

January 9, 1989

LB 267-278
LR 4

Transportation Committee will meet in Executive Session upon adjournment.

Reference Committee, now, in 2102.

SPEAKER BARRETT: Thank you. The Legislature will continue to stand at ease while the Referencing Committee meets. We are not adjourned.

EASE

SPEAKER BARRETT: Announcements, bill introduction.

CLERK: Mr. President, a series of announcements. First of all, Executive Board would like to announce the makeup of the Building Maintenance Committee. Senator Conway has been selected as Chair with membership consisting of Senator Beyer, Senator Korshoj, Senator Scofield and Senator Warner. And with respect to the Education Commission of the States, which is also an Executive Board appointment, Senators Baack, Dierks and Withem have been selected to serve.

Mr. President, announcement from the Speaker, and that is that there will be a Committee Chairpersons meeting on Wednesday morning at eight-fifteen in Room 1517; Committee Chairpersons meeting at eight-fifteen Wednesday morning in Room 1517, as offered by the Speaker.

Mr. President, I have received a Reference Report referring bills up through 237. (See pages 122-25.)

Mr. President, new bills. (Read LBs 267-278 by title for the first time as found on pages 125-28 of the Legislative Journal.)

Mr. President, I have a new resolution by Senator Bernard-Stevens, LR 4, asking the Legislature to approve a gift from the Nebraska Game and Parks Foundation to the Games and Parks Commission of certain real estate located in Lincoln County. That will be laid over, Mr. President. (See pages 128-29 of the Legislative Journal.)

Mr. President, I have a hearing notice from the Transportation Committee for Tuesday, January 17. That is signed by Senator Lamb as Chair of the Committee.

January 9, 1989

LB 50, 84, 275, 279

Mr. President, a request from Senator Wehrbein to add his name to LB 50; Senator Robak to LB 275; and to Senator Korshoj to LB 84. (See page 129 of the Legislative Journal.)

Mr. President, one last bill, LB 279 offered by Senator Landis. (Read by title for the first time. See pages 129-30 of the Legislative Journal.)

Mr. President, I believe that is all that I have. One final reminder, Senator Lamb would like a meeting of the Transportation Committee upon adjournment in the Senate Lounge. That is all that I have, Mr. President.

Notice of hearing from the Banking, Commerce and Insurance Committee for Tuesday, January 17. And that is all that I have, Mr. President.

SPEAKER BARRETT: Thank you, Mr. Clerk. Senator Dennis Byars, your light is on. For what purpose do you rise?

SENATOR BYARS: There being no further business to come before this body this afternoon, I would move that we would adjourn until nine o'clock tomorrow morning, January 10.

SPEAKER BARRETT: Thank you. You've heard the motion. Those in favor say aye. Opposed no. Ayes have it, we are adjourned.

Proofed by:

Marilyn Zank
Marilyn Zank

January 18, 1989

LB 162, 163, 235, 275, 374, 472, 479
598, 599

pages 282-93 of the Legislative Journal.)

Mr. President, in addition to those items, a final bill. (LB 598 read for the first time by title. See page 293 of the Legislative Journal.)

Mr. President, I have a motion to be filed by Senators Withem, Nelson, Korshoj, Lamb, Bernard-Stevens, Chizek, and Hartnett. It would move certain rules and place LB 275 directly on General File. That will be laid over. (See page 294 of the Legislative Journal.)

Mr. President, I have a series of names to add on. Senator Kobak would like to add her name to LB 472; Senator Ashford to LB 479; Senator Morrissey to LB 162; Senator Peterson to LB 374, Senator Withem to LB 163.

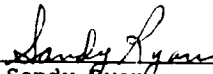
Mr. President, Senator Wehrbein would move to withdraw LB 235. That will be laid over. Mr. President, the last item I have is a new bill. (LB 599 read for the first time by title. See page 294 of the Legislative Journal.)

SENATOR HEFNER: Senator Nelson, would you like to give us a message.

SENATOR NELSON: Mr. Speaker, members of the body, I move that we adjourn until January 19 at 9:00 a.m.

SENATOR HEFNER: We are adjourned then until 9:00 a.m. tomorrow morning.

Proofed by:


Sandy Ryan

SPEAKER BARRETT: Senator Loran Schmit, please.

SENATOR SCHMIT: Mr. President and members, Mr. Lawrence Myers is a new appointee to the Power Review Board. The board heard his explanation of his experience and his background. He has been appointed to fill the accountant's position on the board and the committee voted unanimously that he be recommended for approval by the full Legislature and I so move.

SPEAKER BARRETT: Any discussion? Seeing none, those in favor of the motion offered by the Standing Committee Chair, Senator Schmit, on the appointment found on page 370 of the Journal please vote aye, opposed nay. Voting on the confirmation report. Have you all voted? Record, please.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of the confirmation report as offered by the Natural Resources Committee.

SPEAKER BARRETT: The report is adopted. Item 6 on the agenda, Mr. Clerk.

CLERK: Mr. President, Senators Withem, Nelson, Hartnett, Chizek, Bernard-Stevens, Lamb, and Korshoj would move to suspend Rule 7, Section 3a, Rule 6, Section 2, and Rule 3, Sections 3e, 13 and 19 and place LB 275 on General File. The motion was filed on January 18. It is found on page 293 of the Journal, Mr. President.

SPEAKER BARRETT: Senator Withem, please.

SENATOR WITHEM: Mr. Speaker and members of the body, first of all, I appreciate the other legislators who signed on to this motion very much their support. It is something I am very serious about. It is also something that I think members of the body ought to be taking fairly seriously. This is an abnormal, unusual type of motion to be filed, I will admit. The first thing I would like to state is that it should not be construed as being anti-Appropriations Committee, antiappropriations process. The process that we have for dealing with appropriations really does not fit the goal of LB 275. Let me tell you what LB 275 is. It is a very simple bill but one that if we support this bill will place us on record as a Legislature of supporting the concept of relieving property taxes. Property

tax relief is something that every member of this body, I would guess, has campaigned on. You have looked your constituents in the eye back home, you have heard them say that their property taxes are too high, the property taxes need to be relieved, and you have said, yes, you are going to support lowering property taxes. At the same time, we come down here and year after year after year we watch the situation get worse. LB 275 is a bill that the passage of will put this body on record supporting property tax relief. If it goes through the normal appropriation process, it is not going to be a useful bill. The purpose that those of us that introduced it, the purpose for which those of us that introduced it will be lost if we do not act on it early in the session. The idea is, (a), we have a reserve. Now the size of the reserve I know will be debated. Whether the reserve is committed to other functions I know will be debated, but you can't argue that we have a reserve. The numbers I see will be that we are going to end this fiscal year with an excess of \$250 million if you take the surplus in the General Fund, and our Cash Reserve Fund. That is not counting any lapses from General Fund appropriations. We will have that money left over at the end. The theory of 275 is that some of that money ought to be dedicated to property tax relief. What LB 275 does is it sets aside \$50 million of that reserve and places it into a property tax relief fund. There is no distribution formula in LB 275. The purpose of 275 is to pass it early in the session, set that money aside, set the signals that we want some dollars set aside to help with the property tax problem in our state. During the rest of the session, we can argue whether Senator Chizek's idea that it ought to go through state aid to education, or Senator Lamb's idea that it ought to go as a rebate, direct rebate back to property taxpayers, or Senator Chizek's other idea that some of us have signed on that a homestead exemption is the right way to go, we can make those arguments later on. What we are saying at this point though is that the money ought to be set aside and it ought to be set aside at this particular point within the session. You got some handouts, and I see you are getting some from Senator Warner that demonstrate the perspective from his point of view. I would like to point out to you what has happened in the area of property taxes in our state by a couple of handouts that you have. First of all, a rather long bar graph here, rather long-term explanation of what has happened to property taxes from 1974 or 1967, when our citizens were paying \$296 million in property taxes, up to this last year when we paid \$1,167,482,843.90 in property taxes. The map that has been

