our targeting even more and should reduce the fiscal note's guess at state cost. Now maybe you want to review those numbers more, but I would hope, colleagues, that we are ready to compete for our youth in that we want our young to stay, and I would hope that we recognize that this bill is a major part of the overall higher education problem in funding in this state. I would ask your support.

SPEAKER BARRETT: Thank you. Discussion on the Chizek amendment. Senator Moore, followed by Senators Nelson and Withem.

SENATOR MOORE: Mr. Speaker and members, those of you that were present the last time we supported...debated LB 140 will remember that I rose on LB 140 with two basic concerns, the first of which, how can the state recover lost interest after the fact, go beyond the statute of limitations. And at that time, Senator Conway rose and answered my question quite thoroughly that we could probably do that, and compared it with an IRA, that the state was safe, and that it could, indeed, recover such lost interest on past the statute of limitations. The second concern that I raised that day, and I raise again today but in a little different light, if you look at the graph that I pointed out, this is state student aid comparability for Nebraskans, you can see that Nebraska ranks far behind the five contiguous states, the five Big 8 states, the nine Midwest states, and the United States average, Nebraska ranks far, far behind them in total state student aid for the SSIG overmatch, and that was my concern then, and my concern was that Senator Chizek's LB 140 would, indeed, compete with those funds. Now Senator Chizek mentioned it is not his intent for them...for his bill to compete with those funds, but there is some concern that, indeed, they will. Regardless of that, it is important to realize that I guess I, after contemplating the purpose of LB 140 and Senator Chizek's present amendment, which eases some of my fears, that my concern was that this bill was targeted primarily to those people that could only afford to use it.

With his amendment, he makes the bill a little better by limiting who can take advantage of this bill to those people that have an income of \$60,000 or below, if they are married, or \$40,000 or below if they are single, I guess I, after visiting more with Senator Chizek, since he has been back, I still have concern over that in Nebraska we must work as we can to reach our goal in 1991 of \$5 million in total student aid, but I realize that LB 140 is just one piece of the puzzle. It is one piece of the puzzle, as Senator Withem and Senator Chizek have mentioned to you. I still have some philosophical concerns, I don't know whether that is the right thing to do, I guess, but for the time being, I will be supporting Senator Chizek's amendment this morning, and providing that, indeed, the funds of LB 140 does not compete with our efforts to raise the state student aid to both our public and private sector institutions, I guess given even the fact that Senator Chizek has agreed to work diligently to increase the funding for that fund, I guess I will, basically, withdraw my opposition to LB 140 here this morning.

SPEAKER BARRETT: Thank you. Senator Nelson, on the amendment.

SENATOR NELSON: Mr. Speaker, members of the body, as you remember, the other day I, too, like Senator Moore, had concerns about this bill. The amendment has made it far more palatable but again I have concerns that it is not reaching the people that we really need, and that is the people that probably cannot afford to put the \$2,000 away. I have problems with eroding the tax base in this amount of money, and yet I don't fault that it is a good idea. Many of the programs that we have are good ideas. I can't say that it is really helping people right now that maybe need the help with their education or so on. I might tell you another option that is available, that is to buy discount bonds. I can't tell you exactly right off what the name of the bonds are. That has slipped my mind, but, say, for example, you purchase a bond for \$250. Then that is actually a \$500 bond. You purchase that bond in the name of your child. They can use that funding wherever they want to go, and the income up to age 14 is tax free. Thanks, Brad, zero-coupon bonds, and the tax advantages to the grandparents or to the parents would far exceed what the tax advantages would be on this particular bill. Any child under 14, amended by the 1987 tax laws, they can defer \$1,000 of that income before having to have it taxed, and it would be taxed at their parent's nominal rate which would probably be the middle income tax bracket or

the next bracket. That is one of the options. As I mentioned the other day, the federal law passed that also addresses student income, and so as much as I hate to question Senator Chizek's funding and the merit of the bill, I think that there are other alternatives that would do far more good for our state budget and actually for our college-bound kids because this is not something that may or may not publicly address the kids because there are, as we all know, scholarships and funding available. And my point is, because of the fact of the cost of implementing it in the various colleges and the programs, exactly how much return are we getting, and for the good of the students, and as I said, just one option is the zero-coupon bonds, which, in essence, is tax free to the person that purchases those.

SPEAKER BARRETT: Thank you. Senator Withem. Senator Withem moves the previous question. Do I see five hands? I do. Shall debate now cease? Those in favor vote aye, opposed nay. Shall debate cease? Voting on ceasing debate. Record, please.

CLERK: 25 ayes, 0 nays to cease debate, Mr. President.

SPEAKER BARRETT: Debate ceases. Senator Chizek, would you care to close?

