

January 10, 1989

LB 16, 17, 289-299

CLERK: LB 16, by Senator Labedz. (Read title.) The bill was introduced on January 5, referred directly to General File, Mr. President.

PRESIDENT: Senator Labedz, please.

SENATOR LABEDZ: Thank you. This is a bill which repeals a section that is no longer needed or is covered by other sections of law, thus it is now obsolete. I ask you to advance LB 16 to E & R Initial.

PRESIDENT: The question is the advancement of LB 16. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 25 ayes, 0 nays, Mr. President, on the advancement of LB 16.

PRESIDENT: LB 16 advances. LB 17, please.

CLERK: LB 17, Mr. President, is a bill by Senator Labedz as Chair of the Executive Board. (Read title.) Introduced on January 5, referred directly to General File.

PRESIDENT: Senator Labedz, please.

SENATOR LABEDZ: Thank you, Mr. President. You'll be happy to know that LB 17 is the last of the revisor bills on the agenda today. It eliminates a reference to a repeal definition. I urge you to advance, to E & R Initial, LB 17.

PRESIDENT: The question is the advancement of LB 17. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 27 ayes, 0 nays.

PRESIDENT: LB 17 advances. You have some things to read in, please?

CLERK: Yes, Mr. President, I do. An announcement, Mr. President. Senator Schellpeper has been selected as Vice Chair of the Retirement Committee. That announcement comes from Senator Haberman.

Mr. President...new bills, Mr. President. (Read LPs 289-299 by

January 25, 1989

LB 13, 18, 19-32, 58, 62, 70, 115
128, 134, 142, 156, 255, 279, 283
284, 296, 298, 312, 321, 322

SPEAKER BARRETT: Thank you. You have heard the closing on the advancement of 134. Those in favor of the motion to advance the bill please vote aye, opposed nay. Have you all voted on the advancement of LB 134? Record, please.

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of 134.

SPEAKER BARRETT: LB 134 is advanced to E & R. Anything for the record, Mr. Clerk?

CLERK: Mr. President, I do. Thank you. Your Committee on Transportation, whose Chair is Senator Lamb, to whom was referred LB 115, instructs me to report the same back to the Legislature with the recommendation it be advanced to General File; LB 283, General File; LB 284, General File; LB 58, General File with amendments; LB 142, General File with amendments; LB 156, General File with amendments; and LB 128 indefinitely postponed. Those are signed by Senator Lamb. (See pages 439-41 of the Legislative Journal.)

General Affairs Committee, whose Chair is Senator Smith, reports LB 298 to General File, LB 70 to General File with amendments, and LB 62 indefinitely postponed. Those signed by Senator Smith as Chair. (See page 441 of the Legislative Journal.)

Your Committee on Education, whose Chair is Senator Withem, reports LB 312 to General File with amendments. That is signed by Senator Withem. Banking, Commerce and Insurance reports LB 279 to General File; LB 296, General File; LB 321, General File; LB 322, General File; those signed by Senator Landis as Chair. (See page 442 of the Legislative Journal.)

Mr. President, I have hearing notices from the Natural Resources Committee, signed by Senator Schmit; Health and Human Services, signed by Senator Wesely. That's all that I have, Mr. President.

SPEAKER BARRETT: Thank you. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LB 13, LB 18, LB 19, LB 20, LB 21, LB 22, LB 23, LB 24, LB 25, LB 26, LB 27, and LB 28, and LB 29, LB 30, LB 31, and LB 32. The next bill, Mr. Clerk, LB 255.

SENATOR LANDIS: The underlying...the underlying law itself or the recent change, Carol? Which one do you want to talk about?

SENATOR PIRSCH: Well, no, for this change.

SENATOR LANDIS: Okay, this change was an acknowledgement by those Task Force members, and those are domestic and foreign companies but who are certified to do business in the State of Nebraska, that this law was 20 years old and these standards that we put in now needed to be elevated to approximate the same kind of risk or entity that it did 20 years ago.

SENATOR PIRSCH: What benefit, though, does that do for then?

SENATOR LANDIS: It would...if the...if the list of companies remains the same, then there is no benefit. If the list were to be different significantly and if there were companies that used to be able to qualify that could no longer qualify because of the raised limits, they would be forced to write their insurance policies with either a domestic or foreign company that was admitted to Nebraska.

SENATOR PIRSCH: Okay. Thank you very much.

SENATOR LANDIS: Sure.

PRESIDENT: Would you like to close, Senator Landis?

SENATOR LANDIS: Actually, I think the question is by Senator Pirsch was very helpful in continuing to flush out the bill and I think that says it all. I will just move for the advancement of the bill.

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

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB 279.

PRESIDENT: LB 279 advances to E & R Initial. LB 296.

CLERK: LB 296, Mr. President, offered by Senator Abboud. (Read title.) The bill was introduced on January 10, referred to the Banking Committee advanced to General File. I have no

amendments to the bill, Mr. President.

PRESIDENT. Thank you. Senator Abboud, please.