passed out is a graphic demonstration of the growth of property taxes in our state since 1985. Now I don't know when you folks came to the Legislature individually. Each of you know when you came into the Legislature. I came in March of 1983. Probably if you would go back to March of '83, you would see a much whiter state here. The lightly blackened in speck counties are those where the property tax levy is \$2.50 combined. Of all of the different subdivisions levying a property tax, it comes to an average of \$2.50. There are only nine counties in the state at that time that had in excess of \$2.50. There were only two counties that had in excess of \$2.75 in a property tax levy. Follow along, '86, '87, '88, in 1988, 16 counties were paying over \$2.75 of levy on their property tax. Twenty-six counties had over \$2.50. If you will notice that the average property taxpayer in the state currently is paying well over \$2.50 in property tax valuation. The average tax rate for property taxes in Nebraska last year was \$2.61. This year we ought to have a golden opportunity to do something to relieve property taxes. It is the first time that I have been here that there have been sizeable sums of money in our budget, but what is likely to happen is what happens every year. You are going to have on one hand individuals like our Governor, like some senators in here, who say what we ought to be doing is giving back the money in income tax relief. You have other individuals that say it is a golden opportunity to enhance whatever state government spending program that you would like to see enhanced. We always pick on higher education. It is not because higher education is bad but it is because higher education takes an inordinate sum of our budget. We are looking at, since we have given a state aid increase to local schools and local subdivisions back in the early 1980s, you are going to see an 88 percent growth in what we spend of state dollars on higher education. None of that goes to relieve property taxes. It goes to enhance state government programs that need to be enhanced, but within that enhancement of state government programs, we need to be doing something for our local property taxpayers. I think it is important that we take this step. It is an unusual motion admittedly. It is being taken because, again, if we waited, the bill has been referred to the Appropriations Committee. As I understand the Appropriations Committee process that they are not even hearing bills at this point. They are going through agency hearings, that they will not until the middle or late part of February will not even begin hearing bills. Our process indicates that the mainline appropriations bill needs to pass before we appropriate any dollars. That in normal circumstances

is a good process, but within that process, there is really no place for the local property taxpayer, for the individual that is paying these I think immorally high property taxes. What happens is the state government agencies get their say, get their dollars into the budget, and by the time we get around to passing the final budget, there is little if any room left for enhancing the image, the situation of our local property taxpayers. What this motion does is simply brings this bill to General File for immediate consideration. Some people will argue that it will not have had a public hearing, but I would argue with you that we have had so many hearings on the property tax problem in this state, every year we have bills to relieve property taxes. Last year, Senator Vard Johnson's tax study committee did hearings all over the state and the one consistent message they heard back was that property taxes need to be reduced. We don't need a public hearing to be told that we need to do something about property taxes. To leave this bill, to let it run its current course of action will, in all probability, doom it to failure, will doom us, as a Legislature, to fund the needs of state government programs, to deal with those types of problems, and once again to forget the problems of the local property taxpayer. I would point out that the budget that is being considered by the Appropriations Committee as sent over by the Governor...

SPEAKER BARRETT: One minute.

SENATOR WITHEM: ...has nothing in it for property tax relief. I think it will be valuable this morning to have this debate and this discussion on the priorities to which this Legislature gives to property tax problems. I think we have failed the property taxpayer in my time in the Legislature. I have tried not to fail them, but as a Legislature, we have. I think it is time that we went on record as a Legislature of supporting property tax relief. This is an opportunity that you have as a Legislature to do so. I would urge you to be one of the 30 votes needed to suspend the rules to have this bill placed on General File. Thank you, Mr. Speaker.

SPEAKER BARRETT: Thank you, Senator Withem. Before proceeding to an amendment on the desk, a motion on the desk, the Chair is pleased to announce that Senator Kristensen has a guest in the north balcony, from Kearney, Nebraska, the Director of the Social Services Department at Kearney, Bev Muller. Would you please stand and take a bow, Bev. Thank you. We are glad to

have you with us. Mr. Clerk.

CLERK: Mr. President, Senator Moore would move to amend the motion by adding LB 774.

SPEAKER BARRETT: Senator Moore.

SENATOR MOORE: (Mike off at beginning) Mr. Speaker and members of the body, those of you who are not aware of what LB 774 is, the bill is sponsored by Senator Schmit and myself, which in actuality what it does is raise the sales tax by 2 percent. And I think it is important that if you want to debate LB 275, if you want to debate any property tax relief, I think it is really important that you would at the very least debate it on an even keel with the tax increase necessary (inaudible) that you are talking about on 275. Granted, 774 is probably a little bigger number than 275 but it really doesn't make any difference, and I mean I won't go into the potential impact of LB 275. (Mike on) Senator Warner passed out a handout on that, and he can probably explain that to you better than I can, but first off, just to suspend five rules on the 12th...13th day of the session and bring a bill to the floor is very bad precedent. That is something that usually my seatmate Senator Schmit does on the 88th day or the 58th day, and we expect that. You don't expect that on the 13th day of the session, and I think we shouldn't expect it because it is simply the wrong time to do things and stuff like that. Part of the reason 275 and the motion that several senators signed is bad because it puts all of us in a very bad situation. Like Senator Withem said, he is trying to make this the litmus test on whether or not you are for property tax relief this session. That is the litmus test he is trying to put forth before the body. And it is so easy, it is easy to sit on November 25th and promise what Santa Claus is going to bring you on December 25th but it is not fair to do it that way. If you really want to have property tax relief, then the body has to be willing to support a tax increase that is going to pay for it, and...

SPEAKER BARRETT: Senator Withem, state your point, please.

SENATOR WITHEM: Yes, point of order is that, and I am sorry it took me awhile to find this, Rule 2, Section 1 indicates that...excuse me, Rule 2, Section 2 indicates that a motion to suspend the rules is not amendable. We changed that rule last year, and I believe Senator Moore's motion is out of order for

that reason.

SPEAKER BARRETT: Thank you. Pursuant to Rule 2, Section 2, it is the opinion that Senator Moore's motion, excuse me, Senator Withem's motion is not amendable by Senator Moore. Senator Moore, any comments, please?

SENATOR MOORE: Well, I mean when you are suspending five rules, I mean I can simply suspend the rules and amend another one. I mean when you are throwing the rules out this early in the session, I don't know why you are getting hung up on one rule but I will just simply wait and file a different motion to suspend the rules so I can amend it so we can have the proper debate on the rule suspension on LB 275, so I withdraw my motion at this time.

SPEAKER BARRETT: Motion is withdrawn. Discussion on the motion by Senator Withem to suspend rules and place 275 on General File. Senator Warner, please.

SENATOR WARNER: Mr. President and members of the Legislature, I welcome the opportunity to discuss what I believe is the purpose of the motion this morning as indicated by Senator Withem and that is to discuss the problem of the property tax issue in the state. I did have two handouts, and I am not going to spend a lot of time on them, I just want to call your attention to them. The one that has a heading that says "Potential Impact of 275", what it really is is a potential impact of 50 million of whatever you use for...that money for in terms of property tax, but the one sheet shows historically what has happened since 1966 and the percentage increase in property tax as a percent of value. On the average up through this year it has averaged roughly 6 percent. It is interesting to note that the only time in that whole period of time in the past 22 years, other than the first two years when we went to sales-income tax, and abolished property tax for state government, there was only one decrease in the percent of increase in property taxes levied, and that was the year in which the valuations were significantly increased, when, and as I recall I think that is the year that we went from the 35 percent to the 100 percent of value, and I only call that to your attention for the reason that always keep in mind that when you narrow the base...when you broaden the base, you reduce the rate and that is all that shows. What we have tended to do over years is narrow the base consistently in a variety of places, and then we wonder why the rates go up, and

that is not pertinent to the issue of 275, but it is pertinent to the overall problems. Other things on the sheet shows a graph, it shows how property tax would increase with a one-time shot. The last three examples are just exactly that. It would show that if you used the Governor's budget and added another 50 million, why, you would have a deficit before the end of this session based on current projections. The next sheet shows what would happen if you do the 50 million in addition to the Governor's budget and assume that collections for this year will be 20 million more, and I suspect when the board meets in February and April that that will occur, but even with that, it would indicate that it would be in a deficit position at the beginning of the next session, so...or by during the next session of the biennium, and that, obviously, is something to keep in mind. And the last sheet shows that what you would need to do based on current projections plus additional 20 million. In order to sustain that level of funding, there are a number of items that are either in the Governor's budget or somewhere else in the budget that could not be done. The other handout, again, is a historical one which merely shows the percentage growth over a period of time, since 1966-67 of the amount of funds, the percent of the appropriation that has gone to aid, and the percent that has gone to state operations. I hasten to add, so that you understand the definition of aid is one that is used by the state accountant, those items that are included in the aid are also on that sheet, and that, again, it is just for informational purposes. What I would like to stress, because the point has been made that this is a time for us to indicate to those whom we represent that we are concerned about property tax. I want you to look at that sheet, that first one I handed out, and it would indicate that if, in fact, all \$50 million went to property tax relief,...

SPEAKER BARRETT: One minute.