SENATOR CHIZEK: Mr. Speaker, colleagues, one of my colleagues this morning came and asked me if I had copies of the Journal-Star editorial in regards to this particular bill, and I assured him that I did have copies, and that this morning I was probably going to discuss the editorial somewhat. The editorial talked about mechanical shortcomings and loopholes in LB 140. The so-called mechanical shortcomings and loopholes are unidentified. Sections 2 through 13 are almost completely drawn from or reference existing statute. Sections 15 and 26 are virtually word for word contributed by the Department of Revenue. Others who have contributed, as I have said earlier, were the state colleges, the university, Revenue Department, the banking industry, and I could go on, Nebraska Financial Aid Administrators, and I could go on and on. But in mentioning the loopholes...let me ask if one of these loopholes is that any family member, for example, can contribute to the account? That is not a loophole. That is deliberate policy. It is unfortunate that Aunt Sadie might wish to contribute to the education of a niece or nephew, the editorial times labels Aunt Sadie's contribution as a loophole. Any tax exemption carries

with it the reality of being a public subsidy, the editorial goes on to say. The LR 390 study report notes that projected costs four years at a state university will in the year 2006, when today's newborns are first eligible to enroll, will be in the range, colleagues, of \$65,000, \$65,000. If we fail to enact now, let me ask you, colleagues, what kind of General Fund tax subsidy will the 100th Legislature be saddled with. The editorial point ignores the reality of the future. And they go on to say, a secret public subsidy for corporations. Corporations aren't in the bill. Also it can't be too secret if the editorial writers are writing about it. Another portion of the bill they talk about would allow state income tax deductions for tuition paid for all institutions of higher education. Presumably the eighty-eight reference is a mistake on their part, more importantly the editorial, itself, is the first suggestion I have seen or heard of a linkage between the two. There is no evidence here from other states which have adopted college savings plans of a link between the two colleges. Unrealistic to think that families which live paycheck to paycheck have the disposal income to sock away \$2,000 per year per child. The bill does not require a savings of \$2,000 a year per child in order to participate.

SPEAKER BARRETT: One minute.

SENATOR CHIZEK: Two thousand is the maximum tax deduction. Simple arithmetic shows that if a parent 18 years ago, as I said earlier, began putting the \$5 away, the amount exclusive of interest, would equal \$4,680, almost, as I said, three-quarters of the cost today for the number of credit hours needed for the average bachelor's degree at UN-L. That hardly makes things unrealistic. The bill, they go on to say, would require state snooping, a blatant use of an emotional term. Did the newspaper feel this way when the energy tax credits were passed? Does it feel this way about proposals for tightening the scrutiny of LB 775? It is apparent to me that these exaggerated terms are being selectively applied in this editorial.

SPEAKER BARRETT: Time has expired.

SENATOR CHIZEK: Thank you, Mr. Speaker.

SPEAKER BARRETT: Thank you. You have heard the closing and the question is the adoption of the Chizek amendment to LB 140. Those in favor of that motion vote aye, opposed nay. Voting on

the Chizek amendment. Have you all voted? Have you all voted? Record, please.

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

SPEAKER BARRETT: The amendment is adopted.

CLERK: Mr. President, I have an amendment to the bill by Senators Wehrbein and Schmit.

SPEAKER BARRETT: Senator Wehrbein, please.

SENATOR WEHRBEIN: Mr. President and members, this is the amendment that I just passed out. It is on your desk. It is AM0738. It is an amendment to LB 140 that has to do with the fairness. It is, frankly, LB 535 and LB 629, a bill that Senator Schmit and I had, having to do with tax exempt status of municipal bonds. It is a bill that simply states, as you can read the amendment, that those bonds purchased prior to or purchased after...I am off...am I on, okay, purchased after January 1, 1987 would then start the interest on. If you can recall back to when we passed LB 773, this was passed in May with no opportunity whatsoever for municipal bondholders to do anything with their municipal bonds, and they were immediately struck with a state income tax that I consider highly unfair, and this is simply an effort to go back to January 1st, 1987, saying that any bonds purchased prior to that would continue their tax exempt status, any bonds purchased after that would then be taxed as they currently are. As I said, it is an issue of fairness. Many bondholders had no opportunity whatsoever to get out of these bonds, and even if they did, there was very limited or inadequate market for these kinds of bonds across the state. Nebraska has many more bonds than there are...or many more bond buyers than there are bonds, and so when it come time to sell these, they weren't able to get their money into another source. So I brought this as an amendment to LB 140, and I would urge your consideration for it.

SPEAKER BARRETT: Thank you. Discussion on the Wehrbein-Schmit amendment? Senator Hall, followed by Senators Nelson and Moore.

