

January 9, 1989

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

February 16, 1989

LB 55, 66, 165, 262, 352, 408, 451
524, 534, 601

to the chambers, the house is under call. Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman, may we all check in first?

SPEAKER BARRETT: Certainly. Members, please record your presence. Senator Dierks, record your presence, please. Senator Smith. Senator Nelson, record your presence. Senator Lamb, the house is under call. Senator Peterson, please report to the Chamber. Senator Wesely. Senator Goodrich, the house is under call. Senators Hartnett and Korshoj, the house is under call. Senators Lamb and Goodrich, please report to the Chamber. Senator Chambers, apparently Senator Lamb is the only one available. Shall we proceed? Thank you. All provisions of law relative to procedure having been complied with, the question is, shall LB 165 become law? Those in favor of that motion vote aye, opposed nay. Have you all voted? Please record.

CLERK: (Record vote read. See pages 777-78 of the Legislative Journal.) 26 ayes, 15 nays, 1 present and not voting, 7 excused and not voting, Mr. President.

SPEAKER BARRETT: LB 165 passes. The call is raised. Thank you again for your cooperation. The Chair is pleased to announce that Senator Robak has 14 eighth graders from District 24 in Platte Center in the north balcony with their teacher. Would you people please stand and be recognized. Thank you. We're glad to have you with us. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign engrossed LB 165. Mr. Clerk, for the record.

CLERK: Mr. President, items for the record. Senator Labeledz would move to withdraw LB 365. Senator Barrett has amendments to be printed to LB 408.

Mr. President, Government Committee reports LB 66 to General File; LB 55 to General File with amendments; LB 262, General File with amendments; LB 352, General File with amendments; LB 534 to General File with amendments; LB 601, General File with amendments, and LB 524 as indefinitely postponed; those are signed by Senator Baack.

Urban Affairs Committee reports LB 451 to General File with amendments. That is signed by Senator Hartnett as Chair. (See pages 778-84 of the Legislative Journal.)

March 7, 1989

LB 262, 285, 505, 594, 609, 653
LR 50

LB 262 by Senators Conway, Baack and Bernard-Stevens. Banking Committee reports LB 505 to General File with amendments, signed by Senator Landis as Chair. Transportation reports LB 285 to General File with amendments, and LB 653 to General File with amendments, those signed by Senator Lamb. (Journal shows LB 653 reported by Revenue Committee. See pages 1015-16 of the Legislative Journal.)

New resolution, LR 50. (Read brief explanation. See pages 1017-18 of the Legislative Journal.)

Mr. President, Senator Elmer would like to withdraw LB 609. That will be laid over. And Senator Smith would like to add her name to LB 594 as co-introducer, Mr. President. That is all that I have.

PRESIDENT: Senator Schimek, would you like to adjourn us until tomorrow at nine o'clock, please.

SENATOR SCHIMEK: Mr. President, I so move that we adjourn until tomorrow morning at nine o'clock, March 8.

PRESIDENT: You have heard the motion. All in favor say aye. Anybody say aye. Opposed no. We are adjourned until tomorrow.

Proofed by:

Arleen McCrory
Arleen McCrory

that the issue will not go away simply because some people do not want to discuss it, do not want to hear the facts on the matter. I plan to pursue this to the very end. I think, clearly, I feel very strongly that the public feels they have a right to know more information than they're getting on this bill. So, with that, I wanted to forewarn you of my intent and also let you know of my feelings. I would ask the President to have my motion to pull this bill out of committee withdrawn.

PRESIDENT: Thank you. The motion is withdrawn. Move on to General File. I under Senator Warner is not here for LB 77, so we'll move on to LB 262, Senator Hall's bill. Mr. Clerk.

CLERK: Mr. President, LB 262 is on General File. It was a bill introduced by Senator Hall. (Read title.) The bill was introduced on January 9, referred to the Government Committee. The bill was advanced to General File. I do have committee amendments pending by the Government Committee, Mr. President.

PRESIDENT: Senator Conway, please.

SENATOR CONWAY: Mr. President, members, in the absence of the Committee Chairman, he's asked me to handle the committee amendments. The committee amendments very simply on this bill change the rate from a 4 percent addition on the tax down to 2 percent. That is simply all it does, from 4 to 2 percent. So, I urge the body, on behalf of the committee, to adopt that amendment.

PRESIDENT: Thank you. Are there any who wish to speak on the committee amendment? If not, the question...Senator Hall, followed by Senator Chambers.

SENATOR HALL: If I could, Mr. President, I would like to speak on the committee amendments because the committee amendments strike in half the impact of the bill. Mr. President, members, I rise in support of the committee amendments to the bill. It is the lodging tax issue that we have dealt with before in front of this body, but it is different in that this portion of the lodging tax will be used to create a separate fund. That fund is a County Visitors Improvement Fund. The monies that currently are generated through the lodging tax go toward the Tourism Fund, and that is used just as the state lodging tax is, to promote tourism within the county that collects...levies and collects that tax. I've passed out for you three different

handouts to show you the types of things that are funded that can be used with this lodging tax. It also shows a number of the counties who currently levy that tax and the rate that they are at. I would show you the types of public facilities that would benefit through the introduction of this tax to a local county. Now there is this committee amendment that is a reduction from the original bill, which was 4 percent to 2, after that there is an amendment, that will follow, that limits the bill strictly to Douglas County. And I would like to talk to each of those just briefly, Mr. President. But, since we're dealing with the committee amendments, I will turn my light back on and try to touch on as much of it as possible prior to discussion or voting on the committee amendments. The issue is an important one, especially to Douglas County. I can't speak for the rest of the state but I know when you look at the handout that I gave you there are approximately a little over 30, 31 states...31 counties that currently levy a lodging tax and use it to promote the tourism aspect of their counties. As all of you know, tourism is the third largest industry in the State of Nebraska. A billion and a half, over a billion and a half dollars are spent each year in Nebraska on tourism. It is an aspect of Nebraska that we have just begun to cultivate. We have begun to see parts of the agricultural sector, or the rural areas of our state become real tourist attractions. They have begun to see the dollars that are there for their economy by capitalizing on the tourist industry. I see a number of folks who live in the cities, who want to get out of there, who want to go to our park systems, who want to visit tourist attractions that are not connected to the state park system, but who find that the rural areas offer these, and along with that goes the need for lodging that is provided in many of these 31 counties in or near some of these vacation sites. What happens with this money? The money in LB 262 will go into the County Visitors Improvement Fund. Many of these facilities are located in all counties throughout the state, but many of these facilities are in need of improvement. They have much over...I guess overdue repair needs that basically they cannot have...they cannot meet themselves, they cannot meet through admission fees and...

PRESIDENT: One minute.

SENATOR HALL: ...and they don't have the resources at hand to provide for those. What LB 262 does is set up a fund, through an increase in the lodging tax, at 2 percent, as the committee amendments would provide, that allows for a funding mechanism

for that. It allows for some source of revenue, other than admissions, to help with improvements in those facilities. Mr. Speaker, because of lack of time, my light is on and I will speak to the issue again.

PRESIDENT: Thank you. Senator Chambers is next. But, Senator Chambers, may I introduce some guests of Senator Coordsen, please. In the north balcony, we have ten juniors and seniors from Crete High School and their teacher. Would you folks please stand and be recognized by your Legislature. Thank you for visiting us this morning. Senator Chambers, please.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, rather than go into much of the discussion that I feel is necessary to show that this is a bad bill, I just want to say that, since the committee amendment would reduce the amount of the new tax from 4 percent to 2 percent, it probably would improve the bill, if it would pass. But I'm not going to vote for the committee amendment because to do so would put me in the position of voting for a 2 percent tax, where I think there should be no additional tax at all. So I'm going to reserve my discussion of the individual amendments that Senator Hall will offer, and on the kill motion, which I think definitely should prevail. I will reserve my discussion until those motions come up. But I'm not going to vote for the committee amendment for the reason that I said.

PRESIDENT: Thank you. Senator Hall, please.

SENATOR HALL: Thank you, Mr. President, and members. The tax is one that will be used in basically the same manner as the tourism tax currently is used. It is levied by the county, it goes to the county tourism or visitor's promotion board. Those are the same people that currently use the lodging tax to determine where the dollars should be spent in the local entity to promote tourism. These will be the same group of people who will determine where this additional tax will be used with regard to improvement or expansion within that county on these visitor sites. It is set up so that the system that is currently in place can be implemented and be used. All we do is provide for a mechanism so that some monies can be used in the area of capital needs. Some of you remember that about four years ago I brought in a bill similar to this that would have allowed for a portion of the state lodging tax, the 1 percent that currently is levied and used in the area of tourism, to

expand that definition of use to capital construction. There was much opposition to that and it was based on the fact that capital construction would probably become the predominant issue as opposed to tourism promotion, which in turn many felt brought increased revenue into these locales and into the state. I learned a lesson there. What we did in this case, with LB 262, is provide for a separate fund, provide for a fund that specifically and solely dealt with the aspect of capital improvements to many of these visitor attractions. What we have here is a bill that says we have two funds now. We established a second fund. We funded at the same level with the committee amendments that we currently fund the Promotion and Tourism Fund, and we allow for much needed improvements to many of these visitor attractions that don't have the monies currently to provide for that. We also use the same group of people who are currently making those decisions with regard to tourism, so we don't set up any additional bureaucracy. All we do is provide them with additional monies through the 2 percent tax to make decisions that improve these facilities that bring people into these local areas, that bring dollars, part of that \$1.6 billion tourism industry into the State of Nebraska, that has grown approximately 5 to 7 percent every year since the motel-hotel tax has been implemented. If you look at LB 262, it clearly spells out what types of visitor attractions would be eligible. It is not difficult to understand, so I'm not going to belabor the issue by reading it to you, but it does, on page 5, give you a definition of what you're looking for...

PRESIDENT: One minute.

SENATOR HALL: ...with regard to the types of uses for the County Visitors Improvement Fund. Another aspect of the fund that you need to recognize is that if there are no need...or there is no need for improvements, if there is no need for capital expenditures, the monies from that capital fund would then dump over into the Tourism Fund, or could be used in that aspect, they could be used for the purposes of tourism and promotion as opposed to capital construction. If you look at the committee record, you will see that a number of those individuals who at one time opposed this measure are now very actively supporting it and feel that not only will it enhance the...

PRESIDENT: Time has expired.

SENATOR HALL: Thank you, Mr. President.

PRESIDENT: Thank you. Senator Langford, please.

SENATOR LANGFORD: Mr. Chairman, fellow senators, I'm afraid I must stand in opposition to the amendment. This is permissive legislation allowing the counties to assess the tax. Oh, I'm sorry, I've got the wrong amendment. However, as long as I'm standing, I do oppose dropping it from 4 to 2 percent.

PRESIDENT: Thank you. Senator Hall, please, on the amendment. All right. Senator Conway, did you wish to close on the committee amendments, please.

SENATOR CONWAY: Mr. President, members of the body, the committee amendments again, since there has been other discussion I'd remind you that it's simply to move the 4 percent figure down to 2 percent.

PRESIDENT: 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, 0 nays, Mr. President, adoption of the committee amendments.

PRESIDENT: The committee amendments are adopted. Do you have anything else on the bill, Mr. Clerk? Okay. Senator Hall, I understand we do have other amendments, but would you like to run over the bill for us, briefly? Thank you.

SENATOR HALL: Yes, I was sneaking in a few minutes on the committee amendments, Mr. President, but I'll continue. Thank you. Mr. President, members, LB 262 is my priority bill. I was asked to introduce it on behalf of Douglas County, who has been very active in the tourism industry with regard to Douglas County, both Douglas County and the City of Omaha attractions that cross over with regard to each other. You can see, if you look at the committee statement, the handouts that I gave you, the types of attractions that will benefit from this increase in the lodging tax and the new fund that LB 262 creates. The number of these attractions are attractions that you're very familiar with. Mr. President, could I get a hammer.

PRESIDENT: (Gavel.) You certainly may. Please hold down the

conversation, it's getting very difficult to hear. (Gavel.) Please. Thank you, Senator Hall.

SENATOR HALL: Thank you, Mr. President. Simple little priority bill here, I appreciate that. If you look at the handout that I gave you, it's two pages, and it shows some of the types of attractions that will benefit from this. These are facilities that, in every case, have aged. Many of them are nearing the 50-year point in their life-span and have difficult times keeping up just the basic repairs necessary to provide the attractions that benefit the City of Omaha and Douglas County. The additional tax that would be levied would be directly used to provide for improvements in these areas. The current board, that has set up the commission that would provide for determination with regard to where this money is spent, would make those decisions based on need, and there would be a full, open public hearing, as there currently is on these issues and there would be a number of these groups who would vie for those dollars. I think that it provides an alternative source of funding that we see fit to provide for with regard to the tourism aspect, the promotion of Nebraska and its counties and its attractions. And I think to expand it at this point to allow for minor capital construction needs is a much needed and a very important aspect and just a continuation of the thought process that goes along with selling this promotional tourism feature of Nebraska to not only members and residents of our state but from travelers who come through the State of Nebraska on a daily basis throughout the spring, summer and fall. The argument that if you don't keep the facilities up you won't have people frequently coming to them very often is one that doesn't have to be explained very well. It speaks for itself. We had a bill in here just the other day, it was in our Urban Affairs Committee and it talked about the issue of Western Heritage Museum. I think it was Senator Ashford who carried the bill and brought it before the committee. It allowed for the museum, itself, to be able to use some city money, some bonding aspect so that they could repair the girders that held up the parking lot, suspended it over a city street and some railroad right of way, allowed for that to take place so that the monies would be available, and that museum could continue to function, could continue to provide the attraction that it does to visitors that come from all over the country to view it. Those types of things that they display there and exhibit, such as the Byron Reed collection and a number of other things, provide much attraction and entertainment to people who visit the City of

Omaha and Douglas County. Now there are other areas of the state that would benefit as well. I know that you're familiar with the City of Lincoln, or most of us are at least for about five months out of the year. There are a number of attractions here that would benefit as well. Kearney, the Grand Island area, the I-80 area in particular would benefit, and I think there are a number of other counties, if you look at the second half of that handout, that would benefit and that currently levy the lodging tax to the maximum amount allowable, so that there is a need out there for this and there is a use. People have found that through a local option tax they have been able to promote themselves, promote their counties, promote their attractions and bring new dollars and new visitors into those areas. Like I said, as you all know, tourism is the number three industry in the State of Nebraska. Over a billion and a half dollars are spent annually here, and that generates a number of jobs, it is probably the best form of economic development that we have, and we haven't had to do a thing to get it. All we've had to do is let people know that we're there, let people know what Nebraska is all about and the number of varied kinds of attractions that it offers, many of them natural in their heritage. They are just things that people aren't aware of and that have been here and we've grown up around all our lives. So, with that, Mr. President, I would urge the body to advance the bill. Any questions that they might have, after looking at LB 262, the mechanism, how it might operate, I'd be happy to answer those questions, any questions about the current tax that is imposed or how it is expended, anything at all, I'd be happy to answer. I would urge the body to advance the bill when we come to that point, between now and then, as the Clerk has stated I understand there are a couple amendments to follow. With that, I would close on the opening with regard to my priority bill. Thank you.