SENATOR WARNER: ...that there is no increase. It is not a reduction in your property tax. The average increase would be 1.72 percent as opposed to 6, and the following year, it still goes back to that average of 6 percent. Fifty million does not cure the problem. I would suggest there is only two ways...one way that you can do it, and the only way I know that we can really cure the property tax problem we have in Nebraska is that you establish a tax fund...a tax source that will grow somewhat comparable to the expenditure that you can expect to grow at the local level and, particularly I suspect, in the areas of

education. Anything less than that is a temporary cure. I don't have to remind you that in the last few months if there is anything I have heard repeatedly is that when you promise something to happen on taxes, and it doesn't quite come out that way, you are going get pushed around a lot. I will suggest to you if you vote for 50 million on the assumption that you are reducing property taxes, you will be spending most of your time explaining to your constituents why their property taxes still went up because they will. Fifty million does not solve the problem.

SPEAKER BARRETT: Thank you. Senator Nelson, please, followed by Senators Scofield, Lamb, and Wesely.

SENATOR NELSON: Mr. Speaker, members of the body, I certainly appreciate the in depth report that Senator Withem gave us and also, likewise, Senator Warner, and I think both of their words of wisdom should be noted by everyone. I, too, am one of the signers on the resolution and I won't be redundant in what Senator Withem has said, but all of us, property tax is something that we must address. I have no axe to grind, not one minute, with any member of the Appropriations Committee and in their deliberations and their proposals. Simply what this would do so that the money is not nicked and dined away and promised away on many, many proposals is to set that money aside right now and then, at the end of the session, be determined by the Legislature what we do to give us some property tax relief. I admit it may call for an increase in tax, Senator Smith's food tax proposal, or we may or may not be able to address Senator Lamb's proposal. Senator Lamb's proposal would come under the guidance of LB 275, but I think that we need to let the people know that we are serious in addressing the property tax. I also am aware if salaries are increased on the state level, the university level, the state colleges, and so on, you can't have it both ways. You cannot promise property tax relief and turn around and give it on the other side of the coin. Also the Governor's proposal to refund 18.2 million, that may be very well but, again, property tax relief, the average person out there is the person that I am concerned about, and this resolution, then, pertains to that. I won't take any more time but that is simply...nothing against the Appropriations Committee but set that money aside for property tax relief and do it in the first part of the session. Thank you.

SPEAKER BARRETT: Thank you. Senator Scofield, please.

SENATOR SCOFIELD: Thank you, Mr. Speaker, and members, first I want to commend Senator Withem for coming up with such a unique scheme for giving us an opportunity to talk about an issue that I think is probably on the top of everybody's list of concerns. It doesn't surprise me that something abnormal and unusual comes from Senator Withem but I still think that it is an excellent opportunity to talk about this and we should do so. I think I want to reiterate something that Senator Warner said, and that is one of my concerns about this issue, this is a great chance to talk about this and to talk about this so that it goes out across the state to our constituents, but for all you folks who are covering this, I hope you don't write out there that 50 million does it, as Senator Warner has already pointed out. If we were to actually only do \$50 million in property tax relief, nobody is even going to notice it when they walk away from the courthouse. There is going to be a huge sense of disappointment in my district if this were accomplished because, certainly, my district has as much of a property tax problem as anybody. Some of my towns are much higher than any of these average figures that you see here. So, I am concerned about the message that we send out across the state, and it is important that we say, yes, we are committed to property tax relief, but it is important that we don't give anybody any illusions about what it is going to cost or how easy it is going to be, because from the work that I have done on property taxes, the more I look at it, the more I find out that I don't know, frankly. And the other thing that I learned is that it is going to take a whopping amount of money to really make a difference in people's property taxes out there which occurs to me that we are either going to have to do what Senator Warner says and that is find some new source that tracks the increase in property taxes, or we are going to have to significantly restructure our tax system or change who pays what. We are certainly going to see sales tax increase and income tax increase or whatever. I have told my constituents this every time I have spoken to them but I am not sure you can say that too many times. It seems to me that the other thing we need to do as a Legislature is to set some kind of goal about what kind of amount of relief we are talking about. Where do we want to end up? Otherwise, we could spend millions of dollars in the pot and just not get there. For a point of reference sake, I asked Eric Will of Revenue some time ago to help me put together some numbers, maybe try to start to set a figure that would be that goal, and I was astonished at the number he brought back to me. I knew it was bad. I didn't

know it was this bad, but if we were to shift enough money out of the budget to put ourselves at the Plains state average of property taxes, we have to find \$280 million. If we were to put ourselves to the lowest in that region, we have to find \$560 million. So I think it is really important that we decide how much relief is appropriate, how far do we want to go. It is clear to me that 50 million is a spit in the ocean and we are going to have to set a goal that is realistic and then go about the process of figuring out what is the best way to do this. I would secondly suggest that we are probably all going to have to curb our temptations to spend on anything else if we are to get there, simply because of the huge competing nature of this beast against anything else. I, personally, don't have any problem with doing that. I am willing...I think Senator Withem wants us to take a blood oath that we are for property tax relief. I think we are going to have to take a second blood oath and that is we are not for spending money on anything else, at least for awhile. I am already agonizing trying to figure out how do you do the proposal for teachers salary increases, which I would really like to do, but I don't see any way of paying for it. If you do property tax relief, there certainly is no way to do that. So we will have a long list of priorities there that we all care deeply about and we are going to find that we are unable to fund any of them if we do property tax relief. As I said, I think property tax relief is important enough to say that,...

SPEAKER BARRETT: One minute.

SENATOR SCOFIELD: ...but I think we all have to think about that. So I am grateful for the chance to talk about this. I am glad that Senator Withem dreamed this up and I would urge us to try to set that goal and then get on about exploring the various mechanisms that we might have to do to meet it.

SPEAKER BARRETT: Thank you. Senator Lamb.

SENATOR LAMB: Mr. President and members, some people have expressed surprise that I have signed on to this resolution but I think it is very consistent in that I have been interested in property tax relief for some time, and as many of the members of the Appropriations Committee that have spoken this morning, this certainly is not going to solve the property tax problem. I think what this does do is say to this body, are you serious about property tax relief, and if so, let's show it today.

Fifty million dollars is not a lot of money, and on the two-year basis, a hundred million dollars is not a lot of money, when you talk about \$1 billion in total property taxes collected in the state, but it is a start, and it leaves the unanswered questions as to whether some other state priorities are not going to be funded by that amount or are the tax rates going to have to be increased one way or another in order to cover property tax relief. It leaves those questions, admittedly, unanswered. It also leaves unanswered the question of how that money would be distributed, of what method of property tax relief are we going to eventually pass, and some of us are going to have varying ideas on that issue, and we may not in the end agree on that. And some of us who are supportive of this may not agree on the manner in which it is distributed and will vote against it in the end. But to me it makes sense to say to this body and to say to the state that we are interested in property tax relief. This is a step in that direction, and Senator Warner's numbers are interesting in that it says that if there is an additional \$50 million, and assuming that all reduces property tax, for one year the property tax increase is 1.72 rather than 6 percent, and then it goes on beyond that at the 6 percent increase. But we must note that that is 6 percent of a lower number. That is 6 percent of a lower number, so the effect is perhaps just a little bit more dramatic than is indicated in there. And, of course, \$50 million is the number that is thrown out as has been indicated. To be of significance, it has to be more than \$50 million, more like \$100 million at a minimum, and it has to be on a continuing basis so that the increase in property tax is reduced on the long term. So I really think this, as has been stated, this is a test. This is saying to this Legislature, are we seriously going to look at property tax relief? If we are, we are going to set aside \$50 million to do it. We don't know exactly how we are going to do it. We are going to argue that later. We don't know exactly how it is going to be funded, but we are going to have \$50 million to start this project.

SPEAKER BARRETT: Thank you. Before proceeding, Senator Rod Johnson would like to recognize Dr. Marjorie Miller (phonetic) of Central City who is serving as doctor of the day, on behalf of the Nebraska Academy of Family Physicians. Dr. Miller, we welcome you to the Legislature. Thank you. A motion on the desk, Mr. Clerk.

CLERK: Mr. President, Senator Moore would move to suspend Rule 2, Section 2 so as to allow for the amendment of the

Withem, et al., motion.

SPEAKER BARRETT: Senator Scott Moore, please.

SENATOR WITHEM: I am going to have to ask that be ruled out of order, too. There is a motion pending and suspension of a second rule is not a priority motion, I don't believe, over a motion that is being debated. Suspension of the rules always sits on the desk and waits until such time as we dispose of what is on the floor at any given time.

SPEAKER BARRETT: Senator Withem, you bring up an interesting point. However, in the opinion of the Chair, in the past we have taken up motions of this kind in the order in which they are placed on the desk. So, in this case, I would suggest to you and to the body that we could proceed with Senator Moore's motion to suspend Rule 2, Section 2. Senator Withem, would you care to challenge?