SENATOR HALL: Thank you, Mr. President and members. I rise in opposition to the amendment that Senator Wehrbein offers to the bill. I don't question the germaneness of it because I think it

is probably an appropriate amendment with regard to that issue. The amendment that he offers, as Senator Wehrbein stated in his opening, is one that was addressed by the Revenue Committee this year. It was a bill that was brought in by Senator Wehrbein that, and also, I think, Senator Schmit, that did just this. It would allow for those individuals who had purchased tax exempt bonds to be able to continue to have that ability. Okay, and these are bonds only that are purchased from municipalities outside the State of Nebraska. In other words, what we are talking about here are not Nebraska municipality...tax-free municipal bonds, but bonds that originate and that the money flows to municipalities outside the State of Nebraska. As Senator Wehrbein stated, this change was made in LB 773 two years ago, and it caught some people off guard. What they had to do, basically, was to either change their portfolio or hang onto those bonds, and many of them have hung onto them, and have been waiting for a point in time where they could, basically, dump those bonds. Okay, the arguments that were presented in front of the committee were one that the Legislature did not treat these people fairly. That argument possibly, I guess, is one that is difficult to deal with. It is difficult to argue. It was debated in a hearing. It was not something that came on as an amendment. It had full public hearing on the issue. It was a policy decision that the Legislature endorsed. We adopted it and said we are going to tax other tax-free municipal bonds because they don't originate in Nebraska. Nebraska, at that point, was only one of about four states that did not do this. Now we are with the other 46 or 47 that do tax municipal bonds that originate in another state. What you need to remember is that these bonds are not taxed by the federal government, so those individuals who have these do not pay any federal tax on them. The only tax that they pay on them is the slight income tax that would be placed on them by the State of Nebraska, as does, virtually, every other state. There are about four states or so that do not have this tax. What you also need to remember is that the State of Nebraska does not generate enough tax exempt bonds, municipal bonds for the market that is out there. It is impossible. We could not do it. It doesn't happen. It did not happen prior to the passage of LB 773. There never has, never will be, enough of these bonds in existence. So there were people who were buying these bonds from other states. They do that today. They continue to do that. There has been no slump in the sales. You talk to the folks in the brokerage houses, and there has been no slump in those sales. They are buying them. They are buying them because they want to have

that income exempt from federal tax.

SPEAKER BARRETT: One minute.

SENATOR HALL: The state tax is a bonus. The state tax exemption that we previously had was a bonus, and it was taxed in 45 other states. For Nebraska to now go back and say we are going to exempt those bonds I think would be a mistake, and I would urge the body to reject Senator Wehrbein's amendment to Senator Chizek's education bill. Thank you very much, Mr. President.

SPEAKER BARRETT: Thank you. Senator Moore, please.

SENATOR MOORE: Senator Wehrbein, just for the record, I was listening to your introduction of this and just so this morning this body knows exactly what it is, this amendment is, it obviously has little or nothing to do with the situation surrounding tuition assistance. You are talking about correcting a perceived problem that we created when we passed LB 773, but just, I am assuming the cost of this amendment is the same as LB 629?

SENATOR WEHRBEIN: That would be my best estimate. That was done for Senator Schmit's bill, yes.

SENATOR MOORE: And so that, just so the body is aware, we are talking about a \$3.5 million impact here this morning on this amendment to the state. If we pass this amendment, potentially, we are talking a potential cost of \$3.5 million in decreased revenues in ensuing years, correct?

SENATOR WEHRBEIN: Well, I will speak to that later, but actually it will be declining as these bonds fade away. You see the time has already passed on them. They are being taxed from January 1st, 1987 on. This simply makes those prior, so, obviously, they will grow less. This is one bill that is going to contract, rather than expand.

SENATOR MOORE: Okay, well, just maybe I am appearing today in a neutral fashion. I just want to make sure the body is aware this amendment carries a \$3.5 million price tag in its first year. I think the body should be aware of that and think about that as it considers it.

SPEAKER BARRETT: Thank you. Senator Hall, followed by Senator Hefner.

SENATOR HALL: Thank you, Mr. President, and members. Again, this issue was addressed in both the bill that Senator Wehrbein brought, in LB 535, and Senator Schmit's LB 629 this year. In both cases, the Revenue Department opposed the measures. The committee voted unanimously to indefinitely postpone both of the bills, and there was, basically, a small group of supporters who I guess through no fault of their own justly were found to be left in this situation. They don't happen to be your run-of-the-mill type of investors. These folks who invest in tax-exempt muni bonds are fairly sophisticated individuals, which means that they understand how the system works, and they usually have enough money, and I say, usually, because there are always exceptions, but they usually have enough money to be able to look at the muni bond investment over a long period of time. What has happened since the passage of LB 773 and the impact on the Nebraska market with regard to tax-exempt muni bonds? Nebraska's market represents about \$200 million a year of muni bonds that are available out there to be sold in the market. What has happened is that the State of Nebraska, because of the demand for the tax exempt status for Nebraska's own bonds as opposed to the out of state ones, is that the local governments, the folks that you represent, have been able to offer these bonds at about 50 basis points less than what the market would bear on any out of state bonds, in other words, about half a percent less. That directly correlates to property tax relief because that is a half a percentage point that those local governments do not have to pay when they are paying off those bonds. It is very cost effective and it is one of the sole reasons for passage of that measure with regard to 773. It is why the vast majority of other states provide for this type of exclusion, because if the other states are not going to reciprocate with regard to tax exempt status for our bonds, why should we? Why should the State of Nebraska do this? And I think if you were to look at the other four states that do that, they tend to be the Montanas of the world where they don't...there is not much call for these types of bonds, there is not much use for them. They don't have the population to purchase them, so they choose to allow for the tax exempt status for their citizens at that point when they buy an out of state bond. In this case, you are talking about going back to the way that we did it before for those individuals who were in this investment, used this practice to basically plan for retirement,

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and that is what many of them did with this, and that is what many of them currently do. What we did, when we passed 773, is we said, look, we are going to tax you. When those things come due, when you move your investment around, you are going to pay taxes. You are going to pay taxes unless you move those to Nebraska bonds, and many of those people are currently doing that. They have switched their investment from out of state muni bonds to Nebraska bonds when they can. When they can't, they continue to invest in out of state muni bonds...