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: Thank you, Senator Hall. Discussion on the bill? Senator Chambers, followed by Senators Schmit and Crosby.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I'd like to make just a few general comments then I'm going to ask Senator Hall a couple of questions, then the rest of my remarks, as I say, will be to any particular amendment I may decide that I have to address. Senator Hall has indicated that this bill would aid tourism and that tourism is the third

largest industry in the state, bringing in 1.5 billion dollars. Senator Hall, my first question. What are the sources of that income that are derived from what we would call tourism?

SPEAKER BARRETT: Senator Hall.

SENATOR HALL: Senator Chambers, I'm not sure I understand your question.

SENATOR CHAMBERS: Okay, for 1.5 billion dollars to come in, what are people spending that money on?

SENATOR HALL: Well, in many cases, they are spending it on lodging. In many cases, they are spending it on recreation. In many cases, they are spending it on food.

SENATOR CHAMBERS: Okay, I have an idea. Now, when you talk about tourism and along with that would go the idea of tourist, are you talking about this income that we've discussed being provided by people coming from outside of the state, or the amount spent on lodging, food and recreation would include that spent by people who already are here?

SENATOR HALL: Senator Chambers, it would include both.

SENATOR CHAMBERS: Has there been a breakdown?

SENATOR HALL: The breakdown is roughly 50-50.

SENATOR CHAMBERS: Okay, so then \$750 million would be the amount that is brought in from outside the state, if we accept the 50-50 breakdown.

SENATOR HALL: That's correct.

SENATOR CHAMBERS: Okay. Now, you have mentioned some of the facilities and activities that would be benefited by this legislation and you had said that there are benefits to the entire county and to the city, and I think, by implication, the state, through tourism, through the expenditure of this money to promote tourism?

SENATOR HALL: I hope I didn't just imply that, Senator Chambers. I meant to expressly say that I think, yes, there would be.

SENATOR CHAMBERS: Okay. Then if the benefits would go to the entire state, in the case of a county to the entire county, in the case of a city to the entire city, why will we place, on one industry, the burden in the form of a tax to support something that's going to be beneficial to the entire state, county and city respectively?

SENATOR HALL: Because, Senator Chambers...and that's a good question.

SENATOR CHAMBERS: All of them are good. (Laughter.)

SENATOR HALL: As always.

SENATOR CHAMBERS: Thank you.

SENATOR HALL: Senator Chambers, the issue is one of this is an industry that thrives...it's kind of a love-hate relationship. They thrive on these tourist attractions. If you go into any hotel or motel, whatever city it might be, the first thing that you see when you enter that is a promotional packet about the community that you happen to be in. It tells about all the attractions, all the visitor sights that you can see, what's available to the public, and they promote that. It brings people back to use their facilities. And you ask, why should one industry, the lodging industry, bear the burden? I guess we've set that precedent, and we talked about it just the other day. We have one industry, I guess you could call the folks who sell gasoline an industry. They, basically, collect the tax for the construction and maintenance of roads in this state. We've determined that a user kind of fee makes sense and, even though it is a collection of a tax, the industry itself, in that case, does not complain when it goes up and down. As a matter of fact, they happen to support and protect the tax in that case, and protect it well they do.

SENATOR CHAMBERS: May I ask another question now, Senator Hall? When you talk about the gasoline tax, it's imposed on those who purchase the gasoline and it's called a user tax.

SPEAKER BARRETT: One minute.

SENATOR CHAMBERS: We cannot establish that the majority of those who use these facilities are those who go to these

lodgings. So we cannot call it a user tax, as such, because other than those who use lodging facilities use these tourist attractions. Would you agree to that?

SENATOR HALL: Yes.

SENATOR CHAMBERS: That others than lodgers use these tourist facilities?

SENATOR HALL: Yes, I would, I would.

SENATOR CHAMBERS: Why not make them charge an admission, then you would have a true user fee.

SENATOR HALL: Because, Senator Chambers, what would happen is that the admission fee would, basically, then become, in some cases I think, prohibitive for many of the local folks who have, through their tax dollars in many cases, supported these facilities...

SENATOR CHAMBERS: Thank you, because my time is running out.

SENATOR HALL: ...year in and year out.

SENATOR CHAMBERS: Not to cut you off...

SPEAKER BARRETT: Time has expired. Mr. Clerk, do we have an amendment on the desk?

CLERK: Mr. President, Senators Baack, Conway and Bernard-Stevens would move to amend. The amendment is on page 1015 of the Journal.

SPEAKER BARRETT: Senator Conway, will you handle the amendment?

SENATOR CONWAY: Mr. Speaker and members, the amendment, as identified on 1015, basically, is an amendment to alter LB 262 to apply only to, in essence, Douglas County, as the amendment is written, in populations or counties with populations over 300,000. I think, as we have listened to debate, and have heard it in committee and have followed the impetus for this legislation, that the emphasis seems to be on Douglas County. The very...

SPEAKER BARRETT: Senator Conway, excuse me. (Gavel.) The

house will come to order, please.

SENATOR CONWAY: The various projects that have been identified and the activities, it seems to be that is where the thrust of the legislation is. Many of the small communities would not accumulate enough monies concentrated in such a fashion to address any particular change in terms of their activities for visitor improvement activities of such. And it is not an unknown activity or precedence in this body as we followed LB 775, we heard the debate relative to the uniqueness of Douglas County, the population density, the concentration is there, the kinds of activities that support a metropolitan area such as we've heard from Senator Hall and others that have spoken in support of this legislation. I think it would...I agree, it would be of great value to the City of Omaha to be able to have these types of funds to take some of the things they already have on board, as we look at the Henry Doorly Zoo and Rosenblatt and other kinds of focused activities and facilities that they already have, they need improvement. And I would not want to position myself in such a way that we would not provide a vehicle for them to be supported in this manner, but in most cases, from my discussion with other people, that is where the focus would be and I think that they deserve that. I would...with the adoption of my amendment, I would support the legislation. But I think we're in a situation where we ought to look at this concentration, provide them with that support, but limit it to the Douglas County area. So, with that, I offer my amendment.

SPEAKER BARRETT: Thank you, Senator Conway. Discussion on the Conway amendment? Senator Schmit, would you care to discuss it?

SENATOR SCHMIT: Mr. President and members, I understand, of course, where Senator Conway is coming from. I guess the question that I raise, Senator Conway, is that if we adopt your amendment, that does not preclude those of us who live outside of the City of Omaha or Douglas County from contributing if we happen to use the facilities in Douglas County, does it not?

SPEAKER BARRETT: Senator Conway.

SENATOR SCHMIT: If it is limited to Douglas County in its application then those of us who reside outside of Douglas County, but use the facilities in Douglas County, will, of course, still no doubt contribute to the fund, is that not

right?

SENATOR CONWAY: I would assume that to be the case. In many cases, we do use the hotel-motel facilities while we are also using the recreational and other types of facilities, so I assume we would contribute in that fashion.

SENATOR SCHMIT: Under the present bill, is there anything that prevents or would preclude the Douglas County Improvement Committee from making a contribution to a facility outside of their own county?

SENATOR CONWAY: Not that I have seen in the bill specifically. I assume that could happen, but I would seriously doubt that it would happen.

SENATOR SCHMIT: Well, there is, of course, some deep concern across the state because of the very facts you've outlined. In Butler County, we, I believe, have only one motel and the amount of money raised there would not be sufficient, of course, to be much of a factor in any kind of assistance to any kind of activity we might carry on. But it does seem to me that we know that the original fund that did do some positive things for the State of Nebraska, I'm not sure that the entire state should not participate at the present time, because it might possibly be that there might be some flowing of money from one portion of the state to the other if we all contribute, whereas if we don't, I doubt that would take place. Nonetheless, there would still be contributions from out of state within the Douglas County area. I guess I'm going to listen to some more of the debate. I generally support the proposal and recognize, of course, the need for some kind of monitoring of the income and expenditures. But I will, at this time, withhold my judgment on your amendment, Senator Conway.

SPEAKER BARRETT: Senator Crosby, would you care to discuss the amendment, followed by Senator Hall.

SENATOR CROSBY: Mr. Speaker, I want to speak on the bill. Thank you.

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

SENATOR HALL: Thank you, Mr. President and members. I rise in opposition to the amendment, but with much trepidation because I

don't know if I'm going to lose votes by adding this to the bill or gain. It is a difficult issue. But be that as it may, I will oppose Senator Conway's amendment because the bill does allow for local option. If you take a look at the bill, a county board would have to have a public hearing on this, they would have to vote on it to implement it. They could implement it now with the committee amendments, as LB 262 has been amended, up to 2 percent, so it could be anywhere from 1/2, 1 to 2, I guess and I think that that probably is the way the bill should remain. The same issue was brought up in 1980 when I think the lodging tax, which was originally introduced and passed by this body, because it was felt at that time that it was also basically a Douglas County problem or an issue. If you take a look at that handout that I gave you today, it shows clearly that at least 30 other counties have decided that this is a funding mechanism that they feel is viable for promotion of their areas. They want to bring people in, they want people to come in, enjoy themselves and spend dollars in their counties. The tax that we would apply, add in addition to 262, is one that would allow for those counties to make improvements to those facilities that attract those visitors to their areas. I think that I feel comfortable with the local option, I feel comfortable with the fact that the county board would hold a public hearing on this issue, that they would be held accountable at the local level, and that the vote would be open and I'm sure very well reported at that local level. So, with that, although I understand Senator Conway's amendment and do appreciate it, I would oppose it at this time. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Senator Chambers, on the amendment, Senator Korshoj next.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I'm going to be as direct as I can. Senator Schmit, may I ask you a question to see if I got the sense of what you were asking?

SPEAKER BARRETT: Senator Schmit, would you respond?

SENATOR CHAMBERS: Were you asking, in the event Senator Conway's amendment is attached, could Douglas County give money from the fund produced to other counties or areas, if they chose? Was that your question?

SENATOR SCHMIT: With or without the Conway amendment, yes.

SENATOR CHAMBERS: Okay, thank you. I believe the answer to that is no, because everything in the bill that relates to the improvement fund talks about the improvement fund of the county. So the improvement fund that is raised in the county can only be spent in that county to improve the facilities, or, if the facilities don't need improving, to lure, entice and trick tourists, suckers and what-not to come into the county and be fleeced of their hard-earned money going to facilities which are not worth what they'd have to pay to go there, because if they were worth anything, you wouldn't have to put on this shell game to get them. Another thing, if Senator Conway's amendment is adopted, Sarpy County sits right next to Douglas County. One of the great promotional ideas they could have is that just come a few more miles, have a lot cheaper costs for accommodations and still make use of all the facilities in Douglas County. So maybe it would be a good promotional tool for Sarpy County if this were limited to Douglas County. One thing that I don't like about the whole bill, in addition to the fact that I'm opposed to putting all the tax on one industry, is that in Douglas County there is not representation of the entire county on the board. There is one socioeconomic stratum represented on that board, and that might account for the fact that when a list of facilities and things that the hotel-motel tax could support, it doesn't say this is exhaustive, but the Great Plains Black Museum is not mentioned. Oh, will you show it to me, Senator Hall? Maybe I missed it. Oh, there is another sheet. Okay, Senator Conway showed me another sheet. That was probably a codicil or an addendum to the two-page sheet. Senator Hall said neither. An addendum means in addition to, so since it's not a part of the two-page sheet it's got to be in addition to. But Senator Hall brings us something that stands alone, as he says. So, Senator Hall, does it take the place of the two-page sheet?

SENATOR HALL: Senator Chambers, the sheet that Senator Conway showed you was one that I thought was also handed out, it was one that we handed out at the committee hearing on the bill, and I will hand that out at this time.

SENATOR CHAMBERS: Okay. The point, though, still is that it is not good in my mind to limit this to Douglas County. I don't want the county to be able to tax without all people who live in the county having representation of their choice on that county board. We can rectify that before the session is over, but I

still wouldn't support the tax. But, with the current makeup of the board, I don't approve of any of the taxes they raise at this particular time, or that they levy. I would like to ask Senator Hall one more question, if I may. Senator Hall, would you agree with what I said earlier, that the money raised by this tax can be spent only in the county that raises it?

SENATOR HALL: That's correct.

SENATOR CHAMBERS: Okay.

SENATOR HALL: I would.

SENATOR CHAMBERS: Thank you, I didn't want to mislead or misread the bill. Thank you.