SENATOR WITHEM: Yeah, I think I have to, Mr. Speaker. Basically, what we are doing here is finding another way to suspend...to amend a suspension. When you are discussing a motion, I don't see how you can rule that we can set that motion aside to go on and debate something, something that is different. If, for instance, Mr. Speaker, we have an amendment on the floor dealing with LB 775 a few years ago and that is being debated, we get rid of that particular motion, whatever that amendment is, before we go to the suspension rules. We dispose of...gosh, this is just a...I can't imagine the different options that this opens up if the Chair's ruling is that we can, by placing a motion on the desk that is different from what were being discussed, we immediately proceed to that new motion before we have dispensed with the old one. This is a suspension. There is one motion to suspend on the floor at this time. It has not been dispensed with. A second motion has been coming up. I would hope that this would set the precedent that if we are debating an amendment to a bill, and I come up with a different amendment to a bill, we dispose of the amendment that is being discussed at that time and go immediately to mine. These are two separate motions of equal ranking. We have not disposed yet with the Withem motion. At the conclusion of our dispensing with the Withem motion, the Moore motion would certainly be in order and ought to be debated at that time. But to say the Moore motion now becomes...takes priority over the Withem motion when they are motions of the same ranking frankly

just boggles my mind. It is totally at odds with the normal procedures of our rules.

SPEAKER BARRETT: Thank you, Senator Withem.

SENATOR WITHEM: And it wasn't a bad ruling, Mr. Speaker.

SPEAKER BARRETT: Thank you, again. Senator Moore, any comment, and may I suggest that the body may speak to this challenge one time and only one time, and please stick to the question at hand. That is the challenge of the Chair. Senator Moore.

SENATOR MOORE: Well, to begin with, I don't think this motion is any more mind-boggling than the five rules that Senator Withem is trying to suspend to get to his motion, and there has been a number of the members of the body that have asked me, am I making these motions so I have a chance to speak. I want to say, no, that is not the reason I am doing it. The reason I am trying to do it, I think the only right and proper way to deal with the issue of property tax relief that Senator Withem has diagramed for us today is we have to be up front and deal with it, and the only way we can actually deal with that is to vote with LB 275 along with a tax...a corresponding tax increase that is going to be necessary to fund it. And so, I mean if you wait until after you have dealt with the Withem motion, you have already been on record, you have already, what I am going to say, falsely been on record being for or against property tax relief, when the vote is, I think, is totally out of line because there is no funding attached to it. I mean there is no actual tax increase attached to it. I think it is very dangerous. I mean I will grant that my motion to suspend all the rules and just have fun is a little out of order, but it is no more out of order than Senator Withem's five rule, you know, the...I am trying to get the right...more than a trifecta, quadfecta, he is suspending five rules. I want to suspend one more and so we talk about the issue the way it should be talked about, talking about property tax relief, real property tax relief, and the corresponding tax increase that is going to have to go with that. And I would hope that the body would not overrule the Chair so we can get onto my motion, which is to suspend the rules, and then I can go back to my original motion and so we can suspend the rules to bring both LB 275 and LB 774 to the floor, and so when you talk about property tax relief, you talk about the proper corresponding tax increase that has to go with that type of an issue.

SPEAKER BARRETT: Thank you. Would anyone else care to speak to the matter of overruling the Chair? May I see your hand. Senator Chambers, that is the only hand I see, proceed.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, so that I can be clear on where we are because some of the discussion occurred while I was in my office trying to pick it up. An attempt had been made earlier to amend Senator Withem's motion and that motion was ruled out of order, is that correct?

SPEAKER BARRETT: Correct.

SENATOR CHAMBERS: So that put before the body the multipart motion as far as suspending the rules that Senator Withem originally had proposed?

SPEAKER BARRETT: Correct.

SENATOR CHAMBERS: And Senator Moore now is offering a motion to suspend specific rules or all of the rules? Could Senator Moore answer that, then?

SPEAKER BARRETT: It is a specific rule, Rule 2, Section 2, allowing for a specific amendment; a rule which says that a motion is not to be amendable.

SENATOR CHAMBERS: Right, but the only motion where there is not allowed a division of the question is when specific...when a bill is being returned to Select File for a specific amendment, so I don't think a division of the question could be considered an amendment. So, if a person has a multiple part motion, then maybe the appropriate thing is simply to ask for a division of the question, and then each part has to be voted on. And unless I can be shown a rule that would prohibit a division of the question, then I, after Senator Moore does what he is doing, would ask for a division of the question as far as Senator Withem's motion.

SPEAKER BARRETT: Thank you, Senator Chambers. Senator Withem, would you care to make a closing statement on your challenge?

SENATOR WITHEM: Yeah, I would. Every time we get in these rules discussions, I attempt, at least, to remove myself from the item being discussed to consider it as a point of procedure

and I know it is difficult to do that, but I would ask you all to do that at this point. Because I think letting this particular parliamentary ruling stand, if we let it serve as a precedent, and behave consistently with that ruling really runs the risk of letting the session devolve into anarchy. Now I know Senator Moore is displeased with the original suspension. We have a very simple procedure in our rules, when you don't like a motion, Senator Moore. It is called pushing the red button, or sometimes more technically referred to as voting no or speaking no on the motion. What I have done is an appropriate motion under the rules. To circumvent the motion...the rule that says that a motion to suspend the rules is not amendable by filing another motion, and then somehow, and I just, frankly, Mr. Speaker, I just don't understand the rationale of allowing a second motion of equal rank take precedence over the motion already being discussed. I repeat, it is mind-boggling, and to allow that type of precedent to stand allows tremendous amount of mischief to be developed later on in the session. So I think it is very important for our procedures that the Chair be overruled in this instance. Whether you then vote for my motion to suspend the rules or not is a separate item, and I would urge you to make up your mind on that motion separately from allowing this parliamentary ruling to stand. As far as Senator Chambers' point on dividing the question, I think, frankly, Senator Chambers, I think that gets away from the intent of what we did when we amended this rule on not allowing amendments to motions to suspend the rules, but, technically, you are probably right. You could probably do that. Anytime you file a motion to suspend the rules, you could probably ask for a division, and that would probably be the more appropriate way to go. Now that wouldn't do what Senator Moore wants to do and that is raise his bill at the same time that we raise LB 275, but I think you probably raise a good point and it is probably a valid one. I don't think that the ruling by the Speaker is and I would urge the members to vote to not sustain the Chair and to overrule the Chair in this case. May I ask, Mr. Speaker, what the required number of votes will be? As I understand, this is one of those strange sorts of numbers, those...a majority of those present as opposed to those present and voting, is that correct?

SPEAKER BARRETT: That is correct. The question is, shall the Chair be overruled, and a majority of those present shall be required to overrule the Chair pursuant to Rule 1, Section 12. A further explanation, a green vote on this matter would mean

that Senator Moore's motion is out of order. A red vote would allow the suspension motion offered by Senator Moore to be discussed. Senator Withem.

SENATOR WITHEM: Yeah, just what will be the number, the raw number that will be needed?

SPEAKER BARRETT: The raw number at this point generally is 23. It might have just changed to one more.

SENATOR WITHEM: Okay.

SPEAKER BARRETT: The question is, shall the Chair be overruled? Those in favor vote aye, opposed nay. Have you all voted? Please record.

CLERK: 29 ayes, 8 nays, Mr. President, on the motion to overrule the Chair.

SPEAKER BARRETT: The Chair is overruled, and we proceed then back to the discussion on suspension of rules offered by Senator Withem. Senator Wesely, please, followed by Senator Bernard-Stevens and Chizek.

SENATOR WESELY: Thank you.

SPEAKER BARRETT: Senator Chambers, for what purpose do you rise?

SENATOR CHAMBERS: I would like a division of the question, and I would like the division to be each one of the rules which is being suspended as a separate entity.

SPEAKER BARRETT: It probably is divisible, Senator Chambers, in the opinion of the Chair. In order to confirm with you what you are attempting to do, you are suggesting that we take Rule 7, Section 3, subsection a as one question; Rule 6, Section 2 as another; Rule 3, Section 3, subsection e as another; Rule 3, Section 13 as another; and Rule 3, Section 19 as the final?

SENATOR CHAMBERS: Yes.

SPEAKER BARRETT: In the opinion of the Chair, that is appropriate. At this point, the discussion then will center on the suspension of Rule 7, Section 3, subsection a, Rule 7,

Section 3, subsection a. Inasmuch as we have proceeded to the division of the question, I am going to eliminate all of the lights that I have on at the present time. I would ask in a moment that you, if you want to speak on the subject, Senator Wesely, I had a number of lights on with reference to talking about the motion offered by Senator Withem. Now we are proceeding to discussion on five or six individual.

SENATOR WESELY: But it is, I think it is the same issue. I don't know why you eliminated the sequence that you had.

SPEAKER BARRETT: Yours was the next light on. Proceed. We are talking about the first rule to be suspended.