SPEAKER BARRETT: One minute.

SENATOR HALL: ...because they pay no federal tax on there. There is no federal income tax, and that is the plus, that is the plus. The state exemption is just a little cream on top of that. They continue to have that in the State of Nebraska, but when they purchase them from a state other than Nebraska, they pay tax, and I think that is good tax policy. I would urge you to defeat Senator Wehrbein's amendment to LB 140. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Additional discussion, Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I rise to oppose this amendment. The Revenue Committee saw fit a couple of years ago to do away with this, and because...the reason that we felt this way was because the other states wasn't going on a reciprocity with us, and so we just thought it was unfair. Mr. Speaker, I would ask if this is germane to the bill? Mr. Speaker.

SPEAKER BARRETT: I am sorry, sir.

SENATOR HEFNER: I would like a ruling of germaneness on this bill.

SPEAKER BARRETT: Senator Hefner, while I am looking at the bill book, would you care to make an argument or two as to why you are questioning the germaneness.

SENATOR HEFNER: The reason I am questioning the germaneness, we are talking about tuition tax credits here, and Senator Wehrbein's bill deals with, he is asking that the amount on tax exempt bonds from other states be exempt. I just don't feel

that it is germane to that...this particular bill

SPEAKER BARRETT: Thank you, sir. Senator Wehrbein, would you have any comment?

SENATOR WEHRBEIN: Just to, Mr. Speaker, just to say that if you look on page 18 of LB 140, the top of the page is part of this current bill, my amendment falls into line 18 of that page, so it is in the same section, and then it goes on...continues onto the bill, and there is changes in the current 140 on page 22. So my amendment is smack-dab in the middle of the section is all I was saying. It may not directly say education, but it does...it is exactly in this, encompassed within the sections that we are discussing.

SPEAKER BARRETT: Thank you.

SENATOR MOORE: (Mike off) ...germaneness.

SPEAKER BARRETT: On the issue of germaneness?

SENATOR MOORE: Yes, I just...if you read the germaneness, this is a precedent setting...I think it's one of our first germaneness rulings this session, I would advise the Speaker to...as I'm sure he is and I can tell he's thinking very hard on what he's going to do here, but I would encourage him...if you read that germaneness rule in 7, 3(d), it talks about subject matter. Senator Wehrbein is right, he is dealing in the same section, but a far, far different subject, and I would sincerely hope that the Speaker would very deliberately read that rule, and while at the same time setting a precedent for a very narrow germaneness ruling during the remainder of the session.

SPEAKER BARRETT: Thank you.

SENATOR WEHRBEIN: Mr. Speaker, I would like to offer one other. We are in tax exempt status, whether it is education funds, in this case, or whether it is in municipal bonds, we are still dealing with an exemption for a specific subject. I would think that is really the issue, the exemption status, rather than the education issue or even what the municipal bonds are used for.

SPEAKER BARRETT: Thank you. The Legislature will stand at ease for a moment. Thank you. Senator Hefner, it is the opinion of the Chair that LB 140 does relate to tuition tax credits, and

although Senator Wehrbein is attempting, or not attempting to add any kind of a new section, the Wehrbein amendment does refer to tax exempt bonds, and, therefore, would appear to be, in the opinion of the Chair, a nongermane amendment because it does include a subject which relates to a substantially different subject or accomplishes a substantially different purpose than that desired by the introducer of the bill. Therefore, the Chair declares the amendment to be nongermane. Senator Wehrbein.

SENATOR WEHRBEIN: Mr. Speaker, I would move to overrule the Chair.

SPEAKER BARRETT: That is your privilege. Roger, excuse me, Senator Wehrbein, would you care to speak first on the motion?

SENATOR WEHRBEIN: Yes, I would just say that it is germane because the issue is not so much education or municipal bonds and the case of what they are used for, it is the fact that we are talking about the exempt status of whatever subject it may be, and so I would submit that the issue is really the exemption, whether we are going to grant an exemption for this or that, whether it is going to be for education or municipal bonds, and that it is germane based on that simple issue of exemption, not so much whether it is education or whether we are going to build sewers, or whatever, but it is the exemption issue that I would hang my hat on, and I believe that it is germane on that basis.

SPEAKER BARRETT: Thank you. Senator Moore, on the motion to overrule.