SPEAKER BARRETT: One minute. Senator Korshoj, would you care to discuss the Conway amendment?

SENATOR KORSHOJ: Mr. Speaker and members, I don't know if I'm for or against the amendment. I know how I stand on the bill. It looks to me like when Tim says 50 percent from outstate, or out of state, and 50 percent instate, I probably question his figures a little, but I'm not going to question them vehemently. But the people in Nebraska that stay in the Omaha motels, or Douglas County, they're basically not Douglas County people, they're basically outstate Nebraska people. I can speak a little about the famous lumber association who owns...hold their convention there, a broke organization. (Laughter.) But they are all outstate people. Very few of them probably go to these facilities that are referred to in this bill. I really think it's probably an unfair tax for some of the reasons why I voted against the increase in the tax on cigarettes. We're singling out too small a group of people. The outstate counties do a lot of shopping in Omaha and they pay a 1.5 percent sales tax, extra. I don't hear much gripe or much kick about that because they do get the benefits of the Omaha streets, fire department or "police protection" while they're in town, and I don't hear much gripe about that. They are getting a service for what they are paying. But if you put it on the motels, it is just an unfair tax. So, therefore, I still don't know if I'm for or against the amendment. But, regardless, if it is or isn't adopted, I'm against the bill. Thank you.

SPEAKER BARRETT: Thank you. Senator Smith, would you care to

discuss the amendment, followed by Senator Langford.

SENATOR SMITH: Thank you, Mr. Speaker. Members of the body, I very much would like to convey that I feel exactly as Senator Frank Korshoj in the statements that he's made. Those of us that are in outstate Nebraska, who are not on the well-traveled route of Interstate 80, or where we have lots of tourist attractions, have small motels that are struggling to survive. And, in fact, I have some letters here from some folks in my district where one motel, because the people that bought it from the owners went into bankruptcy, and it was referred back to them again, so now they are saddled with it. The comments that have been made to me by people across the state and in my district are three-fold. First of all, the motel people say we're already having to pay it or add an 8.5 percent tax to our guest lodging bill. And then from those folks that are the guests in these kinds of motels, these people are, from the letters that I've received, truckers and sales persons who live in Nebraska, who stay overnight in the little motels off the main roads, and they are going to be the ones that are going to be paying the additional cost. Finally, I get down to the point that Frank made, which I would like to reiterate, and that is I did not support the cigarette tax, as you remember, either because I think it's unfair to tax one segment and then use that money from that one group of people to pay for what we consider to be important needs for the rest of the state. The folks that are in the small motels are saying to me, if this is for capital improvement, I'd certainly like to do some capital improvements on my own motel but I can't afford to. So I'm like him, I don't know whether I could even support this amendment, and definitely I don't support the concept of the bill. Thank you.

SPEAKER BARRETT: Senator Langford, would you care to discuss the amendment?

SENATOR LANGFORD: Mr. President, colleagues, this is the amendment I was interested in earlier. I feel that the amendment would preclude use by any of the other counties in the state. Buffalo County has a lot of tourists, people coming in, and we are continually striving to develop the Nebraska art collection, several other things that we could certainly use some money for. So I feel that if we are going to have the additional tax that the county should have the option to use it, if they so choose. So I must...I do not support the amendment.

SPEAKER BARRETT: Senator Labedz, would you care to discuss the amendment?

SENATOR LABEDZ: Thank you, Mr. President. Yes, I do. In the handout that Senator Hall gave us the lodging tax returned to counties for 1987, and I'm sure that they still have the same amount, we have 28 counties that are now receiving 2 percent of the lodging tax. We have one county with 1.5, and two counties with 1. I do not believe and I very seldom disapprove of anything that Senator Conway does, but I stand and rise to oppose the Conway amendment. The other handout we have on our desk, the examples of Douglas County attractions that could benefit under 262, in Douglas County, for instance, are Rosenblatt Stadium, the Orpheum Theater, the Omaha Civic Auditorium, Joslyn Art Museum, Fort Omaha, and I wish Senator Chambers was on the floor, but it would also benefit the Black History Museum, the public recreation sites, the Omaha Community Playhouse, the Emmy Gifford Children's Theater, the Western Heritage Museum, the Hitchcock Park Arena, and the Henry Doorly Zoo. Each and every one of those tourist attractions are very important to the City of Omaha. If you also look at the other handout that was given to you, Chicago, for instance, has a 10 percent lodging tax, Minneapolis 3, Dallas 5, Detroit 6, Phoenix 6, and New York \$2 a day, plus 5 percent lodging tax. Now many of us have traveled throughout the country on different conferences held in some of the states, especially in some of these cities, and we pay a very high lodging tax in addition to...the sales tax, for instance, in Chicago is 5.25, Kansas City 5.25, St. Louis 5.625, Minneapolis 6.5, Dallas 7 percent, Detroit 4, Phoenix 6.5, and New York the \$2 a day plus 5 percent lodging tax, plus 8.25 sales tax and the total is 13.25 for the City of New York, Chicago is 15.25. So you can see when we travel we do pay a high sales tax and a lodging tax in these other cities. Asking for a 2 percent increase in Douglas County, in any county, and again, and I know it's been mentioned several times, this is local option. It does have to have a public hearing and voted on by members of the county board. So I urge you to reject Conway's amendment and let's go on with LB 262.

SPEAKER BARRETT: Thank you. Before recognizing Senator Ashford, I am pleased to announce that our doctor of the day comes to us from District 22, specifically Columbus, Senator Robak's district. We have with us today Dr. Ron Klutman, who is seated under the north balcony near the front of the Chamber.

Dr. Klutman. Thank you, we're pleased to have you with us today. Also in the north balcony, from Senator Rod Johnson's district, we have 48 sixth graders from Central City, the junior police, with their leader. Would you people please stand and be recognized by the Legislature. Thank you, we're glad to have you with us. Senator Ashford, on the Conway amendment, followed by Senator Crosby.

SENATOR ASHFORD: Thank you, Mr. President and members. I stand in support of the Conway amendment for a couple of reasons. It appears, in talking to senators not from the Douglas County area that there is not a great deal of support to increase lodging tax in their counties or their districts and that is their prerogative. Even though there is an option provision in the bill, I can understand their concerns and acknowledge them. However, we, in Douglas County, feel that we have created, primarily through private donations, some significant attractions in the Omaha area that are not only attractions for Douglas County and for Omaha but are also attractions for persons from greater Nebraska and also individuals who travel through the State of Nebraska and have the opportunity to stop in Omaha and Douglas County and visit those attractions. We've gone over those in prior debate, and I won't go over them again. I am one senator in Douglas County that believes in the private-public partnership. We have seen a tremendous amount of contributions from private citizens and corporations in the last...especially in the last couple of years to enhance some of the attractions in Omaha that or many years had been left to deteriorate. And we're seeing an incredible expansion at the Omaha zoo which will, by all accounts, be probably one of the premier zoos, if not the premier zoo in the United States. This is a tremendous asset to the people of the State of Nebraska. Certainly I, as a Douglas County senator, want to see or at least have the people of Douglas County given an opportunity to vote to further enhance these attractions and projects. The key to it, in my mind, is this private-public partnership. The private-public partnership only works, in my opinion, if both the private and the public sectors are properly motivated. In this area of recreation and with the zoo and the museums and in the educational area, the public-private partnership in Douglas County is starting to work. As 775 has enhanced corporate involvement and corporate expansion in Omaha and Douglas County, those corporations have become more, as we predicted they would two years ago, have become more and more involved in some of the civic things that are important to the growth of Douglas County

and thereby important to tax revenues, important to the State of Nebraska as a whole. I understand the reluctance of senators outside of the Omaha metropolitan area. Possibly, they would like to go slower or not move at all on this kind of measure. But please let us in Douglas County have the opportunity to continue to enhance those attractions which are so important to us and so important to the state. I understand some concern about travelers coming from greater Nebraska and coming to Omaha and paying that additional tax. I understand that and I can see their argument, but I think that, in return, what the citizens of the State of Nebraska are getting is a progressive metropolitan area that is becoming more and more involved in not only business development, but development of other areas which enhance...

SPEAKER BARRETT: One minute.

SENATOR ASHFORD: ...our quality of life. So even though there would be a small increase in the...if the voters of Douglas County approve such an increase, a small increase in the lodging tax, I believe, and I think the citizens of Nebraska will see that they will all benefit because of this public-private, private-public partnership which I so strongly believe in and which I believe is the future of our state anyway. This is one step. This is one piece in that partnership, and I strongly urge the passage of the bill and I support the Conway amendment because it appears as if that is the only way that this bill might move at this point. I certainly would encourage you to vote for it and then to vote for the bill in that shape and form. Thank you.

SPEAKER BARRETT: Thank you. Further discussion on the amendment, Senator Hall, followed by Senators Schmit, Dierks and Smith. Senator Hall.

SENATOR HALL: Thank you, Mr. President and members. Again, let me remind you, and I...this is an amendment that is not, I guess, one that I have to date strongly opposed, but it is one that I'll let the body take its own temperature on this. It is clearly spelled out in 262 that it is a local option. There is clearly a mechanism that allows for the local county governing board to determine whether or not this tax should be imposed, and that is only after there is a public hearing on the issue. If you adopt the Conway amendment, you leave that only to take place within Douglas County, which is fine, because I guess the

end that I would like to achieve would at least be attainable in the proximity of Douglas County. But I do believe that there are benefits that can be derived throughout the state by the use of this additional tax that would provide benefits to those other recreational and tourist attractions that could use additional monies. If the Conway amendment is a vehicle that the body feels needs to be added to 262, so be it. I accept that. But I would urge the members of the Legislature to look at the limitations, with regard to local control, that LB 262 currently contains before you cast your vote on Senator Conway's amendment. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Senator Schmit. Senator Schmit, would you care to discuss the amendment? Senator Dierks on deck.

SENATOR SCHMIT: Mr. President, I visited a little bit with some of the members about the bill. And I believe I have decided that I will have to oppose the Conway amendment. I really do not see any need for the amendment. If the county board does not want to avail themselves of the opportunities under the bill, then, of course, they need not do so. If they do decide that they want to make the tax available then perhaps they still must hold a hearing and give the public a chance to have some input. As I indicated earlier, Butler County has, I believe, only one motel. Saunders County does not have very many motels but both of those communities might, in some way or other, decide they might want to compete just a little bit with the motels in Omaha. And I think another thing you want to remember about this is that it is a progressive tax. The motels that I stay in, the tax is not going to be that substantial. I was in a New York motel here some time ago, the tax on that motel was almost more than what I pay out at the Airport Inn. And so I would suggest that, from that standpoint, it is a progressive kind of tax. I do wish that I did have more motel space available in my area, it might be a source of funding for the Bongers Museum which may fall upon hard times otherwise if we are not able to raise some money other ways. I think also that there are some outstate communities, such as Columbus, Grand Island and Kearney which are in a strong position to compete for tourism, and I think they ought to have that tool available to them. I know that the tax is paid by their people rather than the county in which the tax is levied, and I guess there isn't anything we can do about that. But most of us do a considerable amount of traveling. Most of us pay the tax as we travel, and

most of us, of course, negotiate to a certain extent the room rate that we pay. I can understand just a little bit the industry being concerned, but I want to just recall for you the number of times that the Nebraska Legislature has imposed a tax upon agricultural products for the promotion of that product. I recall when we put the 25-cent once in a life time tax on beef cattle, and I received some rather severe criticism for it. Then later on the Congress passed a \$1 per head on each transaction bill for the livestock industry, and we've been extolling the virtues of that tax ever since. That increased the tax by some, I don't know, 800 or 900 percent, and increased the amount of money available. We do not know yet whether the results are going to be beneficial or otherwise, but the industry today accepts that tax. Incidentally, it's a lot more than the personal tax ever was on the livestock when we had personal tax on cattle. So I don't know whether the industry is justified in their opposition or not. I know that we have given serious tax advantages and disadvantages over the years, and I guess at this point I'm just saying it's one more tool. If we're going to give it to Douglas County, and it looks like we ought to, then we certainly ought to make it available to those counties outstate who might want to use it.

SPEAKER BARRETT: Thank you. Senator Dierks.

SENATOR DIERKS: I call the question.

SPEAKER BARRETT: The question has been called. Do I see five hands? I do. Those in favor of ceasing debate please vote aye, opposed nay. Record, Mr. Clerk.

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

SPEAKER BARRETT: Debate ceases. Senator Conway, would you care to close on your amendment?

SENATOR CONWAY: Thank you, Mr. Speaker. The amendment I offer is one, everyone should be aware by now, is simply to limit LB 262 and what it offers and the benefits that it would bring to the various tourist attractions and the tourist industry to the, in essence, the Douglas County area. As I've listened to the debate and some of the concerns that have been brought forward I think many of us recognize that many outstaters certainly do contribute. And Senator Korshoj pointed out many of us go to Omaha and through the facilities of the hotel and

motel industry also take part in these, and we would be paying our way in that regard. By the same token, as we look at outstate situations where there is not a concentration or population density with the hotel-motel industry there, not enough would be generated to be of any consequence and so, therefore, it would probably be somewhat of a lost concept. One community that I represent in northeast Nebraska is probably the largest area that would have some tourist activity with hotels and motels and this would fit very closely, I think, the concept they use there as to what Senator Langford was talking about in terms of the needs of other smaller communities. If, in fact, you could isolate that need, that particular community works on a voluntary basis, and from what I hear works very well. The hotels and motels rather than under a mandate or under county board pressure voluntarily contribute to a fund and promote the various attractions in that particular area, and it seems to work quite well. I think for those communities that feel a need, maybe give that particular aspect a try for a while and go on that particular approach. But I think that LB 262 was intended, it was drafted, it was written for the benefit of those attractions and those activities in Douglas County, and I think I would support the bill if, in fact, it was focused on that particular area; possibly see how it works, and if it works quite well, we may find other communities that at some point in time could justify having this particular approach to funding these particular attractions and the like. So, with that, I offer my amendment and ask the body to support that and then to support the bill after that.