SENATOR WESELY: Okay, and, so, hmmm. Well, let me just rise in opposition to suspending that rule and each of the following rules that are now divided. I am not sure quite why we are going that route, but the issue is the same in either case. I think Senator Withem and those who have co-sponsored this resolution are all making a good point, and I think to try to raise the issue of property tax relief in a very substantial fashion. But let me also make this point. I think that what is trying to be portrayed here for all of us in this Legislature and all of us in the state is that this is some sort of a litmus test about whether we care or don't care about property tax relief. In fact, in my estimation, the suspension of this rule and any other rules, and Senator Moore I think has tried to point out, isn't really the litmus test. The litmus test is going to come when we have to face a choice of raising state sales or income taxes to pay for property tax relief because that is the only way you are going to have significant ongoing property tax relief in this state, and that is the litmus test, not the question of whether you suspend these rules and bypass the system we have in place, the process that we have followed, for these many years here in this Legislature. I think that is the wrong approach and not the question that is best put to us in this situation, and it is simply because of the fact that this issue is so complex, involves so many different pieces of legislation, so many different approaches that I truly feel we ought to allow the system to work, to allow it to function the way it is intended to function. There are not just one bill, or just a couple of bills. There are dozens of bills out there dealing with the question of tax relief. Now some of those bills deal with property tax relief. Some of those bills deal with income tax relief. They are different approaches to the

issue, and I, of course, have promoted the idea of an income tax rebate tax relief program, and a number of other changes to our income tax system. That is the area I think tax relief is needed. I think property tax relief is also needed as well, but I am also cognizant of the fact that income tax relief can be provided on a one-time basis if we talk about rebates, where sales tax relief is something that we have to think about on an ongoing basis, and it is in that context that you have to talk about the tax situation. Now I understand that right now there is \$221.8 million in our General Fund balance with a cash reserve balance of \$50.1 million. Now with that sort of a figure, you are talking about over \$270 million in the state's checking account. I think you can see why the argument can be put that we can provide this property tax relief unto itself, but I raise the same issue that I think Senator Warner and Senator Moore and others are raising, that we have to look at it in a broader context and understand that there are many other issues involved. Now one of the reasons we haven't had the property tax relief that people want to have, as we have talked about the failure of the Legislature to act on this, is in part because of the fact that I think all of us recognize that income and sales tax increase is tied to any significant property tax relief. We can have Band-Aid approaches and we can get by with that, but I think if you really want to talk substantial property tax relief, you have got to be talking about that issue of sales and income tax increases. That is, right there, the first reason you don't see property tax relief. I don't think very many of us are too interested in income and sales tax increases. At the same time, many of us have voted for that in the past to provide property tax relief but it is a tough thing to do. In addition, property tax relief includes questions about school aid formulas, and how fair they are, whether the whole state gains or loses or part of the state gains or loses, and those issues have divided this body and this state time and again. School reorganization is a very important part of the issue and how that plays into property tax relief is very important, and, again, some areas of the state gain, some areas of the state lose by not recognizing this school reorganization issue, and that is a very tough issue. And schools, whether it is school aid or school reorganization, are the big part of property taxes, and so you don't see relief because of the complexity and difficulty of those issues. Now different functions that the counties have, for instance, that ought to be state functions...

SPEAKER BARRETT: One minute.

SENATOR WESELY: ...have come into play. Indigent care is a ten million dollar, twelve million dollar package coming out of the Health Committee here in the next few days. Counties now pay for that. Only four states, I think, have counties pay anything toward indigent care. Local functions that ought to be state functions are another part of the question of property tax relief. Ag land valuation has divided this Legislature and is an important part of property tax relief. Property tax exemptions, the railroads, and others out there, are going to be an important question to look at in property tax relief. I think you have got to look at all these issues. You have got to let the Appropriations Committee deal with their issues. You have got to let Revenue deal with their issues. You have got to let Education deal with their issues. You have got to let Health and Human Services deal with whatever issues we have, and every committee has got something that ties into this issue. Let them all do their job. Let them all bring their issues to the floor. Let the marketplace of the 49 of us determine what is the best idea, what is the best approach to deal with this property tax issue, and with tax relief in general. I think that is the better approach to take.

SPEAKER BARRETT: Thank you. Back to the regular speaking order, Senator Bernard-Stevens, followed by Senators Chizek and Korshoj.

SENATOR BERNARD-STEVENS: Thank you, Mr. President and members of the body, I hope I can find the words on this Monday morning to get across the points that I would like to. First of all, in comment to some of the things that Senator Moore and Senator Warner stated earlier this morning, both gentlemen who I respect very, very highly, maybe this will dispense some of the things going around that says there is a group of people that seem to always agree and vote the same way. Hopefully, this will dispense that this morning. Senator Moore mentioned that Senator Withem has put us in a very tough position, because if we vote for the bill or the motion, certainly, there is going to be some appropriations responsibility that comes with that. If you vote against the proposal, it would appear that you may not be in support of property tax. And Senator Moore is right, it is a very difficult position, and I was intrigued by his parliamentary maneuvers to try to finagle himself out of that difficult position. The point is that the Legislature has been

given a task to be responsive to the people of the state, and the people of the state are a little bit, I think, more intelligent than sometimes people give them credit for. The people of the state are saying that they want property tax relief. Maybe it is just my area, but the people in my area are saying I understand that we may need some broadening of the tax and it may be sales, it may be income, somewhere else, but we want property tax relief. The people of the 42nd District are not ignorant people. They understand that issue very, very well. It is a difficult position. Senator Wesely mentions all of the things that the committees need to do, and what we are getting here, ladies and gentlemen, members of the body, what we are getting here is a confusion of the basic concept we are trying to get across here. There are a lot of bills with spending. There are tremendous amount of bills with spending, and if we allow the process to take its natural course, the spending will be committed before we commit ourselves to property tax. The committees, Senator Wesely, can do their jobs and do their job very well if they know that this Legislature has put itself on the line supporting property tax relief. One of the things that surprised me a little, some of the handouts that I have received today. Maybe I should approach it this way. Do not take LB 275 on its face value. This bill, when it passes, if it would pass the whole thing to Final Reading, would not be at the end \$50 million. Neither Senator Withem, neither myself, or other people that are on 275 or, at least, on the motion are naive enough to think that \$50 million is going to do anything to support and maintain a property tax. That number will have to be changed. The bill will have to be amended. We will be looking at sales. We will be looking at income. We will be looking at all sorts of things, whether it be Senator Lamb's 10 percent rebate, or what have you. Those would be a part of the general amendment discussion process on General Fiile, and we can take care of that, and we can have a bill by the end that will be responsive. Some of the handouts I had, for example, said that if you gave \$50 million, look what would happen financially to the State of Nebraska. I found that interesting, because if we take the same \$50 million and put it into higher education, I haven't heard a peep that it is going to cause financial problems. But we take the \$50 million out and put it into property tax relief, and all of a sudden now we are looking at deficit situations. I find that kind of ironic. The other thing I find in some of this information given to me this morning is that look at what happens when we give state aid increases.

SPEAKER BARRETT: One minute.

SENATOR BERNARD-STEVENS: Property taxes have not gone down. I agree with that. I have no problems with that. I do understand that many of the amendments that would be offered later, if given the opportunity, would have some sort of guarantee, whether it'd be they would have to count as a receipt, maybe it would be a lid. I don't know what it would be but there would have to be a guarantee put in and we could do that in this body. We could do that in this body. A couple of other comments I would have in closing, one of the things I have found very intriguing in all legislative bodies is that we take a simple concept, and the concept is just taking a stand, people, just taking a stand in a difficult political situation, and in order to finagle out of the taking of that stand, we will create as many obstacles as we can find to confuse the issue.

SPEAKER BARRETT: Time.

SENATOR BERNARD-STEVENS: I hope we don't let those obstacles get in the way of what we need to do today. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Senator Chizek, please.

SENATOR CHIZEK: I rise to support the rules suspensions, and I would agree with a number of things my colleague, Senator Stevens, said. You know I think it is somewhat interesting that I have heard comments this morning that \$50 million will really address no issue. I am not sure that that is an accurate statement, anymore than the \$18 million income tax refund will address an issue. The point, people, is we have a problem in this state. We are roughly 49th as it applies to state aid to education. There are a number of issues that will address this overall problem that will ultimately be before this body. I think it is somewhat ironic that there is a large corporation in this state who must subsidize their employees in order to get them to agree to come to Nebraska to work. They have agreed to subsidize their employees to the tune of two to three thousand dollars a year for a two or three year period because of the property tax problem in this state in order to even get them here. Now, colleagues, you know as well as I do, you have heard the property tax problem from one end of this state to the other. My colleagues who represent a portion of the Millard

School District I am certain have heard and will hear more even this Saturday. I think that every journey begins with a single step. This journey on property tax must begin with this step here today. Thank you.