SENATOR MOORE: Mr. Speaker and members, I rise in support of the Speaker on this ruling. As we mentioned, this is probably one of our first germaneness battles of the session. I think it is probably actually a very good one to have it on, because it all depends on how you want to interpret this rule. I encourage those of you in the body to look at Rule 7, 3(d), where it talks about what exactly a germane amendment is, and the last sentence says, a nongermane amendment includes one that relates to a substantially different subject or accomplishes a substantially different purpose than that of the original bill to which it is proposed. Now, LB 140 deals with tuition tax...with tax credits. So does, I...tax credits and forgiveness of taxes, actually, is what we are talking about, as does Senator

Wehrbein's amendment, but the fact of the matter is that I think if you read that last sentence, even though sometimes this body, we have used section to determine what, indeed, is germane, I kept looking at that last sentence and talked about what is the subject. The subject is tuition of Senator Chizek's bill. The subject of Senator Wehrbein's amendment is muni bonds and I simply do not think that though in maybe the letter of the rule, theoretically, if you do choose to adhere to the philosophy of same section it is germane, I think if you adhere to the philosophy it has to be the same subject, I think Senator Wehrbein's amendment has failed that litmus test and I encourage the body to sustain the Speaker and use this ruling as a precedent for the entire session. Because as we all know, as the session continues to move forward, we will see more and more of these amendments. Of course, just the other day, I tried to amend a bill on Final Reading that, I mean, you are going to see more of that and I have been guilty of it myself. I think it is important that we deal specifically in the subject matter of the bill, and not get carried away of a Christmas tree theory and amending amendments to bills that simply have nothing to do with the subject. I don't think Senator Wehrbein's amendment has anything to do with the subject and intent of Senator Chizek's bill and, therefore, I urge the body to sustain the Speaker's ruling.

SPEAKER BARRETT: Thank you. Any other discussion on the motion? Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I rise to support the Speaker. I think this is a good ruling, and it is going to set a precedent for the rest of the session. This definitely is a different subject because we are talking about tuition tax credits in the bill and now Senator Wehrbein is trying to amend into this bill tax exempt bonds. The Revenue Committee has saw fit to kill Senator Wehrbein's bill, and two years ago we passed, the whole body passed LB 773 where we said that out of state municipal bonds would be taxed, and the reason we did this is because I felt that it was only fair to treat the other or the people in the other states the same as we were being treated in their states. And so I think the Speaker has made a good ruling here and I would urge you to uphold that ruling.

SPEAKER BARRETT: Thank you. Anyone else care to speak? Senator Hall.

SENATOR HALL: Thank you, Mr. President and members. I rise in support of Senator Wehrbein's motion to overrule the Chair. I disagree with the amendment that he has offered, but I look at LB 140 and it deals with tax credits, income tax credits. Senator Wehrbein's amendment, the bills that he and Senator Schmit both brought to the Revenue Committee dealt with tax credits. The provision, in my opinion, is germane. I did not argue that when I first spoke in opposition to Senator Wehrbein's amendment because I don't feel that it is outside of the subject matter of LB 140. Now you may not like the amendment, and I don't like the amendment, but...and I am going to oppose the amendment, continue to do that, but the issue here is one of germaneness, and Senator Moore is right when he says we are setting the tone or tenure for the rest of the session because what we are doing is we are narrowing down the germaneness ruling, and Senator Scott Beutler Moore would like to see that as tight or narrow a provision as possible. I would prefer to allow for discussion of these kinds of topics when they come up because it does deal with the same provision. It deals with the issue of an income tax credit or the ability that would be provided in both LB 140 and Senator Wehrbein's amendment. We should not confuse the two. We should not vote for the...or against overruling the Chair based on our opposition to Senator Wehrbein's amendment, because I think what we are doing is stating then that the germaneness issue is one that we want to see as tight and as close knit as possible, and I just don't believe that. I think there should be the ability to discuss topics that fall under the same category. This clearly does. Even though I oppose the amendment, it clearly falls within that category, and I would urge the body to vote to overrule the Chair, but then to vote to vote down Senator Wehrbein's amendment. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Anyone else care to speak to Senator Wehrbein's motion? Senator Withem.

SENATOR WITHEM: Yes, Mr. Speaker, members of the body, first of all, I would like to commend a couple of individuals, first of all, commending Senator Hall for his speech. Too often on germaneness questions, we make our decisions based on do we like the amendment under consideration or do we not. We ought to all commit ourselves to rising above that and looking at the type of precedent that we are setting. Senator Moore was 100 percent correct when he said this may well set a precedent for the