SPEAKER BARRETT: Thank you. You've heard the closing. The question is the adoption of the Conway amendment to LB 262. All in favor vote aye, opposed nay. Have you all voted? Voting on the Conway amendment, have you all voted? Record.

CLERK: 16 ayes, 17 nays, Mr. President, on adoption of the amendment.

SPEAKER BARRETT: Motion fails. Mr. Clerk, do you have another motion on the desk?

CLERK: Mr. President, Senator Beyer would move to indefinitely postpone LB 262. Senator Hall, as the primary introducer, would have the option to lay the bill over.

SPEAKER BARRETT: Senator Hall, your wishes.

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LB 68, 262, 300, 437, 439, 573, 592
595, 614, 745, 754, 798

SENATOR HALL: Mr. President, I would lay the bill over at this time.

SPEAKER BARRETT: The bill is laid over. Thank you. Anything to read in, Mr. Clerk?

CLERK: Yes, sir, I do. Mr. President, your Committee on Health, whose Chair is Senator Wesely, to whom was referred LB 68 instructs me to report the same back to the Legislature with the recommendation that it be indefinitely postponed, LB 300, indefinitely postponed; LB 439, indefinitely postponed; LB 573, indefinitely postponed; LB 595, indefinitely postponed; LB 614, indefinitely postponed; LB 745, indefinitely postponed; LB 754, indefinitely postponed; LB 798, indefinitely postponed, those signed by Senator Wesely as Chair of the Health and Human Services Committee. Mr. President, I have amendments to be printed to LB 437, and that is all that I have, Mr. President. (See pages 1219-23 of the Legislative Journal.)

SPEAKER BARRETT: Thank you, sir. To the next senator priority bill, LB 592.

CLERK: Mr. President, LB 592 was a bill introduced by Senators Abboud, Beck, and Moore. (Read title.) The bill was introduced on January 18, referred to Judiciary, advanced to General File. I have no amendments at this time, Mr. President.

SPEAKER BARRETT: Thank you. Senator Abboud, please. (Gavel.)

SENATOR ABOUD: Mr. President and colleagues, this is a relatively simple bill that was brought in on behalf of the Omaha police force and Douglas County Attorney's Office. The bill provides for a mandatory minimum sentence for individuals convicted of trafficking in cocaine and crack. The bill changes two provisions dealing with the law, LB 592 does, providing for a three-year and also a seven-year mandatory minimum sentence, or excuse me, three and five-year mandatory minimum sentence depending on the amount of cocaine and crack the person is arrested with. I think we are all aware of the serious problems that we have been having in this state dealing with these two particular drugs. It is the hope that, by providing for a mandatory minimum sentence for individuals involved in the selling of these types of drugs, it will send a clear signal to these individuals that these types of...the sale of these types

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LB 188, 262, 311, 643
LR 2

reviewed LB 311 and recommend the same be placed on Select File; LR 2CA, on Select File; and LB 643 on Select File, those signed by Senator Lindsay as Chair. Education Committee reports LB 188 as indefinitely postponed. That is signed by Senator Withem as Chair of the Education Committee. Amendments to be printed to LB 262 by Senators Lindsay and Ashford. That is all that I have, Mr. President. (See pages 1225-26 of the Legislative Journal.)

SPEAKER BARRETT: Thank you, and let the record reflect that Senator McFarland had 15 first and second graders visiting with us this morning from Hawthorne School. They were in the north balcony and have since had to leave. Senator Moore, please.

SENATOR MOORE: I move we recess until 1:30 p.m.

SPEAKER BARRETT: You have heard the motion to recess until 1:30 p.m. Those in favor say aye. Opposed no. The ayes have it. Motion carried. We are recessed.

RECESS

PRESIDENT NICHOL PRESIDING

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

PRESIDENT: Thank you. Senator Wehrbein, do you have some special guests back there you would like to introduce, and if you would go to your microphone and have them step out even with the columns there so we can see who they are, we'd like to know who your special guests are today.

SENATOR WEHRBEIN: Mr. President, members, yes, thank you. I'd like to introduce some special guests that are here on behalf of Ag Day. They will be going down to see the Governor in just a few minutes for some of their awards. First of all, it concerns a resolution I had this morning honoring Marlan and Mary Johnson from Eagle, Nebraska, which were one of the four national winners in the Outstanding Young Farmer Awards sponsored by the National Jaycees, Marlan and Mary Johnson. In addition to that, Don and Linda Anthony from Lexington, Nebraska, was the first Nebraska winner in the National Outstanding Young Farmer Award, I believe in 1986. Also, Larry Abrahams from West Point,

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LB 49A, 77, 231A, 262, 285A, 575A, 592
714

individually liable and that is not placing the responsibility where it ought to be placed. I would urge that the body advance the bill, and if some of these other concerns that actually go beyond the provisions of 77 are to be addressed, that perhaps can be done or at least considered but, by all means, let's at least give some basic fairness to those employees who are perhaps subject to cost that is beyond any reasonable basis to assess against them.

SPEAKER BARRETT: Thank you. The question is the advancement of LB 77 to Enrollment and Review. All in favor vote aye, opposed nay. Have you all voted? Record, please.

CLERK: 29 ayes, 1 nay, Mr. President, on the advancement of LB 77.

SPEAKER BARRETT: LB 77 advances. For the record, Mr. Clerk.

CLERK: Mr. President, Enrollment and Review reports LB 592 to Select File; LB 49A, LB 231A; and LB 285A, all to Select File. (See page 1257 of the Legislative Journal.)

I have a motion to reconsider an amendment offered to LB 262 yesterday. That's offered by Senator Bernard-Stevens.

New A bill, LB 575A, by Senator Barrett. (Read by title for the first time as found on page 1258 of the Legislative Journal.)

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

SPEAKER BARRETT: Thank you. To the next priority bill, LB 714. Mr. Clerk.

CLERK: Mr. President, LB 714 was a bill that was introduced by Senator Lamb, Senator Bernard-Stevens, Hefner, Robak, Smith and Conway. (Read title.) The bill was introduced on January 19, referred to the Revenue Committee. The bill was advanced to General File. I have committee amendments pending by the Revenue Committee, Mr. President.

SPEAKER BARRETT: Chairman Hall, on the committee amendments.

SENATOR HALL: Thank you, Mr. President, members, Mr. Clerk, the amendment that I have is an amendment to the committee amendments?

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LB 262
LR 63

ways under item 6, LB 438, that Senator Wehrbein has designated as his priority bill, I think is another way hopefully today, possibly next week early on, we will be able to again talk about the importance and the value that not only the Nebraska School for the Deaf but the School for the Visually Handicapped plays in this state with regard to educating young people who are at a disadvantage with regard to some of their physical abilities. I think that this is a fitting tribute to them and I think the bill that Senator Wehrbein and I sponsored that will have the state pick up those costs will clearly show how important we feel those schools are, and I would urge the body to support Senator Chambers' resolution. Thank you.

SPEAKER BARRETT: Thank you. Any other discussion? Senator Chambers. Thank you. The question is the adoption of LR 63 as offered by Senator Chambers and Hefner. Those in favor vote aye, opposed nay. Have you all voted? Please record.

CLERK: 32 ayes, 0 nays, Mr. President, on adoption of LR 63.

SPEAKER BARRETT: The resolution is adopted. To General File, senator priority bills, Mr. Clerk.

CLERK: Mr. President, the first bill scheduled this morning is LB 262. It was a bill introduced by Senator Hall. (Read title.) The bill was introduced on January 9, referred to the Government Committee, advanced to General File. The bill was considered on General File, Mr. President, on March 20. At that time, the committee amendments were adopted. Senator Beyer then offered a motion to indefinitely postpone. Senator Hall agreed to lay the bill over. Mr. President, that motion is pending. However, I do have a priority motion and that priority motion is to reconsider adoption of the Baack, Bernard-Stevens, and Conway amendment to LB 262, and that amendment, Mr. President, is on page 1015 of the Legislative Journal.

SPEAKER BARRETT: That being the case, Mr. Clerk, we are then on the motion to reconsider, and the Chair would recognize Senator Bernard-Stevens.

SENATOR BERNARD-STEVENS: Thank you, Mr. President. I want to briefly explain to the body why I offer a motion to reconsider. I usually do not offer reconsider motions because I feel once the body has debated an issue thoroughly and has voted, that it is the responsibility of all us to work with the decision of

that body and to move on. I know certainly on LB 48 there were plenty of opportunities on close votes that I could have offered reconsideration because you want to win so badly but I think that is an abuse of the system and, one, a practice that should not be used, therefore, I did not do so and will continue not to do so. This case, however, is a little bit different, in my view. The bill is an important bill to Senator Hall, obviously, because he chose it as his priority bill, and whenever we have a bill important, as all bills are, but some bills have a little bit more importance to us, as members of the body, I feel that the Legislature needs to give as much attention to a bill as possible. When the amendment that Senator Baack, Senator Conway, and I proposed was brought up, it was on an afternoon when many of the members, in fact a tremendous number, unusually large number of members were absent as we were beginning into a three-day weekend. I, personally, was gone as well. The amendment was considered and it was a very close vote. It was like 17, I believe, in favor, 16 against, and everyone else, basically, gone. So I don't feel the amendment itself was given a really fair shot by the majority members of the body. If the body would agree or not agree with the amendment, personally, I don't care. It is what the body wishes to do. But I think the bill is important enough to members of the body that it deserves a free shot up or down, one way or the other, with a majority of the members here. That is why, as a not voting person, being absent, I filed a motion to reconsider. I will also state for the body what the amendment does. The bill as it now stands gives everyone in the state the option to put on the tax, if they so desire, through the county boards. It was heard in the Government Committee, and there was a lot of discussion that this was just maybe a Douglas County bill and they would like to make it for the entire state in order to make it more palatable to the senators on the floor. I know I, as many of you, have received a tremendous amount of impact from at least people in my district saying that they were not in favor of 262, and I, personally, would have voted against, I believe, 262 when it came in that particular form. However, in all fairness, since it was a proposal by Douglas County, I and the other senators that were on the amendment said, we might as well make the amendment, make the bill say exactly what it really needs, that the people in Douglas County may want this particular option, so let's give them a chance to have that option. If it works well for Douglas County, if they decide to implement it and it works well, other counties may want to take advantage of that in the future. That certainly is an option available to the

Legislature at a later time. But I thought the bill should be voted on at least on the merits of what the people who truly are interested in it, and so I offered the amendment. It did not have a very easy time of it because of the tremendous absentee rate. Therefore, I thought in all fairness to Senator Hall and others that are interested in LB 262 that the motion should be reconsidered, and, Mr. President, that is the reason for the motion at this time.

SPEAKER BARRETT: Thank you. Discussion on the motion to reconsider, Senator Hall, followed by Senator Crosby.

SENATOR HALL: Thank you, Mr. President and members. I rise in support of Senator Bernard-Stevens's motion to reconsider the Conway, Baack, Bernard-Stevens amendment which would limit the impact of LB 262 to Douglas County. The examples that I passed out to you previously, and I won't overheat the Xerox machine to pass them out again, showed you how Omaha would rank with the increase on the lodging tax in comparison to a number of other cities, and since the debate on this issue when we last met on it, I went back and looked and actually found an article, but I lost it between the time I read it and clipped it and the time I got here, so I don't have it to hand out to you, but it showed that the way the lodging tax has worked across the country is that a number of cities or basically counties have used it to do exactly what we propose to do in LB 262 and that is to make improvements of a capital nature to some of these same types of attractions that we would allow through LB 262 to take place. They, of course, use it for the traditional purpose of promoting tourism and attracting folks into their community, conventions and the like, but they have recognized more recently that it is also a source of funds to maintain these attractions that many people come to the communities to view, and with that, I understand that there is some concern from members of other sections of the state that feel that this is an issue that does not affect them. They would not desire to be a part of it, and at this point in time, based that we had previous on the Conway amendment, it is clear to me that the body would prefer to see LB 262 in a form such as the amendment would have it. So with that, Mr. President, I will, wholeheartedly, support the Senator Bernard-Stevens reconsideration motion and would urge the body to move to reconsider that vote and attach the Conway amendment. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Senator Crosby, Senator Beyer

next.

SENATOR CROSBY: Thank you, Mr. Speaker. I am opposed to LB 262 and I have been from the very beginning, and I was against the concept when it was brought to the Legislature several years ago, the same idea, of the hotel-motel tax addition. I do have some questions that I would like to ask of Senator Hall. I am going to vote against the reconsider and I am going to vote against amendments, I am going to vote against the bill, just so you know what I am going to do, Senator Hall. But what I would like to know is, why do you feel and the people who are in this feel that you need another layer of authority? In Section 2, you outline the new group of people who would be deciding where this money would go. You already have a county board and you already have an arts council in Omaha, why do you feel the need for that?

SENATOR HALL: Senator Crosby, the bill does not create a new group of individuals. There is currently in place in Douglas County what is called the...thank you, Mr. President.

SPEAKER BARRETT: Senator Hall, excuse me. (Gavel.) Go ahead.

SENATOR HALL: Thank you. Senator Crosby, there currently is in place a convention bureau, tourism board, that is appointed by Douglas County that currently uses, makes decisions with regard to where the current lodging tax is used for promotional consideration. That, LB 262 does not change that. It would still use that same group of people. It does not create a new board or a new commission to deal with that. What it does is give them a new option from which to use this additional tax, and that would be in the area of capital improvements to the attractions (interruption).

SENATOR CROSBY: Yeah, I understand what the money is going for.