SPEAKER BARRETT: Thank you. Senator Korshoj, followed by Senators Elmer, Withem, and Schmit.

SENATOR KORSHOJ: Mr. Speaker and members, I think the time is now to go on record that we are in favor of giving some property tax relief. It is probably the most important issue we have in the state today. Last Tuesday night I went up to Oakland, Nebraska to a Chamber of Commerce meeting and Senator Chambers was the keynote speaker, and the only speaker, incidentally, and to show you how important this is everywhere I go, I went over to say "hello" to the Mayor of Oakland. Without even talking about the weather or anything else, he said to me, Frank, we have got to have some property tax relief, and then he said, introduce me to Ernie Chambers. That was the most important thing on his mind was property tax relief. It doesn't matter what group I have been before, they ask for property tax relief. Maybe this is not the right way to go about it. I think it is. If we let the system work like Senator Wesely suddenly has had a change of heart and wants to let the system work, I will tell you what is going to happen to this bill, and I am not saying anything against Appropriations, but I will guarantee you we had better get our black suits and ties on, because it will be buried until the 15th of May. It won't see any daylight. Then we will say we will get it next year, we will get it next year. Next year never ever comes. Looking over the Governor's budget, she makes no provisions for property tax relief, and she says she has listened to the sounds of the prairie, the whisper of the prairie. Well, the prairie says let's have some tax relief. She doesn't hear that message, so she is listening to a different part of the prairie than I hear. I think that we should go on record today and find out who really is interested in this issue and who is not interested in this issue. It is before us. The time is now, right now. So I am going to support it all the way. Fifty million is just a drop in the bucket, it is just a beginning, and I think that if we will set this much aside, we will easily find another 50 million if it is a half a percent increase in the sales tax, well, we are going to have to do it. That is where I stand on that issue. Thank you, Mr. Speaker.

SPEAKER BARRETT: Thank you. Senator Elmer, please.

SENATOR ELMER: Thank you, Mr. Speaker. I think this is a very interesting discussion about property tax. We are asking...we are being asked to put aside \$50 million, which is, what, about 5 percent of the total property taxes levied in the state today. We are asked to do it without knowing how it would possibly be applied to the property tax, itself. There is a proposal out there from the teachers of the state to spend approximately \$50 million for teachers salaries. If it is applied to that, then we have zero property tax relief in the state. If we use it for Howard Lamb's proposal that would rebate a percentage to each person that pays property tax relief, then it would be property tax relief. At the same time, we have to pay for it. I think it is judicious if we know how this is going to be used before the commitment is made. Whether we divide the questions, whether we attack anything else, those are the basic principles we have to address. Thank you.

SPEAKER BARRETT: Thank you. Senator Withem.

SENATOR WITHEM: Ah, yes, Mr. Speaker, members of the body, very briefly, I will save most of my rhetoric for the closing. Senator Elmer, I think you missed the point. The point of the bill is that we have spent the last ten years in this body trying to get every "i" dotted, every "t" crossed, every semicolon right before we bring forth a property tax relief package. That hasn't worked. Property taxes are, and I will use the word again, immoral in this state, the level at which we tax the property owner. The point is we need to take a stand. Is this Legislature going to provide some money for property tax relief this session, or are we not? Senator Wesely, I think Senator Korshoj is 100 percent right. Not through anybody's fault, not through any evil designs or anything, but the process, if we let the process continue, the process will be the state agencies, those others funded from the General Fund will be up at the trough. They will be getting their fill, and when they are finally full, the process will have concluded, and they will step away from the trough, and what is left, and, Frank, you have been out on the farm, you know how much is left after those hogs get up to the trough and start eating, is going to go to the property taxpayers. And we will say, doggone it, there doesn't seem to be much left there, property taxpayers, but next year we are going to order more corn or we are going to order more slop for the hogs, and there will be plenty there for you

next year, so hang on next year. The other argument you hear is \$50 million isn't enough. You betcha, it is not enough. Obviously, it is not enough. Why isn't it enough? Because we have ignored the property taxpayers in here for the last 10 years. We have created a situation, where it is going to take the type of dollars that Senator Scofield has talked about to solve it, and we are going to have to do some of the things Senator Warner has talked about to solve the problem. We have got to broaden that base. We have got to have some growth element of our tax base to fund education. We have got to do those things, but there is such a big problem now, we are not going to be able to bite it off in one big bite. If we do, we are going to choke. You only solve problems one step at a time. You go...very, very rarely in here do we grab a hold of the big picture. I would like to. I have been spending the summer working with folks. Senator Moore has been. Senator Lamb has been. Working with some folks to try to find a better method to finance education in this state, and that is the ultimate solution, no question about it. Fifty million dollars is just a small bite, but if you don't start taking that small bite, and if you don't start nibbling, you are going to choke when the real problem comes down, and that is why we have to take this step today, and that is why we need to support the motions that are now motions as opposed to a motion to suspend the rules.

SPEAKER BARRETT: Thank you. Senator Schmit, please, further discussion on the suspension of the rule.

SENATOR SCHMIT: (No response.)

SPEAKER BARRETT: Senator Warner, please, discussion on the rule suspension, followed by Senators Abboud, Moore, Chambers.

SENATOR WARNER: Mr. President and members of the Legislature, I just want to make the comment, and it is I am not going to vote to suspend the rule. I do want to make a comment that in the event the bill is up, because I am, like everyone else, interested in property tax relief, and I have filed to be printed in the Journal to increase the amount to something meaningful, as well as the necessary tax increase so that I am on the side of what is necessary to increase state aid to reduce property taxes. The point I wanted to make, though, at this point is that if we are, in fact, going to reduce property taxes, and the motion I have filed on the bill would relate to this, but I started to indicate you have got to have a funding

source that will grow somewhat consistent with the growth that you can expect at the local level, whatever local government you decide to give that relief to. I should point out in starting that we are not in the absence of doing some other property tax relief, the impact of it. The Medicaid bill this year goes up about \$100 million over the biennium, which used to be paid in part by the counties, and that was property tax relief. In fact, that was the reason it was done, so there are a lot of things that we have done in the nature of property tax relief that sometimes is forgotten. So it isn't exactly not been attended to, but the bottom line for sustaining property tax relief is a fund source that can sustain that level. There is only two fund sources I know of that has that potential. One is the personal income tax. Historically, at least, that has grown at a level that would sustain without increasing rates, increasing state aid to schools, or to whatever governmental subdivision you want. The actual growth since 1981-82, adjusted for rates, is about 9 1/2 percent. On sales tax at that same period, the accumulative average growth adjusted for rates is 3.7 percent. Now the motion I have filed happens to relate to sales tax, but that will not even sustain it. To increase, or fund it out of income tax I suspect is not politically feasible. I suspect what you would have to do on a sales tax to make it feasible is broaden the sales tax to services, and that is not politically feasible. My only point in raising these issues, it isn't education in here that we are talking about, and most of us understand these things. But I am convinced because I subscribe to the fact that elected officials can only do those things that the public are willing to accept and support, and that public acceptance and support only comes about when the public understands what it is necessary to do what we are doing. And because of those facts, and I am very willing to discuss this issue but in its full ramifications so that the public will support and understand what you do. Now I have been through at least three, I think, referendums, two of which was on bills I introduced on reducing property tax. They were for increasing state aid to schools. I got whipped around when I went out and tried to support them every time, as I know others did, and the referendums were all successful.

SPEAKER BARRETT: One minute.

SENATOR WARNER: If you want to provide property tax relief, the key is not in here. The key is public support and public understanding of what really is necessary, and that means you

shift a portion of the property tax to some other tax, and that cannot be done until and unless there is general public acceptance. I am not even going to touch on the other issues, distribution of funds, or caps, and a dozen things that we know that are in there. I want to see property tax relief. I don't want to hold out empty promises, and I don't think anybody else here wants to do that either, and I think the thing to do is to keep this dialogue going all through the session, so that as a result of broad discussions of what really is necessary, we can develop the kind of public acceptance and support to be successful, and not subsequently be facing a referendum.

SPEAKER BARRETT: Thank you. The Chair is pleased to take just a moment to introduce a very special guest of Senator Roger Wehrbein, under the south balcony, Mr. Nisar Hussain, Director of Educational Television, Pakistan Corporation, from Islamabad, Pakistan. Welcome. Welcome, sir, we are pleased to have you as our guest today. Further discussion on the suspension of the rule, Senator Abboud. Senator Abboud moves the previous question. Do I see five hands? I do. The question is, shall debate close? Those in favor vote aye, opposed nay. Record.

CLERK: 29 ayes, 0 nays, Mr. President, to cease debate.