session. I do not recall a germaneness question being brought up before, and he is also right, that as the session goes on and bills are not, that we like, are not coming forward as quickly as possible, we attempt to leapfrog over the system and offer them under the color of amendment. I also would like to commend the Speaker. The Speaker consistently since he has sat in the Chair has ruled in favor of a very, very narrow concept of germaneness. I know that there have been criticisms of individuals who sit in the Chair from time to time that they aren't consistent in that ruling. This Speaker is. Unfortunately, he has been ruling in a consistent manner in a fashion with which I disagree. He has been ruling in an incredibly narrow sense on what constitutes germaneness. Senator Moore made a good point where he said that merely opening up a section of the statute is not enough to make it germane. I think he is correct in that. Just to say it is in the same section is not enough of an argument, but when it accomplishes basically the same thing as...his amendment accomplishes basically the same type of thing as the bill itself, it is germane. What we are dealing with in this section of the statute is what types of transactions, what types of items will constitute taxable income, what will not constitute taxable income. Senator Chizek is offering us a bill that says that money put into a savings plan for use for college students shall not be taxable income. Senator Wehrbein and Senator Schmit are saying income garnered from the interest on municipal bonds purchased prior to a given date shall not be taxable income. We are defining what is taxable income, what is not taxable income. It is germane. It is perfectly clear to me it is a germane item that should be considered within this bill. Senator Moore and I were discussing, I don't think he will object to my using this as an example, under this sort of ruling on germaneness, his motion the other day, which I supported, dealing with changing the name of Class VI schools, would not have been a germane amendment to Senator Robak's bill dealing with building authority of Class VI schools, although it was all in the Class VI section of the statute. I would question if, when we debate LB 79 here or 89 here in a few days dealing with teachers salaries, an amendment to raise administrators salaries would be considered a germane amendment. Or an amendment to require teachers to do a particular item to qualify for this may not even be considered to be a germane amendment. In order for this Legislature to craft legislation taking into consideration several different nuances of the same area of policy, it is important that we be able to offer amendments and that those

amendments ought to be considered. To do that, we need to maintain not a wide open germaneness policy, something that is clearly nongermane, a sales tax exemption, a property tax exemption, clearly would not be germane to this section. But in order for us to maintain our tools as a body to intelligently deal with all of the problems we have before us, we need to maintain...

SPEAKER BARRETT: One minute.

SENATOR WITHEM: a germane...set a precedent for a germaneness ruling that allows us, as a body, to continue to do our business. I think the amendment that Senator Wehrbein has offered, I frankly don't know whether I agree with it or disagree with it, but I think it is clearly germane to this bill and I would like to see it considered along with the rest of Senator Chizek's bill.

SPEAKER BARRETT: Thank you. Anyone else care to speak? Senator Schmit.

SENATOR SCHMIT: Mr. President, I will be very brief. I agree with what Senator Wehrbein and Senator Withem have said. We can rule so narrowly that we cannot even offer any kind of substantive amendment if someone wants to get down to that kind of a perspective. I respect the Speaker's position but I guess I find it very, very difficult, after being here and watching some of the bills that have come out of the Judiciary Committee prior to the tenure of the present Chairman, when almost anything went in. You could have called them the garbage bills of the session because anything and everything went, and frequently I found my bills that had been introduced in that committee attached to some unrelated, nonrelated bill. I think one time there were 15 separate issues, subjects, within a bill, which set some kind of a record. It wasn't very good legislation, I agree, but I think that if you will take a good look at what we are doing here, you will understand that they both address the issue, as Senator Withem has said, of exemptions from a certain kind of tax and it certainly is germane. The philosophy behind the amendment ought to be determined at a different time. The point of view of myself and Senator Wehrbein as to whether it is correct or incorrect ought to be determined at a different time, but the germaneness ruling clearly ought to be on the side of Senator Wehrbein. Thank you very much. I support his motion to override the Speaker.

SPEAKER BARRETT: Thank you. Anyone else? Anyone else? Senator Warner, would you care to speak?

SENATOR WARNER: Yeah, Mr. President and members of the Legislature, I would rise to support the Speaker's ruling. It is exceedingly clear, it seems to me, that germane amendments relate only to the details of the specific subject of the bill, and this, obviously, goes beyond the specific details of the bill. I, too, am supportive of a narrow amendment but for a variety of reasons, and we all know what we are all talking about. And that is the use of amendments to circumvent the priority system, that is what we are talking about. The first thing most of us do that have been here any time, and I have already done it, of the four or five bills that I have an interest in, you start looking for what bill could I maybe conceivably amend it into and circumvent the priority system. Once we start down this route, as we could do, then where we will end up that many of you will never see your priority bill considered because we are going to spend hours and hours and hours of arguing the amendments into some bill that goes total beyond the purpose of that bill, and I would urge that we support the Speaker in his ruling, and get established early on that for this session that a narrow interpretation is what we are going to deal with, and that we are not going to go intentionally circumventing the priority system which will leave many of you out of bills that you think you are designating to be considered because of the long hours we will spend on discussions of germaneness, just as we are now, and then, secondly, they, frequently, will be controversial subject matter in themselves, and then we will spend hours on that. If you have a first choice, make it a priority. If it is not a priority, then it ought to wait its turn in the normal order of events and not consistently use the amendment route to do things that we otherwise did not want to do as a matter of a priority.

SPEAKER BARRETT: Thank you, sir. The Chair assumes there are no other members that care to speak, and the question...would you care to close, Senator Wehrbein?