SENATOR HALL: Okay, it does not create any new bureaucracy. The same people who are currently doing it would continue to do it and toward a different end.

SENATOR CROSBY: But in other counties, they do not have that, and so if this amendment does not go and the bill goes through, other counties would have the option, as I understand it, to set up a new group of people who would make these decisions. My point is this, I am always against another layer of people, and

that is what we have in this bill. I am against an extra tax, that is what we have in this bill. Fifty percent of the taxes of this hotel-motel are paid by Nebraskans, families who take a weekend to go out to Grand Island or any of the places where there is a swimming pool, and a nice place, at a Holiday Inn or so on, and they do pay the taxes. It isn't just people from out of state. The second point that I feel the arts have gotten involved in this and two points about that. I doubt very much that people come off of I-80 with their families to go to hear the Omaha Symphony nor the opera. We do have a Nebraska Arts Council and local arts councils that work very hard to fund the arts in Nebraska, and they do a tremendous job. I do not want to see their mainline budget derailed by this bill. The other thing that concerns me about it is this, one of the commissioners in Douglas County has already promised Metro Arts that they would get \$100,000 from this fund if it goes through. I just do not like the idea of setting up a promise like that before the bill has even been debated, before it has been passed, and before the money might be available. I don't think the Legislature should operate that way and I don't think the Douglas County Commissioners should operate that way, but my main reason is I am against the raise in tax, I am against the hotel-motel people having to cope with it and having to add this on to people's bills, and I am concerned about the mainline budget of the Nebraska Arts Council, which is the group who does fund the local arts councils and the local arts groups, and as I have said before, they do a tremendous job. So I just wanted you to know, Senator Hall, that I am going to vote against you all the way down but those are my reasons. Thank you.

SPEAKER BARRETT: Thank you. Senator Beyer, please.

SENATOR BEYER: Well, Mr. Speaker and colleagues, I guess after some of the statements made the other day, I shouldn't be opposing the amendment because of a possibility it could benefit some of the motels in our area, but I think what we have to look at is that we have got an erosion of the sales tax base. We have allowed the cities to get into it. Every time we look at property tax relief, let's face it, the only way we are going to get property tax relief in the state is if we do raise sales tax. It gets harder for the state to do it when we keep allowing an erosion of the sales tax to other areas. Senator Crosby stated it very well. We have a Douglas County Commissioner that come in here with a bill wanting to buy Ak-Sar-Ben, wanted to use that money. Now he is in promising

the arts people money. The arts people have got a request into the Appropriations Committee for expansion of their funds, and I think that is the proper way it should go. Rather than single this out to a single industry of the motels, if we are going to do it on that basis, it should be that we go and put it onto the user fee. The City of Omaha has adopted a fee for the use of the...at Rosenblatt Stadium, and at the City Auditorium, and at the Orpheum. It is working very well. It is a 25 cent surcharge. It goes strictly for that purpose and I think that is what should be done with the other, rather than putting it on a motel. So I would oppose the bill, and I have opposed it. I do have a kill motion still pending and will keep it there. Thank you.

SPEAKER BARRETT: Thank you. Senator Hall, followed by Senator Labeledz and Bernard-Stevens.

SENATOR HALL: I will waive off.

SPEAKER BARRETT: Thank you. Senator Labeledz, please.

SENATOR LABEDZ: Thank you, Mr. President. I rise in support of the reconsideration. I voted against the amendment when we had it on the floor several days ago. This bill, LB 262, unfortunately, is very, very important to Douglas County. As far as the hotel-motel, the money will be used...

SPEAKER BARRETT: Senator Labeledz, excuse me. (Gavel.) The house is not in order this morning. Proceed.

SENATOR LABEDZ: The hotel and motel people will not be paying these sales tax on the...it will be collected by the people that go to the hotels and motels. If we do what we want to do with the money, the tourist attractions in Douglas County will be so much greater that there will be a lot more business for the hotel and motel. It is not any money out of their pocket whatsoever. It is for the tourists that will be coming through Douglas County, and the conventions that we hold. But please be assured that the money will be used for strictly tourist attractions, not for any capital construction, and I know there was a lot of talk and publicity in the newspaper that this money probably would be used to build a convention center, and that is not true. And I, specifically, will tell you that I will vote against anything that would allow them to use this money to build any type of convention center or the purchase of

Ak-Sar-Ben or whatever. I firmly believe that the other states in the United States that I have attended conventions, and I know you have also, have paid a tremendous amount of sales tax on the hotels-motels that we stay at during these conventions, and nobody even notices that it is two, four, six, and as high as 10 percent in some cases. When you add the sales tax that you also collect from the restaurants and gift shops at the hotel-motel, they certainly are not lacking for any extra revenue when we send people to other states and we have to pay a high percentage of the hotel-motel tax to stay there for a couple of days. So Douglas County is asking for a slight increase in the hotel motel tax. If this is reconsidered it will only pertain to Douglas County and the county board will have to approve whether or not the increase will pertain in that particular county, and it won't affect any other county in the State of Nebraska if we reconsider this amendment. Thank you.

SPEAKER BARRETT: Thank you. Senator Wehrbein is pleased to announce some guests visiting in the north balcony. We have 16 fourth grade students from Murdock Public School in Murdock, Nebraska with their teacher. Would you folks please stand and be recognized. Thank you very much, we're glad to have you with us. Further discussion on the motion to reconsider. Senator Bernard-Stevens.

SENATOR BERNARD-STEVENS: Thank you, Mr. President. Just a couple comments and I guess I'm speaking to maybe a few of the members that are a little bit newer than I am, and I'm not...haven't been here that often. But to me the reconsideration vote that we have today is not a vote on whether you agree with the amendment, it's not a vote on whether you agree with the bill, it's not a vote on whether this amendment may cause this to happen, or we're going to have another amendment offered by Senator Lindsay and others that would exclude Ak-Sar-Ben. This vote doesn't have anything to do with that, in my opinion. You know, Senator Crosby and others, I think this vote on the reconsideration is simply to say in a representative form of government, when we have an issue that is important to a part of our state or to a group of people within the body, doesn't deserve a fair hearing, doesn't deserve a chance, with the majority of people here, a chance to be up or down, yes, this is what the body agrees upon. As I stated earlier, I am not a big fan of LB 262. I was not in committee and I'm certainly not now, but I do believe that LB 262 deserves a fair shot and the amendment process, in this case, is an

amendment that deserves a fair choice one way or another. We could very well vote in the body to reconsider and then vote the amendment down, and I think that would be just fair...that would be fine, if that is what the body decided to do. The body may very well turn around and pass the bill...the amendment. The question here is a question of fairness. May I remind the body that last year on LB 428, the motorcycle helmet bill, the bill was dead. We voted on the issue and the bill did not have enough votes to pass. Senator Landis and others got up on the floor and said there were five or six people gone, this was such an important issue that we filed a motion to reconsider, even though he did not support the bill. He filed a motion to reconsider because the body felt that it was an important enough issue, we debated it long enough, that it deserved a fair hearing with as many people here as possible, and the body did that, and the bill ended up passing. What the body did was say we think this is an issue that is important to some people in our state, therefore it deserves a fair shot with the majority of the people here, which we have today. And that is what I'm saying on the reconsideration motion. This reconsideration motion is not a motion of whether you support or not support the amendment, it's a vote on whether or not you support the concept of the majority of the representatives of the State of Nebraska being here to voice their opinion, their district's opinion on whether or not this is a good amendment or the bill, later on, is a good bill. That is all this reconsideration is. I think you can be very comfortable in voting for reconsideration in fairness to the body, as it would be on any case that...whether Senator Crosby, or I, or Senator Smith, or Senator Dierks, or whomever, if you have an important amendment that the body, because it's on a three-day weekend, it's on late afternoon or the break and many people are gone, it did not receive a fair hearing I, too, would be the first one to say even if I opposed your amendment you're right, it deserves a clear shot by the body. And that is what this reconsideration motion is. It's not about the amendment, it's saying let's get the amendment up again, let's give it a clear shot and let's debate the amendment. You can say all the comments pro, all the comments against, but when the smoke is gone the body will make a clear decision, a fair decision with most members here, and it's a decision that all of us will be able to live with because it got a fair shot in the Nebraska Legislature. That is what this vote, I think, is about. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Additional discussion on th

motion to reconsider the motion filed by Senators Conway, Baack and Bernard-Stevens, on page 1015 of the Journal. Senator Labedz.

SENATOR LABEDZ: On the bill.

SPEAKER BARRETT: On the bill. Thank you. Any other discussion on the motion to reconsider? If not, for the purposes of closing, Senator Hall.

SENATOR HALL: Thank you, Mr. President and members. I appreciate Senator Bernard-Stevens giving me the opportunity to close on this motion. The issue is one of reconsideration of the Conway amendment so that hopefully it can be adopted to the bill. The body, on the vote earlier, stated clearly and soundly that they wanted to see this amendment as part of the legislation. I have come to terms with that and feel that it is probably the appropriate way to go, that we should consider this based on the fact that the need, at present, is in Douglas County, and that to limit it at this time is an appropriate manner in which to draft LB 262 as the amendment would have it. The amendment does nothing more than that. It limits it to Douglas County, would have the tax take effect there and be utilized there for the capital construction. There is no provision in the bill to set up an additional layer of bureaucracy. The committee that Senator Crosby appropriately talks about is one that's currently in place and it is selected by the county board. We do not add to that through LB 262. It is a tax increase, that is correct. And it is a tax increase that would be used specifically and solely in the area of capital improvements, or those needs that would be determined by that group of individuals in place. With that, Mr. President, I would urge the body to vote in the affirmative with regard to the reconsideration motion. Thank you.

SPEAKER BARRETT: Thank you. You've heard the closing, and the question is, shall the reconsideration motion pass? Those in favor vote aye, opposed nay. Record, please.

CLERK: 26 ayes, 0 nays, Mr. President, on the motion to reconsider.

SPEAKER BARRETT: Motion prevails. We are back to the amendment as found on page 1015 of the Journal. Discussion on that amendment? Any discussion? Senator Conway.

SENATOR CONWAY: Mr. Speaker and members, we're now back to the amendment that we introduced earlier on the bill. It's been well discussed relative to the reconsideration. It simply identifies LB 262 to apply to counties over 300,000 or, in this case, Douglas County. So the discussion has already been pretty well dealt with during the reconsideration question, so I would move the amendment.

SPEAKER BARRETT: Thank you. Senator Bernard-Stevens.

SENATOR BERNARD-STEVENS: Thank you, Mr. President. Just a comment. I know many of you have received lots of mail on this particular topic, and I know in my particular district my district was not excited about the concept of 262. They did not particularly want another tax and they didn't want to...they did not particularly like the bill. I think other people may have felt that if we kept the bill because of that pressure, if we kept the bill in its original form, saying that all counties would be able to, that that might be a way to kill the bill, 262, because many of us were receiving so much pressure from our areas and they didn't want it. I guess what the reason for introducing the amendment was, if the majority of the counties, and I suspect that is true out state, though not all certainly, if they were not necessarily in favor of it then we should go ahead and put the bill in the form that we would vote on for the major area that was in favor of it, or at least indicated they were in favor of it, and that would be the Douglas County area. If this amendment were agreed to, there's already been printed an amendment in the Journal that says that would, if adopted, by Senator Lindsay, which would say that this could no way relate to an Ak-Sar-Ben issue of capital construction or anything else. So those people that are saying, well, this is just an Ak-Sar-Ben issue, that would be dealt with a little bit later. I think in order to be fair to the introducer of the bill and to the intent of those people that wanted LB 262, the amendment should be agreed to because in essence we're saying this is the area that wants it, if they decide to use it, and it is an option, if they decide to use it the rest of the counties can look at it and say, boy, am I glad we didn't get a part of that, or maybe the counties will say we better reevaluate this because it was a success in Omaha, the Arts Council did get some things that they wanted, the county did get some things that they wanted, the people in Omaha were happy with it, maybe that wasn't such a bad thing. It's kind of like, if you wish, a test

case. And again it's optional for Omaha. I think that we owe it to the bill at least to attach this amendment to it, to make the bill realistic to what it is, and then we'll give the...the body can give its full attention to the bill as it probably should have been in the beginning. Thank you, Mr. President.

SPEAKER BARRETT: Any other discussion? Any other discussion on the adoption of the amendment? If not, those in favor of the adoption of the amendment please vote aye, opposed nay. On the adoption of the amendment, have you all voted? Please record.

CLERK: 26 ayes, 12 nays, Mr. President, on adoption of Senators Conway/Bernard-Stevens amendment.

SPEAKER BARRETT: The amendment is adopted.

CLERK: Mr. President, we're now back to the indefinite postpone motion of Senator Beyer.

SPEAKER BARRETT: The gentleman from Gretna, Senator Beyer, please.

SENATOR BEYER: Well, Mr. Speaker and colleagues, this possibly makes the bill a little more...

SPEAKER BARRETT: Excuse me, Senator Beyer. (Gavel.) The house will please desist, Senator Beyer is entitled to be heard. Proceed.

SENATOR BEYER: This could possibly make the bill a little more...a little better to live with as far as I'm concerned. But still I think we have to look at the fact that the more we put sales tax on other areas the harder it is going to be for the state to increase their sales tax. I don't care where you put it. Like I stated before, the Rosenblatt Stadium...the City of Omaha, with their 25 cent seat tax on the Orpheum Theater, the events at the City Auditorium and at Rosenblatt Stadium, have raised some money that has allowed them to do an expansion of Rosenblatt, to work on the auditorium, and I think this is the way that we should go on the particular issue with the Arts Council. I'm very upset at the fact that a Douglas County Commissioner would go and go through the paper for all the publicity what they're going to do if this is passed. I think if he wants to do that he should come down here and get involved with the Legislature, but he don't, he wants to play it through

the newspaper, wants to make promises. And, like I said before, the Arts Council also has a request into the appropriations that they are considering for extra money, I think that that is the proper way to go rather than to keep eroding our sales tax base by adding sales tax onto other areas. So, with that, I would appreciate your support of the motion to indefinitely postpone.