SPEAKER BARRETT: Debate ceases. Senator Chambers, would you care to make a closing statement. I am sorry, it is Senator Withem's motion. I beg your pardon. Senator Withem, the floor is yours.

SENATOR WITHEM: Yes, Mr. President, members of the body, procedurally, I would like to kind of make an understanding here. Some people have read this rule and they question whether this rule absolutely has to be suspended, or whether it doesn't. I think that is kind of immaterial. I think we ought to treat this particular motion right now on this particular rule suspension, frankly, I don't even remember which one it is, as part of the whole package. If we are going to suspend the rules and place this bill on General File, we need to vote yes on this particular motion. Just so to clarify that, Senator Hannibal and I had had a discussion earlier, and I would suggest if you are supportive of the concept of placing this bill on General File to alter the order in which it comes up, you ought to vote yes on this particular motion at this time and not get into any arguments as to whether it is absolutely necessary or not absolutely necessary. The only point I want to make in my

closing, and then I would like to give Senator Chizek the remainder of my closing time, is I find it very, very interesting that, and, again, I will pick on the university because it is the big one that comes to mind, but you can say social services, Department of Aging, arts, anything else we fund, Department of Public Institutions, anything else we fund, whenever those folks come in and ask for an increased appropriation, we never say to them, yes, but identify your revenue source. Where are we going to raise the money to give the university professors a salary increase? Where are we going to raise the money to build a new computer center across the street from here? Where are we going to raise the money to remodel Cushing Auditorium? It is always assumed that within the state budget there is room for those types of projects. The budget can always grow to accommodate ongoing state government projects. It is only in this area that is where the funding is shared with property taxpayers, aid to subdivisions, state aid to schools, state aid to municipalities, state aid to counties, that we tell those people, fine, we would sure like to do it but you tell us where we are going to raise the revenues. I can say this bill does not talk about raising revenues. If when it gets out here on General file, you want to amend it, Senator Moore, to include a revenue source in it, you are welcome to do that, but I don't think it is absolutely necessary we treat our property taxpayers as if they are second class citizens. I think it is important that we end that. With that, I would like to give Senator Chizek the remainder of my time.

SPEAKER BARRETT: Senator Chizek, about 2 1/2 minutes.

SENATOR CHIZEK: I will be brief, and then if there is any time left, I will yield it to Senator Bernard-Stevens. Just a few brief comments, we have heard a lot of conversation this morning, but I think it is critical, absolutely critical, colleagues, that we send a message that we are going to begin a long difficult journey, and we can begin that journey this morning. I think there probably is some debate in terms of the kinds of dollars available. We will look at that as we go on down the line. As Senator Withem said earlier, there were a number of bills dealing with this very critical issue, different kinds of approaches, but I think the message that we send this morning is one that we are going to begin this long difficult tedious journey, and with that, I would yield the balance to Senator Stevens.

SPEAKER BARRETT: Senator Bernard-Stevens, a minute and a half.

SENATOR BERNARD-STEVENS: Thank you, Mr. President, members of the body, I will be brief. One of the things that has been talked about, sending a message to the people, one thing that this bill does is send a message to ourselves. When we go on to our committees and we hear people come with their proposals, and good proposals they are going to be, asking for money to be spent to support an expansion of a program or a new program, one of the things today we can ask ourselves is...

SPEAKER BARRETT: One minute.

SENATOR BERNARD-STEVENS: ...mentally, are we just going to say, as we normally do in committees, yes, this is a viable program; yes, this is a good program; let's send it to the floor and debate it on the floor because it is viable? Or are we going to start today saying we are seriously looking at taking funds from general funding and putting it in property tax relief, with an addition of whatever we will do on the bill, which we will do? Are we going to take that first step today? Because if we don't have the courage in this body to take the first step today, knowing that we can make a better and improved bill as it goes from infancy to graduation, if you wish, on Final Reading, if we don't have the courage to do it today, how will we ever have the courage when the funding becomes spread out as it is going to be in all of the other programs? We are sending a message to ourselves,...

SPEAKER BARRETT: Time.

SENATOR BERNARD-STEVENS: ...members. Thank you.

SPEAKER BARRETT: Thank you. The question before the body is the suspension of Rule 7, Section 3, subsection a. Those in favor please vote aye, opposed nay. A record vote has been requested. Have you all voted? Record, please.

CLERK: (Read record vote. See page 393 of the Legislative Journal.) 20 ayes, 21 nays, Mr. President, on the suspension of the rule.

SPEAKER BARRETT: Motion fails. Senator Withem, would you care to proceed, then?

SENATOR WITHEM: With the permission of the co-introducers of this motion, I think it would be pointless to continue to argue the other ones, so I suggest the rest of the motion be withdrawn, if there is no objection from other...

SPEAKER BARRETT: Senator Chambers.

SENATOR WITHEM: A point of order, I am asking...I am offering a courtesy to the other co-introducers of the motion. It is my motion and I believe I can withdraw it.

SPEAKER BARRETT: That is correct, Senator Withem.

SENATOR CHAMBERS: Mr. Chairman, hasn't there been a vote on this motion? Hasn't the body taken a vote on a portion of this motion?

SPEAKER BARRETT: On a portion of this motion, yes. It hasn't been changed in any way.

SENATOR CHAMBERS: Well, I would like to know how, when we have taken some action on a motion it can be withdrawn over an objection?

SPEAKER BARRETT: The opinion of the Chair, the only time it can't be withdrawn is when it has been amended in some way. It would seem, in the opinion of the Chair, that Senator Withem has a right to withdraw at this point.

SENATOR CHAMBERS: Mr. Chairman, with all due respect to the Chair, some of these things I think are essential that they be established now so that in the future we know where we are going. With the rejection of that portion of this amendment, how can that which was rejected be considered to still be a part of the amendment...of the motion.

SPEAKER BARRETT: I have made a ruling, Senator Chambers. If you would care to challenge the Chair, that would certainly be in order, but the Chair has ruled.

SENATOR CHAMBERS: Mr. Chairman, with knowledge of what I am doing, I challenge the Chair.

SPEAKER BARRETT: Thank you.

SENATOR CHAMBERS: And I would like to speak to my challenge.

SPEAKER BARRETT: Proceed.

SENATOR CHAMBERS: Members of the Legislature, especially the new members, you are going to find that when an issue arises on this floor, all concern for the rules evaporates. We could have discussed this whole thing, if I had not asked for a division of the question, and that vote that was just taken had not been taken, this could have been discussed all morning. It could have been discussed tomorrow and nobody would have talked about a filibuster because it is what, apparently, a large number of the body wants to do. They can start with a multipart motion to suspend rules, and nobody gets upset with that because it is what a group want to do, because it is an issue they want to discuss without much chance of succeeding in that motion. Were I to do the same thing, people would be popping up everywhere saying, see how Senator Chambers is wasting our time, see why you should have voted cloture, see, he has all these provisions of this suspension motion, and he even admits that maybe all of the rules that are to be suspended have no part to play in what we are trying to do. That has been acknowledged here this morning. I want you all to be aware of that. So if I should offer a series of rules to be suspended, and then I, myself, ask, for a division of the question, don't be upset because you went for that idea this morning, because it was something a group of you wanted to talk about. The rules are there and they should be followed, but here is something I have never attempted to do. I have never attempted to suspend a rule that is not in the book. You all get upset with me when I read things that are before us. On page 293 is the motion to suspend the rules, and included is Rule 3, Section 3e, and there is no Rule 3, Section 3e in the rule book. So because I read, people are upset with me, and let me show you where that creates a problem for those whose motion it is. Since they got the Chair to rule that you cannot amend a motion to suspend the rules, they cannot even correct their own error in the motion they are making. So if you make a motion to suspend and you determine that you have made an error, then you cannot correct that error because it would be an amendment to your motion, and you have already foreclosed the right to amend it. So the only thing left to do then is to withdraw your motion and write it all over again. I care about the rules because I need them. Other people don't need the rules because a lot of times they have enough votes to just ramrod through what they want, forget the rules, and nobody

reads and pays attention anyway. But I want this discussion on the record. If you all believe that what has just happened in rejecting that first part of the rule suspension does not change that motion, then I would like you to explain to me what the significance of that vote was. If we have several parts and we divide the question, and we vote each part of it, and we reject that first part, that part, how can it still be a part of the motion? And if, despite our rejecting it, it remains a part of the motion, there is no purpose in dividing the question. So I want you all to explain to me, to whom English is not an indigenous language, English is not the native tongue of Africa, and I am an African-American, with the emphasis on African. In trying to deal with this foreign language, it seems to me that words should have a meaning, it seems to me that rules should have a logic. So I am going to state the way it seems to me, then I will stand to be corrected by those who understand this language better than I do and the meaning of rules because I admit I am baffled. If there are five points to a motion or a question and we divide the question, we take each part individually. If we reject the first part, have we not eliminated that from the motion? And if we have not, then what is the purpose of dividing the question and taking a vote on each part? My understanding was that if we take a vote and we vote aye on part one, that remains; we vote no on part two, that is out; we vote aye on part three, that remains; we vote no on part four; that is out; we vote aye on part five, so then the final vote is on one, three and five because two and four have been eliminated. Now if I'm incorrect, I would like for somebody to correct me. And if I am correct, then the ruling of the Chair is in error and the motion, in fact, has been acted on by the body and in effect amended which means that it cannot be withdrawn by the introducer over an objection and that is why I say that the Chair's ruling is incorrect.