SENATOR WEHRBEIN: Just briefly. I had my light on, was it working? Maybe they are not. Anyway, Mr. Speaker, members, I just will simply to say that I think it does fit into this section. I can appreciate the fact that the definition ought to be narrowly defined. However, we are talking about, in my

opinion, the exemption status of whatever the issue may be. Whether it is infrastructure of municipal bonds or education, this section talks about the exemptions that are going to be allowed, and I would submit that it is germane. It is smack-dab in the middle of the section. It covers several topics that relate to the exempt status, whether it is the Nebraska College Savings Plan or whether it is the municipal bonds or some other issues that would be exempt. It is talking about the word "exemption". So I would urge a vote to override the Chair.

SPEAKER BARRETT: Thank you. Before calling for a vote, the Chair would like to make a statement as well, and it is within the prerogative of the Chair to do so. It is true, as some have said, that the rulings made by at least this presiding officer have been falling on the side of narrowness. It is the opinion of this presiding officer that that is exactly what this body wants this presiding officer to do. A few years ago we were operating under some broader germaneness rules. The Rules Committee, with a concurrence of a majority of the members of this body, voted to change those rules to narrower standards. This presiding officer is operating under those conditions with the understanding that this is what this body wanted the presiding officer to do. That will, hopefully, be the continuation of rulings made by this presiding officer. Two thoughts occur to me. If there are those who want to again operate under the broader interpretations of the rules, perhaps the rules should be changed. Secondly, if there are those who continue to object to the rulings of the Chair in this area, one should always remember that to operate outside the parameters, all one needs to do is to suspend the germaneness rule. With that, the question before the body is, shall the Chair be overruled? Those in favor vote yes, opposed no. Twenty-three votes necessary to overrule. Have you all voted? Have you all voted if you care to vote? Senator Wehrbein, please.

SENATOR WEHRBEIN: Twenty-three votes?

SPEAKER BARRETT: Twenty-three votes necessary, yes. A record vote has been requested. Record, please.

CLERK: (Read record vote. See page 1091 of the Legislative Journal.) 14 ayes, 18 nays, Mr. President, on the motion to overrule the Chair.

SPEAKER BARRETT: Motion fails. Anything further on the bill,

Mr. Clerk?

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

SPEAKER BARRETT: Senator Chizek, anything further?

SENATOR CHIZEK: Mr. Speaker and colleagues, just a couple of more observations, if I could. When I left off, I was discussing the editorial of the Lincoln paper, and there were a couple more comments that I would feel would be appropriate. They imply that LB 140 is below the table tax exemptions, deductions, credits, and refunds, they go on to say. This seems to imply, colleagues, that 140 is all of these things when it provides only one. One could moreover make the same observation with economic development packages. One could say the same thing when we take upon the floor a homestead exemption. One could take up the same cry when we talk about day care credits,...

SPEAKER BARRETT: Excuse me, Senator Chizek. (Gavel.) Go ahead.

SENATOR CHIZEK: Thank you, Mr. Speaker. ...or any of a dozen other like and worthy measures. A preferential savings vehicle, not for the poor but for the middle and income families and individuals they go on to say. That example, colleagues, just given illustrates the productiveness of what results if an impetus to save is in place. The editorial can't have it both ways, and if your income is 40,000, and virtually 90 percent of the Nebraska taxpayers are at that level or under it, and if you have four children, colleagues, you are not on easy street. We have always had the wealthy, of course, but who the upper income are anymore is anyone's guess, and exactly how many does the editorialist think that we have in Nebraska. They go on to say, colleagues, that LB 140 should be a prime candidate for a deep study. This bill was heard last year as LB 860, was a prime factor in two LR 390 hearings, one in Lincoln, one in Kearney, heard again this year, and is outlined in two interim study reports as a worthwhile option within the issue of savings for college costs. So, altogether, it has essentially had four public hearings and two interim study reports. Surely, Mr. Speaker, that constitutes deep and ample study. Colleagues, I would ask for your support in the advancement of the bill.

SPEAKER BARRETT: Thank you, sir. Discussion on the advancement

of the bill, Senator Withem.

SENATOR WITHEM: Mr. Speaker, members of the body, I have not spoken on this bill yet, and I did want to make a couple of comments, and I will try to be very brief.

SPEAKER BARRETT: Excuse me, Senator Withem. (Gavel.) The house is not in order, please.