SPEAKER BARRETT: Thank you. On the motion to indefinitely postpone, Senator Labeledz, followed by Senator Hall.

SENATOR LABEDZ: Thank you, Mr. President. I rise in opposition to the indefinite postponement of LB 262. If you recall, on General File before I mentioned the fact and gave you examples of Douglas County attractions that would benefit under LB 262, and they are listed as follows--the Rosenblatt Stadium, the Orpheum Theater, the Omaha Civic Auditorium, the Joslyn Art Museum, Fort Omaha, the Black History Museum, the public recreation sites, the Omaha Community Playhouse, the Emmy Gifford's Children Theater, the Western Heritage Museum and the Hitchcock Park Arena and the Henry Doorly Zoo. I also mentioned that fact that the lodging tax, in surrounding cities, like Chicago, Kansas City and St. Louis, Minneapolis, Dallas, Detroit, some of them are as high as eight and a half percent when you include the sales tax and the lodging tax. In Chicago it's 15.25 percent, in Kansas City it's 8, almost 9 percent, in St. Louis it's over 9 percent, Minneapolis is 9.50, Dallas is 12, Detroit is 10, Phoenix is 12.5, and listen to this, in New York it's 13.25 percent plus \$2 a day. What we're asking for is a slight increase in the hotel-motel tax. It was amended in committee and I gave you the tourist attractions that will benefit from it. The Black History Museum and the Emmy Gifford Children's Theater are finding it very, very difficult to operate, and they will be given grants from the Douglas County Board in order to help them operate and keep in existence things that are very important to children, including the Western Heritage Museum. I don't know how many of you have been there, but that is really something beautiful, but it's awfully, awfully hard to operate any one of these tourist attractions without additional funds and grants from the county. So I urge you to vote against Senator Beyer's kill motion on LB 262 and let us discuss LB 262 as amended on General File for advancement. Thank you.

SPEAKER BARRETT: Thank you. Senator Hall, would you care to speak to the motion to indefinitely postpone?

SENATOR HALL: Thank you, Mr. President. I appreciate the opportunity. As expected I rise in opposition to Senator Beyer's motion to kill LB 262. I understand his concern and I think it is an honest issue, an honest difference of opinion between us. But I would just clearly like to take a couple of minutes and explain to you how important this bill is to Douglas County as it's been limited there, too. A number of these facilities or these attractions that would benefit from the addition of this tax are places or are attractions that do not function on a profit. There is not any kind of a large margin where they can do the kinds of necessary capital repairs or upkeep that allows them to maintain the quality that is necessary so that they continue to be attractions for the City of Omaha or Douglas County. And it is important that they have a source of funding in this area that allows them to do just general types of maintenance. We're not going to raise a large amount of money through the passage of LB 262, approximately \$800,000 would be raised. It is not the kind of money that is going to allow for any real types of construction to take place, but basically it will be an improvement or a maintenance fund. It will allow for the types of things, the improvement of a roof, the updating of or accessibility for different types of handicapped individuals to put in these kinds of things to bring plumbing up-to-date, those types of things that your basic admission fees do not allow for, because the problem is that these things need to be available to the public. And the public is entitled to be able to use these facilities on an ongoing basis at the most reasonable costs possible. It is no ones intent to raise the admissions fees in these areas, and some of them don't even charge admission, so that they are prohibitive. But it is also important that they be...continue to be the types of attractions that we can be very proud of here in the State of Nebraska. And there are attractions there that, yes, some of them may be more parochial to the Omaha area, but there are a number of them, such as Fort Omaha, the Western Heritage Museum that Senator Labeledz mentioned, that do contain history and importance that reflects the entire growth and birth of this state. So I think that it is something that does impact the entire state, because we, as state senators, are proud of the establishment of the City of Omaha and the one time territorial capitol of the state. So I think that these types of attractions that would be benefited through LB 262 and the creation of the improvement tax or the capital improvement tax is important and it's extremely important as these facilities

must fight for every dollar that they can in order to maintain themselves and also to try and keep the costs, when they do assess a cost, down. So I think the people who are going to pay the tax in many cases are folks who are used to paying, as travelers, much higher lodging tax when they travel the metropolitan areas the size of Omaha or larger. I think that in this case it goes for a...

SPEAKER BARRETT: One minute.

SENATOR HALL: ...much needed and a very worthwhile purpose. I would urge the body to oppose Senator Beyer's motion to indefinitely postpone LB 262. Thank you, Mr. President.

SPEAKER BARRETT: Senator Korshoj, please.

SENATOR KORSHOJ: Mr. Speaker, members, I'm not going to talk about the bill itself. I want to get something in the record. I want to ask Senator Bernard-Stevens a question.

SPEAKER BARRETT: Senator Bernard-Stevens, would you respond.

SENATOR BERNARD-STEVENS: Certainly.

SENATOR KORSHOJ: I just want to get this in the record. You said it's very unfair to Tim that the attendance was very low when this vote come up. I've been thinking we always have about 27 to 30 people on the floor at all times, we're all elected under the same laws, the same commitment were made. Do you think it is fair to the people who are here day after day, on time, morning, afternoon, and stay here and listen, do you think it's fair to us for the same people to never be on the floor?

SENATOR BERNARD-STEVENS: I think, Senator, what you're referring to is an interesting philosophical question, particularly...

SENATOR KORSHOJ: Yes or no, please, you can respond on your own time. Do you think it's fair?

SENATOR BERNARD-STEVENS: I'd have to say it depends.

SENATOR KORSHOJ: Okay, that's fine. I don't think it's fair because I was elected just like you people. I have a thousand reasons I shouldn't be here every day and every day, every hour.

I've got a business at home that needs me, costs me money every day to be here. But when I got elected I got committed to this job, and the job is to be on the floor. There's times you can't be here, but when we're so short and the Speaker says call, come up, let's vote, let's do some business, we waste hour after hour, I think it's unfair to the people in the Chair and I want it in the record for that very purpose. Thank you.

SPEAKER BARRETT: Thank you. The Chair wants to take a moment to introduce at this point some very, very special guests who are examining our American system of government. We have four legislators from the Republic of Togo under the south balcony, Togo a country in Africa is one of the few republics in the world to enjoy the same unicameral system of government that Nebraska enjoys. As I introduce these people would they stand individually, please, and be recognized. Mr. Bouraima, Assistant Director of the School of Agronomy from the capitol of Togo. Mr. Teke, Administrative Secretary and Chief of the section for the control of all imported medical supplies for the Togolese National Pharmacies. Mr. Baeta, Secretary General of the Longe town council in Longe, Togo. And Mr. Kougouloua, secondary school teacher in Longe. And, of course, with their escort and interpreter from the U.S. Department of State, Mr. Max Demiray. Thank you, gentlemen, for taking your time to visit with us this morning. We hope you can come back again another day and welcome. Additional discussion on the motion to indefinitely postpone, Senator Hefner, followed by Senators Hall and Bernard-Stevens.

SENATOR HEFNER: Mr. President and members of the body, I wasn't going to talk on this, but I thought well, I just as well since everybody else is talking on it. But, Senator Hall, if you're listening I would like to see if I'm correct. First the motels charge a 4 percent sales tax.

SENATOR HALL: That's correct.

SENATOR HEFNER: Then the motels in Douglas County charge a city sales tax of 1.50 percent. Then I believe we have a motel tax of 3 percent, so that brings it up to 8.50 percent. Then this bill, as amended, would add another 2 percent.

SENATOR HALL: That's correct.

SENATOR HEFNER: So that would make a total of 10.50 percent.

SENATOR HALL: In Douglas County.

SENATOR HEFNER: In Douglas County. I just feel that this is too much tax to put on one class of businesses. I stayed in Omaha a couple nights the other night and I thought the tax was prohibitive then. And here we're going to add more taxes. Douglas County today, rest of the counties tomorrow, that's what is going to happen to this bill because some of the other counties like Hall County, or Sarpy County, or Lancaster County will want the same privileges to tax the motel room so they can do other things. Senator Hall, I think you said yesterday that there was a lot of lobbyists out in the Rotunda. How many lobbyists do we have lobbying on this bill?

SENATOR HALL: Senator Hefner, I have no idea. I've not talked to the lobbyists on this bill today, when we debated it the last time. If you go ask the lobbyists that might be working on this issue they'll tell you that they find that rather unfortunate that I don't talk to them, but it's not...

SENATOR HEFNER: Okay.

SENATOR HALL: ...my MO to do that.

SENATOR HEFNER: Okay, thank you, Senator Hall. I just wanted your reaction after what you said yesterday on the floor. But what this is, this is another tax increase, this is another 2 percent tax increase for the motel industry. I just feel that we've gone far enough. We need to stop some place and this would be a good way to stop it if we support the Beyer kill motion.

SPEAKER BARRETT: Senator Hall, please.

SENATOR HALL: Thank you, Mr. President and members. Just to touch on a couple points very briefly. Senator Korshoj, I did not...I had the opportunity when the kill motion was up to either lay the bill over or not, and I chose to lay it over. We're going to deal with it today. The kill motion is before us and if two-thirds of the body walked out we'd vote on whether or not to indefinitely postpone the bill and I would live with that. I try to be in attendance, every once in awhile I happen to be a little late. But I...you can usually find me in my seat. I appreciate your concern, but that was not a point that

I would make. I think that the issue to lay the bill over is an option that we all have as introducers of measures. But be that as it may, the issue of whether or not to kill the bill is before us today. I hope that the body is listening to the debate and the issue that the importance that this bill will play for Douglas County. It clearly is a Douglas County bill now. The Conway amendment insures that. But I think that the issue of whether or not the tax is prohibitive bears some comparison. The comparison was laid out earlier by Senator Labedz, but I would just repeat that, for example, the City of Chicago has a 15.25 sales tax on lodging. The City of St. Louis has 10 cents, the City of Cleveland is at 9 cents. The City of Phoenix is at 12.50 cents. The City of Detroit is at 10, the City of Dallas is at 12, and the City of New York is all by itself, the tax in the City of New York, Senator Hefner, is probably about what you paid for your room in Omaha when you stayed there the other night, it is...that I would consider prohibitive. The tax on the hotel room, I guess, in the City of Omaha I would not consider prohibitive. When you're talking about the difference possibly through the passage of LB 262 to staying in a motel room in Douglas County versus Sarpy County it would be approximately, say the cost of the room would be somewhere around 35 to 50 dollars. I think you would be...The difference there would be in the neighborhood of 80 cents, 80 cents a night in terms of whether you stay closer to the attractions that you'd like to be, or do you drive another 15 to 20 minutes in order to save 80 cents a night. I don't think that that's the kind of regressive tax that or oppressive tax that one might be led to believe, if you listen to some of the proponents of this kill motion. I think that clearly what you have to look at is what the tax is going to be used for. It is not going to go into the General Fund and just be divided up however elected officials might see fit. It is going to be used solely and strictly for the benefit of these attractions. What you have here is the lodging industry which says we don't like the tax, but we love the attractions. There's a love-hate relationship there because they need those attractions, they promote those attractions, they want those attractions, they locate their businesses next to those attractions. They feed off of those attractions. They're there because of the attractions, but yet they don't want to play any part in helping to maintain those attractions by basically just collecting a tax. All the lodging facilities that are around there have to charge that same tax, only when you have county crossing do you run into the problem, and again for 80 cents I don't see that

being an issue for the vast majority of people who are going to use a hotel or a motel in order to stay the night. So I think clearly what you have here is an area where...

SPEAKER BARRETT: One minute.

SENATOR HALL: ...the industry does not like collecting the tax, they all have to collect it in Douglas County under this bill, but they all promote these attractions, they all use their fliers, their material in their rooms when you walk into a hotel or a motel and promote it. And they advertise on the interstate we're only 5 minutes from the zoo, we're only 10 minutes from downtown, we're only 5 minutes from the ball park. They live off these attractions, but yet they don't want to play a part in the maintenance and upkeep, and that is not fair. All we're asking is that they collect the tax, it be used to keep these attractions in good, fine shape so that the citizens of this state and the tourists that visit have the ability to see these facilities that are there and that we are all very proud of. I would urge the body to reject the Beyer motion to indefinitely postpone LB 262. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Senator Bernard-Stevens, followed by Senator Nelson.