SPEAKER BARRETT: Thank you. Further discussion on the ruling of the Chair. Senator Moore.

SENATOR MOORE: Mr. Speaker, I rise to, I guess, agree with Senator Chambers, technically, because you read that the very rule that we just tried to suspend, 73A, once motions are stated, they may be withdrawn or modified by the mover before a decision, amendment or ordering of a vote has been made. Obviously, we're past that point. I think Senator Chambers is technically right and, for the sake of the body, I guess I would urge him to withdraw that so we can get on with business, and

it's been done. But I think you are right, Senator Chambers.

SPEAKER BARRETT: Any other discussion? Senator Abboud, your light is on. Thank you. Anyone else care to speak to the challenge? Seeing none, we will proceed. Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, what I'm doing is not designed to embarrass anybody. I'm looking to the future and I know what's going to develop in this session. If the ruling stands, then it means that a proposition can be altered and, even though altered then or a vote taken on it, the introducer can withdraw it against the wishes of a senator or senators who may object. I think, since the rule is clear, and I believe the Chair's ruling is in error, we have to take a vote to overrule the Chair so that the rule remains intact as it's written. It would be a mistake to uphold the Chair as a favor. We're not dealing with personalities this morning, I hope. The only thing for us to do, if we're going to comport with the rules, is to vote to overrule the Chair and that's why I'm leaving that motion before the body.

SPEAKER BARRETT: Thank you. The question or the ruling by the Chair was to allow the introducer to withdraw the balance of the rules to be suspended. Those in favor of the ruling of the Chair...correction, shall the Chair be overruled, yes or no? Those in favor of the motion to overrule the Chair vote aye, opposed nay. Have you all voted? Record.

CLERK: 25 ayes, 2 nays, Mr. President, on the motion to overrule the Chair.

SPEAKER BARRETT: The motion prevails, the Chair is overruled. Proceed then to Rule 6, Section 2. Senator Withem, would you care to make a comment?

SENATOR WITHEM: Yes, very briefly, Mr. Speaker. We are now proceeding to consider these one at a time. It was Senator Chambers, in his discussion, alluded to motives to the request to withdraw the motion which...and I know Senator Chambers is one of the brighter members but I didn't know mind reading was among his various skills. It is not my intent to redraft this in a different fashion, bring it back again. I suggested in my closing on the first motion that that should really be the vote on whether you wish to consider this suspension rule and bring this bill to the floor. It was obvious that there were not the

30 votes here to do that. In my consideration for the time of the body and our ability to get on to other business, I had suggested that that motion be withdrawn. I stand ready to renew the request to withdraw the remainder of these motions, again with the consent of those individuals that have co-sponsored this motion. Senator Chambers is probably right, the rule reads to me very clear that once a vote has been ordered, a motion cannot be withdrawn. Obviously, there has been a vote offered but we are left with two choices, to either proceed with each of these motions and vote them all down separately...I, at this point, will be voting no on this motion; or to renew the request to withdraw the motion or have Senator Chambers withdraw his objection. I think just as a comment, maybe, I think people need to be aware of some of the things we have been doing here with the rules this morning. I think that perhaps we ought to ask Senator Lynch to take a look at...have the Rules Committee take a look at some of the rulings that have taken place, some of the votes by the members of the body, to see what kind of precedents have been established because I think it's important for us in doing business during the rest of the session. With that and my opening is to ask you to vote no rather quickly on this suspension and no on the remainder of the portions of this suspension rule.

SPEAKER BARRETT: Thank you. The Chair is pleased to take a moment to introduce the parents of Senator McFarland. Under the south balcony, Mr. and Mrs. Dale McFarland. Would you folks please stand and be recognized. Thank you. We're glad to have you. Senator Chambers, discussion, please.

SENATOR CHAMBERS: Just one thing for Senator McFarland. I am very pleased to meet his parents but, Senator McFarland, I think the introduction was of your parents and we clapped for them. You just stood up because that's the only way you'll get us to clap for you but I understand and we don't mind this time but don't do that anymore. Mr. Chairman, I had a reason for what I did this morning on the rules. And, Senator Withem, I'm not in the business of mind reading on the floor of the Legislature. I don't read light subjects. But here is the point, I didn't say that you...I didn't say that you were going to withdraw it and offer it again. I had just said that the only way somebody who offered that, you know, had offered an erroneous motion to suspend, the only way they could correct it, with the rule being what it is, is to withdraw it, correct it and then offer it again. But Senator Withem could move to withdraw the motion and

I wouldn't vote against his move to withdraw it, I would vote for his motion to withdraw. But all we have to do is step by step...and here's the funny thing, I'm the only one, and I made a point of it, who voted against adoption of these rules. I told you all that's what I did. I voted against adoption of these rules. I am the only one who did it. I always vote against these rules. Half of them don't make sense. Many of them are superfluous and in a lot of instances when rules are suspended they sometimes don't even relate to the subject that the rules are being suspended for. But since everybody else had their say, I do think something of value may have been done this morning and, Senator Withem, I will not speak against nor vote against a motion to withdraw the remainder of your motion.

SPEAKER BARRETT: Any other discussion? Any closing, Senator Withem?

SENATOR WITHEM: Would waive closing.

SPEAKER BARRETT: Thank you. The question is the suspension of Rule 6, Section 2. Those in favor aye, opposed nay. Record, please.

CLERK: 0 ayes, 28 nays, Mr. President, on the motion to suspend Rule 6, Section 2.

SPEAKER BARRETT: Motion fails. Proceeding then to Rule 3, Section 3, subsection (e). Senator Withem. Thank you. Any discussion? Senator Chambers.

SENATOR CHAMBERS: This poses a problem for me, Mr. Chairman, since there is no Rule 3, 3(e), I cannot vote to suspend that which is not there, so I will abstain on this one.

SPEAKER BARRETT: Any other discussion? If not, we will proceed to the vote. Shall Rule 3, Section 3, subsection (e), be repealed? Those in favor vote aye, opposed nay. Record vote has been requested. Voting on the rule suspension. Have you all voted? Record.

CLERK: (Record vote read. See page 394 of the Legislative Journal.) 0 ayes, 15 nays on the motion to suspend Rule 3, Section 3(e), Mr. President.

SPEAKER BARRETT: Motion fails. Rule 3, Section 13. Senator

Withem, any comment? Thank you. Any discussion? Seeing none, we will proceed to the vote. The question is the suspension of Rule 3, Section 13. Those in favor vote aye, opposed nay. Record, please.

CLERK: 0 ayes, 28 nays, Mr. President, on the motion to suspend Rule 3, Section 13.

SPEAKER BARRETT: Motion fails. Proceeding then to the suspension of Rule 3, Section 19. Senator Withem. Thank you. Any discussion? Proceeding then to the vote. The question is the suspension of Rule 3, Section 19. Those in favor vote aye, opposed nay. Have you all voted? Please record.

CLERK: 0 ayes, 30 nays, Mr. President, on the motion to suspend Rule 3, Section 19.

SPEAKER BARRETT: Motion fails. Anything on the desk, Mr. Clerk?

CLERK: Yes, Mr. President, I do. Mr. President, I have a motion from Senator Warner as Chair of the Credentials Committee. That will be read and laid over, Mr. President.

Mr. President, I have a series of gubernatorial appointments. Those will be referred to Reference. (See pages 395-97 of the Legislative Journal.)

Mr. President, hearing notices from the Transportation Committee, from the Banking Committee, from the General Affairs Committee, all signed by the respective Chairs.

Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 60 and report the same to Select File; LB 126, Select File; LB 207 to Select File, and LB 189, Select File; and LB 51, all reported to Select File, Mr. President. (See pages 398-99 of the Legislative Journal.) That's all that I have at this time.

SPEAKER BARRETT: Thank you. Proceeding then to General File. LB 45. Mr. Clerk.

CLERK: Mr. President, LB 45 was a bill that was introduced by Senator Bernard-Stevens. (Read title.) The bill was introduced on January 5 of this year, referred to Natural Resources. It