SENATOR WITHEM: Thank you, Mr. Speaker. This bill came through the Education Committee. The Education Committee saw fit to advance it to the floor. It was our feeling, I believe, that this bill deals with a very, very serious problem that has not been adequately addressed to this date by this Legislature, that is, how are all of our citizens in the state going to afford to send their children five years, 10 years, 15 years, 20 years from now on to our institutions of higher learning. Costs of higher education are increasing each year. They are outpacing individuals abilities to deal with those. There are, basically, three ways that an individual can pay for their own education, or a family can pay for education of their children; save money before they go to school; earn money when they are in school; pay back money after they get out of school that they borrowed. We need a mix of those. Most people that are experts in this area indicate the area we have fallen down with primarily has been in this area of encouraging savings. Senator Chizek's bill does not solve the problem. It moves us one step forward. It is one small tiny piece of the overall puzzle. We, as a state, have, basically, three ways in which we can help young people on to college. Number one, we can put in General Fund appropriations into institutions to keep the tuition rates low. We spend, probably, over \$200 million a year of state General Fund appropriations each year doing that for our community colleges, our state colleges, and our university system. We can provide direct grants to students. We provide roughly a million dollars, 1 million on one hand versus \$200 million on the other hand. We need to do more of that, and I agree with Senator Moore on that. We need to do more direct grants. We also need to encourage savings, and at this point we do absolutely nothing to encourage savings. This bill of Senator Chizek's will do that, it will help us encourage savings by families to send young people on to college. It does not solve all of the problems nor does it provide the massive erosions of the state tax base that others have been afraid of. It is a good public policy statement. It is a bill that needs to be passed this

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session, and I would urge you to join Senator Chizek and Senator Conway in advancing this bill.

SPEAKER BARRETT: Thank you. Any other discussion? Seeing no lights, Senator Chizek, anything further?

SENATOR CHIZEK: Am I closing?

SPEAKER BARRETT: Yes, sir.

SENATOR CHIZEK: Colleagues, I think you have probably heard perhaps all you want to hear about LB 140, but I think we should remember that we are dealing with an ever increasing problem. I think you should recognize that we are dealing with a problem that is going to get worse before it gets better. I think you should recognize that we are dealing in a problem, we are dealing with a problem that is going to affect a substantial number of people in this state, both those that are paying taxes and those that will be trying to acquire a higher education. We deal with these issues constantly. We have dealt with these issues as long as I have been around this Legislature and before. All I am saying is it is time, colleagues, that we address those people so that we can deal with the problem that is forecast of a \$65,000 college education bill in the year 2006. Certainly this is not the total answer to what we are doing, but as Senator Withem said, it is a piece of the puzzle and it is a step in the right direction. I urge your support in the advancement of LB 140, and I apologize to the body for all of the confusion that has existed when I was off sick with pneumonia a couple of weeks ago, and I appreciate your indulgence and would ask for your advancement of the bill.

SPEAKER BARRETT: Thank you. The question is the advancement of LB 140 to E & R Engrossing. Those in favor vote aye, opposed nay. Senator Chizek.

SENATOR CHIZEK: It is eleven fifty-seven. Rather than delay, I would ask for a call of the house and a roll call vote.

SPEAKER BARRETT: Thank you. Shall the house go under call? All in favor vote aye, opposed nay. Record.

CLERK: 25 ayes, 1 nay to go under call, Mr. President.

SPEAKER BARRETT: The house is under call. Members, please

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LB 84, 140, 154, 183, 285A, 340, 405
406, 522, 528, 611, 634, 653A, 655
657, 700, 739, 747, 774, 807
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record your presence. Members outside the Legislative Chamber, please return. Senator Hefner, please record your presence. Senator Labedz, Senator Haberman. Senator McFarland, the house is under call. Senator Chizek, Senator Haberman apparently is the only one that is absent. Can we go ahead? And did you request a roll call? Thank you. Members, please return to your seats for a roll call vote on the advancement of the bill. Proceed with the roll call vote, Mr. Clerk.

CLERK: (Roll call vote taken. See pages 1091-92 of the Legislative Journal.) 18 ayes...Senator Chizek.

SPEAKER BARRETT: Senator Chizek.

SENATOR CHIZEK: I want to change my vote from yes to no for purposes of reconsideration.

SPEAKER BARRETT: Thank you.

CLERK: Senator Chizek changing from yes to no. 17 ayes, 19 nays, Mr. President, on the advancement of 140.

SPEAKER BARRETT: Motion fails. For the record, Mr. Clerk. The call is raised.

CLERK: Mr. President, your Committee on Revenue, whose Chair is Senator Hall, reports LB 84 to General File with amendments, LB 611 to General File with amendments, LB 739 to General File with amendments, LB 747 to General File with amendments, LB 807 to General File with amendments, LR 18CA indefinitely postponed, LB 405 indefinitely postponed, LB 406 indefinitely postponed, LB 522 indefinitely postponed, LB 528 indefinitely postponed, LB 634 indefinitely postponed, LB 655 indefinitely postponed, LB 657 indefinitely postponed, LB 700 indefinitely postponed, and LB 774 indefinitely postponed. Those are signed by Senator Hall as Chair of the Revenue Committee. (See pages 1092-93 and 1107-08 of the Legislative Journal.)

Mr. President, Senator Baack has amendments to LB 340 to be printed; Senator McFarland to LB 739; Senator Baack to LB 183; and Senator Smith to LB 154. (See pages 1093-1100 of the Legislative Journal.)

Mr. President, I have new A bills. (Read LB 653A for the first time by title. LB 285A for the first time by title. Read