SENATOR BERNARD-STEVENS: Thank you, Mr. President. I'm just going to take part, again for the record, to comment to Senator Korshoj, and I won't take very long because I don't want to take away from the general debate on the indefinite postpone motion by Senator Beyer. Senator Korshoj raises an interesting question, and of course Senator Korshoj talks about fairness and is it fair. And, of course, he won't give time to respond and he takes a very complex issue and says I want to take it to a yes and no, like a prosecuting attorney, and I find that an interesting analysis...technique, particularly when we're talking about fairness. But in all fairness I think I'd like to respond at least to the record. The issue is a very interesting issue because Senator Korshoj is saying for those people who were here and present that were the only people in the body who apparently were dedicated to their duties, the only people who are dedicated enough to sit and listen, the rest of us who were gone obviously, apparently had no dedication to our jobs or duties, what have you, regardless of the reasons we were gone, that the minority should be able to speak for the majority. And I think to take the position that Senator Korshoj is taking, and

say you know it's probably fair if the majority are gone, for whatever reason, and the minority can speak, at that point the minority should rule. And that is not a principle of government that anyone in this particular body would stand up and defend. We are on a majority basis, whether we agree with the majority or not. The minority has a chance to speak out, but when we get a chance to debate in a democratic society, for all districts, for all 49 districts to be represented in their state government, it is a wise decision, it is the best decision in any democracy that the majority of those districts have a voice that is heard. To argue on the floor that we want to have a minority of districts represented on a vote, and the other districts are not there, therefore that is the decision we should go with, is not a very sound democratic argument. The other thing I'd like to point out on the particular philosophical question that Senator Korshoj wanted to so conveniently put into a yes or no, is that we in the State of Nebraska decided years ago to have a citizen Legislature. With a citizen Legislature comes all the benefits and all the problems with that. We are all citizens. We do have other jobs we have to go to. We do have other priorities. We are paid \$12,000 and some times we just can't stay here because other obligations of our business and our livelihood for our families takes us away. That is one of the down sides of having a citizen Legislature, Senator Korshoj. There are times that members of the body would like to be here, they should be here, they want to be here, but just cannot. That happens very often. I suspect there are times that all of us unfortunately have to be gone on a particular day or another. If the citizens of Nebraska would like to say, you know, we'd like to have you there, we'd like to have you free of financial obligations so we're going to pay you a salary that is commensurate to that, then that may help that particular problem. But until that time we are stuck with a citizen Legislature and what that entails. The other thing on fairness, again in closing, the reconsideration motion was offered and really nothing in regard to 262. A feeling of the democratic process is that the best decisions made in democracy, though the decision may not be right, the fairest decision in a democratic society has had the most number of people represented in that vote. On the amendment that we were previously recon...that we previously reconsidered and supported I would suggest that the reconsideration motion was democratically in principle in line, because when the majority of the districts of the people, through their representatives, spoke they said, you know we did

want this amendment. To go with Senator Korshoj's idea and say the minority of the people should rule is not only against the philosophy of representative government, but simply not good government policy. Thank you, Mr. Speaker.

SPEAKER BARRETT: Thank you. The Chair is pleased to take a moment to announce that we have 14 sixth grade students in our north balcony visiting today from Overton, Nebraska with their teacher. Would you folks please stand and be recognized by the Legislature. Thank you. We're pleased that you could take the time to be with us. Additional discussion on the motion to indefinitely postpone the bill. Senator Schimek.

SENATOR SCHIMEK: Mr. Speaker and members of the Legislature, I don't want to unnecessarily prolong this debate, but I would like to respond to Senator Bernard-Stevens. And I rarely find myself in disagreement with Senator Bernard-Stevens, and I'm not really going to disagree with him. But I would like to add what Senator Korshoj said a little while ago. I voted for the motion to reconsider because I think that each bill does merit consideration by this body, and there weren't enough of us here when it was considered before. But I think Senator Korshoj raises a very important point. I think we all need...we all do recognize this is a citizen Legislature. And I think that we recognize that each of us has different responsibilities, different degrees of responsibility to our businesses, to our families, to a myriad of other things so that we can't always be here all the time. I think we all recognize that. I think what Senator Korshoj was probably getting at is the fact that many times on this floor we have a call of the house, not once, not twice, not three times, but many times in the course of a day. And it all takes time. And if we were here and if we took that time to be here then maybe we'd get out at three-thirty in the afternoon, maybe we'd go until five, and maybe we'd get out earlier in the week, or maybe, maybe, just maybe we'd get those bills all considered this session. This session is grinding to completion and we need to be cognizant of that, we need to be using our time wisely. So I just wanted to stand up and support what Senator Korshoj said, not as a matter of saying anybody is...has done wrong here, but just trying to raise our consciousness and get people working together more to get this legislation passed that we need to pass. Thank you.

SPEAKER BARRETT: Thank you. Senator Ashford.

SENATOR ASHFORD: Question.

SPEAKER BARRETT: That won't be necessary, Senator Ashford. Thank you. We have no other lights on. For purposes of closing on the motion to indefinitely postpone the bill, Senator Beyer, please.

SENATOR BEYER: Well, Mr. Speaker and colleagues, we've had a lot of good debate, a lot of valid points raised. But I think you've got to remember the most valid point of this is that we are again, and I have no problem with the arts. I would support the arts and everything. But here we are eroding our tax base. Any time that we add onto this we seem to have a problem of raising the sales tax because we've added onto another entity somewhere in the state. Also, this is a tax increase to the citizens of the state, because a little bit over 50 percent, according to Senator Hall's figures, are Nebraska residents that come in and spend their money with the motels, and the majority of that is in Omaha. So it is another increase to the state. Yesterday we debated the taking off the sales tax for Joslyn Museum, which is another Omaha entity. There again it's an erosion of our state tax base. I don't think that any of us here that are arguing for the kill motion are unsupportive of the arts, we're just looking at the fact that we're eroding our tax base. So, with that, I would appreciate your support of the indefinite postpone motion.

SPEAKER BARRETT: Thank you, Sir. The question is the indefinite postpone of LB 262. All in favor of that motion vote aye, opposed nay. Voting on the motion to indefinitely postpone the bill. Have you all voted? Senator Beyer.

SENATOR BEYER: (Mike not activated.) ...call of the house and a roll call vote so we have it on record, please.

SPEAKER BARRETT: Clear the board, Mr. Clerk. The question before the body is, shall the house go under call? All in favor vote aye, opposed nay. Record.

CLERK: 28 ayes, 0 nays to go under call, Mr. President.

SPEAKER BARRETT: The house is under call. Members, please return to your seats and record your presence. Unauthorized personnel please leave the floor. Members outside the Legislative Chamber please return. While waiting for members to

return, the noise that you hear in the hall incidentally is a civil defense test. Disregard it, if you can. We may even have sirens going off in a few minutes as well. It is a test. Senator Schimek, record your presence, please. Senator Landis, Senator Dierks, Senator Lynch, the house is under call. Senator Chambers, the house is under call. Senators Landis and Chambers. All members present and accounted for. The question before the body is the indefinite postponement of the bill. Roll call vote has been requested. (Gavel.) Mr. Clerk, proceed.

CLERK: (Roll call vote taken. See pages 1381-82 of the Legislative Journal.) 19 ayes, 26 nays, Mr. President, on the motion to indefinitely postpone.

SPEAKER BARRETT: The motion fails. The call is raised.

CLERK: Mr. President, the next amendment I have to the bill is by Senator Haberman.

SPEAKER BARRETT: Senator Haberman.

CLERK: Senator Haberman wishes to withdraw, Mr. President. The next amendment I have to the bill is by Senators Ashford and Lindsay. It's your amendment on page 1226, Senator.

SPEAKER BARRETT: Senator Lindsay.

SENATOR LINDSAY: Thank you, Mr. President, colleagues. The amendment that I've offered is one that was actually concurred to by the sponsor, by Senator Hall. He...I spoke with him, he doesn't have a problem with it. It just clears up something that there's been, I guess, some rumors about. There have been rumors or questions whether this is a technique to allow a convention center to be built at Ak-Sar-Ben. This amendment is designed to prohibit that from occurring, that is the extent of the amendment. I think as most of you are aware I did oppose that Ak-Sar-Ben bill when it was in earlier. And it is a bill that I did have a concern with. I have talked to Senator Hall, that is not the thrust of this bill. This amendment makes that clear that this is not the thrust of that bill. And I think with this amendment it will be just a little bit better bill.

SPEAKER BARRETT: Senator Hall.

SENATOR HALL: Thank you, Mr. President and members. Senator Lindsay is partly right in his comments on the amendment. I did offer this amendment to the Government Committee when I introduced LB 262. The reason I did that is because there was such a ruckus about LB 365, which was the...came to be known as the Ak-Sar-Ben purchase bill. I did that at the time so there was clearly no misunderstanding with regard to what this fund was going to be used for. And at the time that the committee deliberated on LB 262 and advanced it to the floor, they decided that there was no need to adopt this amendment as part of the committee amendments. I clearly had no intention....I drafted this bill months before the Ak-Sar-Ben issue ever came up, and there was no intention, although somehow the two got tied together, as often happens, there was never intention on my part to see this money used. There is not enough money there, it is probably ludicrous to use it as an example, I guess, that that is where the money could go. But under the definition, I guess, that the bill draws it is a possibility, as far-fetched as that possibility might be it is a possibility. Now I don't think that...I think the wisdom of the committee was clear when they said that the amendment was not needed. I'll leave it up to the body. I don't think the amendment is needed, but if the...if it makes a majority of the members feel better about the issue, I will I guess acquiesce to that. But I don't think that there is the need to spell that out. If the desire of the body is to do that, then I guess the amendment should be adopted. But I only agreed to hand the amendment to Senator Lindsay, based on the fact that it was the same amendment that I offered in committee and the committee felt there was no need. So, with that, I would yield the rest of the debate.

SPEAKER BARRETT: Senator Ashford.

SENATOR ASHFORD: Thank you, Mr. President and members. I was involved in that Ak-Sar-Ben debate, unfortunately, during the time that it was...it arose. And listening to Senator Lindsay and Senator Hall I would tend to agree with both of them. I think Senator Hall's correct that the amendment that he agreed to was in conjunction with the other bill, LB 365, which was the Ak-Sar-Ben bill, and I think that is an accurate analysis of what occurred. However, I would agree with Senator Lindsay in that the amendment should be added to this bill so that there will be no misunderstanding or controversy again on the Ak-Sar-Ben issue. And the county's purchase of the Ak-Sar-Ben issue are arising out of this term of the Legislature. As I

said at the time of the controversy, I felt that before the county came to the Legislature for authority to purchase Ak-Sar-Ben that the city and the county needed to get together and devise an overall plan for the location of a convention facility. I still believe that so that this bill will not create any additional controversy over that Ak-Sar-Ben issue and so that we can allow the county and the city, and I'm sure they will do this, to get together and attempt to work out their problems and come up with a solution for all of us in Douglas County and then come to the Legislature, if necessary, for authority. I think that though the money that would be raised by this amendment is not enough to finance a convention center in and of itself, it could be a piece of one, but more than that to remove any perception that the Legislature is involving itself in that controversy at all during this session I would urge that the amendment be adopted. Thank you.

SENATOR LABEDZ PRESIDING

SENATOR LABEDZ: Senator Lindsay, there are no further lights. Would you like to close on your amendment.

SENATOR LINDSAY: Thank you. I would just urge the adoption of the amendment.

SENATOR LABEDZ: We are voting on the amendment to LB 262. All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk.

CLERK: 31 ayes, 1 nay, Madam President, on adoption of the amendment.

SENATOR LABEDZ: The amendment is adopted. Do you have anything further on the bill?

CLERK: Nothing further, Madam President.

SENATOR LABEDZ: Senator Hall, we're on the advancement of LB 262 to E & R Initial.

SENATOR HALL: Madam President, I would just move that LB 262 be advanced to E & R Initial as amended.

SENATOR LABEDZ: Senator Hall, there are no further lights. Would you like to close?

March 29, 1989

LB 262, 319

SENATOR HALL: Madam Chair, I would just move that LB 262 be advanced to E & R Initial as amended. Thank you.

SENATOR LABEDZ: We're voting on the advancement of LB 262 to E & R Initial. All those in favor vote aye, opposed nay. Have you all voted?

SENATOR HALL: Madam President, just to expedite things, I think I would ask for a call of the house and accept call in votes.

SENATOR LABEDZ: Request has been made for a call of the house. The question is, shall the house go under call? All those in favor vote aye, opposed nay. Record the vote, Mr. Clerk.

CLERK: 28 ayes, 1 nay to go under call, Madam President.

SENATOR LABEDZ: The house is under call. Senators, please record your presence. All unauthorized personnel leave the floor. The house is under call. Please record your presence. We're voting on the advancement to E & R Initial and Senator Hall has requested call ins. Senator Moore, would you record your presence. Senator Smith, Senator Ashford, record your presence. Senator Barrett, the house is under call. Senator Peterson, record your presence, please.

SENATOR HALL: Well, we can go ahead and proceed.

SENATOR LABEDZ: Proceed, Mr. Clerk.

CLERK: (Roll call vote taken. See page 1382 of the Legislative Journal.) 25 ayes, 20 nays, Mr. President.

SENATOR LABEDZ: LB 262 is advanced to E & R Initial. Mr. Clerk, LB 447.

CLERK: Madam President, may I read some items for the record?

SENATOR LABEDZ: Proceed, Mr. Clerk.

CLERK: Madam President,...

SENATOR LABEDZ: Call is raised.

CLERK: Senator Landis would like to print amendments to LB 319;

April 3, 1989

LB 44, 44A, 47, 66, 75, 78, 87
220, 240, 262, 348, 372, 399, 401
431, 438, 438A, 546, 548, 569, 569A
582, 582A, 592, 606, 608, 628, 637
681, 706, 777, 790

the time Senator Abboud can have to finish his closing.

SPEAKER BARRETT: Thank you. The question is the advancement of the bill to E & R Engrossing. All in favor vote aye...thank you. Roll call vote has been requested in reverse order. So be it. Mr. Clerk.

CLERK: (Roll call vote read. See pages 1431-32 of the Legislative Journal.) 27 ayes, 10 nays, Mr. President, on the advancement 592.

SPEAKER BARRETT: LB 592 advances. Anything for the record, Mr. Clerk?

CLERK: I do, Mr. President, thank you. Your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 262 and recommend that same be placed on Select File; LB 569, LB 569A, LB 606, LB 628, LB 681, LB 78, LB 438, LB 438A, LB 706, LB 47, LB 75, LB 548, LB 582, LB 582A, LB 240, LB 790, LB 777, LB 44, LB 44A, LB 637, LB 66, LB 546, LB 87, LB 220, LB 372, LB 399, LB 401 and LB 608, some of which have E & R amendments attached, Mr. President. (See pages 1432-44 of the Legislative Journal.)

Mr. President, your Committee on Health whose Chair is Senator Wesely reports LB 348 to General file with committee amendments attached. That's signed by Senator Wesely as Chair. (See page 1444 of the Legislative Journal.)

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

SPEAKER BARRETT: Thank you. As announced before recess, we will move back to LB 431 and LB 431A. LB 431, Mr. Clerk.

CLERK: Mr. President, the first item I have on 431 are Enrollment and Review amendments.

SPEAKER BARRETT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that the E & R amendments to LB 431 be adopted.

SPEAKER BARRETT: The question is the adoption of the E & R amendments to LB 431. Those in favor say aye. Opposed no. Carried. They are adopted.

Smith's amendment to the bill.

PRESIDENT: The Smith amendment is adopted. Anything further on it?

CLERK: Mr. President, Senator Elmer has an amendment pending.

PRESIDENT: Is Senator Elmer present? We have another amendment. Okay, you wish it withdrawn. It is withdrawn.

CLERK: Mr. President, Senator Lynch would move to amend. (See Lynch amendment on page 1786 of the Legislative Journal.)

PRESIDENT: Senator Lynch, please.

SENATOR LYNCH: Mr. President, members, the last of my amendments has to do with adjusting the fiscal impact in the fiscal note. On...it eliminates under Section 5, Phase I funding for the administration of \$4,800 that no longer exists, and under Phase II, it reduces from \$10,900 for that cost for Phase II to \$6,100.

PRESIDENT: Any further discussion? If not, the question is the adoption of the Lynch amendment. All those in favor vote aye, opposed nay. Record, Mr. Clerk.

CLERK: 26 ayes, 0 nays, Mr. President, on the adoption of Senator Lynch's amendment.

PRESIDENT: It is adopted. Is that the last one, Mr. Clerk?

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

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

SENATOR LINDSAY: Mr. President, I move that LB 89A as amended be advanced to E & R for Engrossing.

PRESIDENT: You have heard the motion. All in favor say aye. Opposed nay. It is advanced. LB 262.

CLERK: I have no amendments on LB 262, Mr. President.

PRESIDENT: Just a moment, please.

CLERK: Mr. President, while we are waiting, an announcement. General Affairs will hold an Executive Session, Senate Lounge, now; General Affairs in Senate Lounge now. I have an Attorney General's Opinion addressed to Senator Lamb, Mr. President, to be inserted. (Re: LB 183. See pages 1786-92 of the Legislative Journal.) That is all that I have.

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: Discussion on LB 262, any? We have had a request for a machine vote. The question then is the advancement of 262 to E & R Engrossing. Those in favor vote aye, opposed nay.

SENATOR HALL: While we're waiting we might as well call the house and have a roll call vote.

SPEAKER BARRETT: Thank you. Clear the board, Mr. Clerk, and the question is, shall the house go under call? Those in favor vote aye, opposed nay. Record.

CLERK: 15 ayes, 1 nay, Mr. President, to go under call.

SPEAKER BARRETT: The house is under call. Members, please check in. Those outside the Chamber, please return. The house is under call. Members, please return to your seats. Unauthorized personnel, please leave the floor. Senators Dierks, Pirsch, Haberman, Hartnett, Warner, please report to the Chamber. Senator Dierks, Senator Pirsch, Senator Haberman, Senator Hartnett, the house is under call. Senator Haberman, check in, please. Senator Dierks, the house is under call. Did you request a roll call, Senator Hall? All present and accounted for. Members take your seats, please, for a roll call vote on the advancement of LB 262. Proceed, Mr. Clerk.

CLERK: (Roll call vote taken. See pages 1792-93 of the Legislative Journal.) 25 ayes, 19 nays, Mr. President.

SPEAKER BARRETT: LB 262 advances. LB 569. The call is raised. Senator Hall.

SENATOR HALL: (Mike off) a point of personal privilege.

SPEAKER BARRETT: State your point.

April 21, 1989

LB 89, 89A, 262, 603, 739, 813
LR 84

SPEAKER BARRETT: Thank you. Senator Moore, you indicated earlier you wish to discuss the bill. We're on the advancement of LB 739.

SENATOR MOORE: I move we adjourn to Monday morning, April 24th.

SPEAKER BARRETT: Anything to read in, Mr. Clerk?

CLERK: Mr. President, amendments to be printed to LB 603 by Senator Wesely; Senator Rogers to LB 813. Study resolution by Senator Coordsen calling for a review of the feasibility cost of and issues related to allowing the courts to make an order committing all juveniles listed under 43-247 to the Department of Social Services. (LR 84.) Enrollment and Review reports LB 89, LB 89A, and LB 262 as correctly Engrossed. Those are signed by Senator Lindsay as Chair. That's all that I have, Mr. President. (See pages 1851-55 of the Legislative Journal.)

SPEAKER BARRETT: The question is adjourning until nine o'clock, Monday morning. Machine vote has been requested. Those in favor vote aye, opposed nay. Have you all voted? Record. A request for a call of the house. Shall the house go under call? Those in favor vote aye, opposed nay. Record.

CLERK: 10 ayes, 17 nays to go under call, Mr. President.

SPEAKER BARRETT: The house is not under call.

CLERK: Mr. President, the vote on the motion to adjourn was 18 ayes, 14 nays.

SPEAKER BARRETT: Motion prevails, we are adjourned.

Proofed by:

Marilyn Zank
Marilyn Zank

May 2, 1989

LB 78, 262, 646

and not voting, Mr. President.

SPEAKER BARRETT: LB 78 passes. Before proceeding to LB 646, Senator Ron Withem has some guests in the north balcony. We have some eighth graders and their teacher from St. Columbkille School in Papillion. Would you folks please stand and be welcomed. Thank you. We're glad to have you with us this afternoon. Next bill, Mr. Clerk.

ASSISTANT CLERK: (Read LB 646 on Final Reading.)

SPEAKER BARRETT: All provisions of law relative to procedure having been complied with, the question is, shall LB 646 pass? Those in favor vote aye, opposed nay. Have you all voted? Please record.

ASSISTANT CLERK: (Record vote read. See page 2021 of the Legislative Journal.) The vote is 46 ayes, 0 nays, 3 excused and not voting, Mr. President.

SPEAKER BARRETT: LB 646 passes. LB 262.

ASSISTANT CLERK: (Read LB 262 on Final Reading.)

SPEAKER BARRETT: All provisions of law relative to procedure having been complied with, the question is, shall LB 262 become law? Those in favor vote aye, opposed nay. Have you all voted? Have you all voted if you'd care to vote? Record, please.

CLERK: (Record vote read. See page 2022 of the Legislative Journal.) 29 ayes, 15 nays, 2 present and not voting, 3 excused and not voting, Mr. President.

SPEAKER BARRETT: LB 262 passes. Senator Landis, for what purpose do you rise?

SENATOR LANDIS: Just a point of order, Mr. Speaker.

SPEAKER BARRETT: State your point.

SENATOR LANDIS: I was wondering if the Chair could consider since we're going to be moving to days of greater length, both in the morning and the afternoon, that the Chair pursue a policy that would see that the lights were turned off in the later afternoon. They are irritating and it's difficult to work under

May 2, 1989

LB 78, 175, 262, 588, 591, 591A, 606
646, 681, 767, 814

having been complied with, the question is, shall LB 591 with the emergency clause attached become law? Those in favor vote aye, opposed nay. Have you all voted? Record, please.

CLERK: (Record vote read. (See page 2023 of the Legislative Journal.) 42 ayes, 2 nays, 2 present and not voting, 3 excused and not voting, Mr. President.

SPEAKER BARRETT: LB 591E passes. And let the record show that Senator Moore had guests in the north balcony. They are just leaving at the present time, 9 students and 2 sponsors from the seventh and eighth grades in Waco, from St. John's in Waco. Thank you, folks, for coming. We appreciate it. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LB 606, LB 681, LB 78, LB 646, and LB 262. (See page 2024 of the Legislative Journal.) The call is raised. I'm sorry, we have an A bill. The call is not raised, I'm sorry. Mr. Clerk.

CLERK: (Read LB 591A on Final Reading.)

SPEAKER BARRETT: All provisions of law relative to procedure having been complied with, the question is, shall LB 591A with the emergency clause attached pass? All in favor vote aye, opposed nay. Have you all voted? Please record.

CLERK: (Record vote read. See page 2024 of the Legislative Journal.) 41 ayes, 2 nays, 3 present and not voting, 3 excused and not voting, Mr. President.

SPEAKER BARRETT: LB 591AE passes. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign, LB 591 and LB 591A, and the call is raised. Anything for the record, Mr. Clerk?

CLERK: I have amendments to be printed by Senator Coordsen to LB 814, Senator McFarland to LB 175, Senator Conway to LB 767. That's all that I have, Mr. President. (See pages 2025-27 of the Legislative Journal.)

SPEAKER BARRETT: Thank you. Proceeding then to General File, senator priority bills, LB 588.

CLERK: Mr. President, 588 was a bill introduced by Senator Chambers. (Title read.) The bill was introduced on January 18.

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LB 78, 262, 429, 588, 591, 591A, 606
646, 681

further on it? The call is raised.

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

PRESIDENT: Senator Labedz, please.

SENATOR LABEDZ: Withdraw.

PRESIDENT: Withdrawn.

CLERK: Mr. President, Senator Ashford would move to amend.

PRESIDENT: Senator Ashford. It is withdrawn.

CLERK: Mr. President, Senator Hall...kill motion, Senator?

SENATOR HALL: Withdraw.

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

PRESIDENT: Okay, we're on the advancement of the bill. Senator Chambers.

SENATOR CHAMBERS: In view of the...Mr. Chairman and members of the Legislature, I will just make the motion, then see if it's necessary to discuss it further, but I move that 588 be advanced to E & R Initial.

PRESIDENT: You've heard the motion. Any discussion? If not, the question is the advancement of the bill. All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

CLERK: 26 ayes, 8 nays, Mr. President, on the advancement of LB 588.

PRESIDENT: LB 588 is advanced. Do you have something for the record, Mr. Clerk?

CLERK: Mr. President, I do. Enrollment and Review reports LB 429 correctly engrossed.

Enrolling Clerk has presented to the Governor bills read on Final Reading today, Mr. President. (Re: LB 606, LB 681, LB 78, LB 646, LB 262, LB 591, LB 591A. See page 2028 of the

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LB 78, 182, 262, 591, 591A, 606, 646
681, 813
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amendment is adopted. Do you have anything else on it, Mr. Clerk?

CLERK: Mr. President, Senator Wesely would move to amend Senator Bernard-Stevens' amendment.

PRESIDENT: Senator Wesely, please.

SENATOR WESELY: Yeah, I move to recess till one-thirty.

PRESIDENT: You've heard the motion. All in favor say aye. Opposed nay. You are recessed until one-thirty.

RECESS

PRESIDENT NICHOL PRESIDING

PRESIDENT: Record, Mr. Clerk, please.

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

PRESIDENT: Do you have anything to read in, Mr. Clerk?

ASSISTANT CLERK: One item, Senator Coordsen would ask unanimous consent to print amendments to LB 182.

CLERK: Mr. President, I have a series of things, a communication from the Governor to the Clerk. (Re: LB 606, LB 681, LB 78, LB 646, LB 262, LB 591, LB 591A. See page 2089 of the Legislative Journal.)

A new study resolution by Senator Rod Johnson, LR 110. LR 111 by Senator Johnson. LR 112 by Senator Baack. LR 113 by Senator Barrett. LR 114 by Senator Hefner. LR 115 by Senator Baack. (Read brief explanation of each. See pages 2089-93 of the Legislative Journal.)

Mr. President, received a report from U S Ecology which is filed pursuant to rule and reg. Senator Wesely has amendments to LB 813, as does Senator Bernard-Stevens... Senator Bernard-Stevens has amendments to LB 813, Mr. President. (See pages 2093-94 of the Legislative Journal.)

SENATOR MOORE: Yes, Mr. President and members, just like Senator Warner's motion on the last bill. I want to make a few brief points and if the introducer of the bill want to use some of my opening to respond, that is fine, and then we will withdraw it and vote on the bill. I think it is important that we point out once again just what indeed LB 705E does. It is the bill, if you remember, basically stems from the purchase of art by Joslyn Art Museum a couple of years ago that after it was purchased they realized that, I honestly forget the dollar purchase now, what it amounted to, but after they purchased it they realized there were sizeable amount of sales tax have to be paid. And it is the intent of this bill, since they have already made the first of their five payments, the next four years would be forgiven some sales tax. I first rise to oppose this bill on a civil matter precedent. Here it is, someone made a purchase knowing full well what exactly the law was and due to the fact that it is a variety of people that have strong feelings about the, how good Joslyn Museum is to the State of Nebraska that we should exempt the sales tax they pay on this art. I think it is bad precedent when we decide that after the fact to make a change in our sales tax exemption to appease someone, I just think that is bad precedent. I wouldn't mind so much if this bill was a bill that exempted it from here on out, I could live with that. But I think it is extremely bad precedent when you are saying to someone, yes, even though you purchased it knowing you have to pay the sales tax, if you get the right people in society and the right lobbyist behind the glass, you can get sales tax forgiven. I think that is a bad precedent right there. That is the first reason for opposing it. The second reason is the amount of dollars we are talking about here. I feel that it could better... directed towards some other place in the arts in Nebraska and we know we passed with two other bills basically it had a significantly good impact on the arts in Nebraska. First LB 262, and we all know what that does for the Omaha community on the lodging tax. Second, it does, as you pointed out, that in LB 813, the Appropriations Committee increased, the Appropriations Committee recommendation and then with the body's approval increased the aid budget to the Nebraska Arts Council by approximately 13.2 percent in 1989-90 and 29.3 percent in '90-91. And so that now that aid, the total General Fund appropriations of the Arts Council has doubled in the last three years. I'll repeat that. The total General Fund appropriations to the Arts Council has doubled from \$584,000 in '87-88 to now at the end if the