SENATOR ABOUD: Mr. President, colleagues, the purpose of LB 296 is to provide uniformity between state and federal statutes authorizing state chartered banks to amortize loan losses over a term of years. Now, in particular, LB 296 would authorize state chartered banks, which have suffered a decline in their capital accounts as a result of loan losses, to amortize their loan losses over a seven-year period rather than the five-year period currently established in state statute. Now why is that provided and why is that needed at this time? Well, the federal laws were changed. Back in 1986 we adopted this Section 8, 132-102. It was one of the first types of legislation providing for this type of law in the country and it was intended to provide a period of time for banks to work out severe loan problems which were draining their capital accounts. In the absence of the statute, all loan losses were required to be charged off immediately. Amortization simply allows those losses to be spread over a five-year period as long as the bank did so according to a plan that was authorized by the Department of Banking and Finance. In 1987 and in 1988, Congress reacted to the pressures in the banking industry with similar legislation at the federal level. Amendments were made to the Federal Deposit Insurance Act which authorized the amortization of certain losses over a period of seven years. Rules and regulations of the FDIC were subsequently amended to provide for the mechanization for amortization programs. All state chartered banks are insured by the FDIC at the current time in this state. As such, the above referenced federal statute and regulations of the FDIC are applicable to the state chartered banks at this time. It is very impractical, if not impossible, for banks which need a loss program to comply with both the state and federal laws when the amortization periods are different. So it provides for the same period, changing from five to seven years. And it makes, I think, for a better system. It helps to keep some of the banks that are having problems at this time afloat. Now there aren't any changes as far as the information dealing with losses. All losses are disclosed to the public. There is no change in the laws as far as that goes. Everything is disclosed to the public. It's a matter of public record. That's it. I would be happy to answer any questions if there were any.

PRESIDENT: Thank you. Senator Conway, please. Would you like to close, Senator Abboud? Okay, the question is the advancement of LB 296. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 27 ayes, 0 nays, Mr. President, on the advancement of 296.

PRESIDENT: LB 296 is advanced to E & R Initial. LB 321, please.

CLERK: Mr. President, LB 321 offered by the Banking, Commerce and Insurance Committee and signed by its members. (Read title.) The bill was introduced on January 10, referred to the Banking Committee, advanced to General File. I have no amendments to the bill, Mr. President.

PRESIDENT: Senator Landis, please.

SENATOR LANDIS: Mr. President and members of the Legislature, this is the first of two bills in a row, brought to us by our Banking Department. Currently, an officer of a bank may not borrow from the bank without going on record at a Board of Directors' meeting as to the loan itself. Now, that's also true of a company that the officer has a controlling interest in. So if the officer has a controlling interest in another business, that business can't get a loan from the bank that this bank officer is in charge of without going on the record and making a special loan through the Board of Directors in a special vote that creates the authority to make the loan. Why do we do that? Well, we do it to keep a clear paper trail to monitor loans that are made pursuant to this special authority you have as a bank officer to make sure that there aren't a series of hidden insider loans. Now we allow the loans to be written if the board approves them, if they do it and put it on the record of the minutes of the board because, well, frankly, in many cases in a small town there is only one source of capital and that's the bank, and it's quite possible that the bank officer might have an interest in some farmland, let's say, or they might have an interest in another piece of business in the community. So we allow the loan to be made but we make sure that it's easy to monitor by putting it on the records of the bank. Well, the Banking Department has come to us and said, you know, we have done that for an officer of the bank but we ought to also do that for a director, somebody who is sitting on the board of

January 31, 1989

LB 165, 177, 221, 279, 296, 312, 321
322

PRESIDENT NICHOL PRESIDING

PRESIDENT: Welcome to the George W. Norris Legislative Chamber. We have with us today as the chaplain of the day Reverend Carl Godwin of the Bible Baptist Church in Lincoln, Nebraska. Would you please rise for the invocation.

REVEREND GODWIN: (Prayer offered.)

PRESIDENT: Thank you, Reverend Godwin. Please come back to see us again. Roll call, please.

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

PRESIDENT: Thank you. Any corrections to the Journal today?

CLERK: No corrections, Mr. President.

PRESIDENT: Any messages, reports or announcements?

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 312 and recommend that same be placed on Select File; LB 279, LB 296, LB 321, LB 165, LB 177 and LB 221, all placed on Select File, some having E & R amendments attached. (The Journal also shows LB 322 placed on Select File. See pages 515-16 of the Legislative Journal.)

PRESIDENT: May I just say that I do appreciate many of you coming, showing up for the convocation this morning. The prayer this morning was much nicer than yesterday when no one was here when we were ready for the morning prayer. Thank you for doing that. Also, under the south balcony we have a distinguished guest this morning. We have a former member of this legislative body, Mr. Lester Harsh from southwest Nebraska. Senator Harsh, would you please stand up so that we can see you and recognize you. Thank you for visiting us today, Senator Harsh. We will move on to motions, number 5, Credentials Committee by Senator Warner. Mr. Clerk.

CLERK: Mr. President, I have a report from the Credentials Committee. The motion is found on page 502 of the Journal. I might indicate, Mr. President, the report of the committee is actually found on page...starting on 502 and the pages thereafter. The motion would read as follows: (Read the Warner

February 7, 1989

LB 296, 312A, 312

SENATOR WITHEM: Yes, Mr. President, members, this is a wonderful A bill in that we've already appropriated this money last year. This...basically, all this does is reappropriate unexpended balance from an appropriation we made last year. Last year we established the School Finance Review Commission, was supposed to have terminated its work in July of this year. LB 312 extends the termination date. LB 312A merely reappropriates the unexpended money that is still in the fund. We're not asking for any new dollars to be appropriated. As a matter of fact, we're likely to complete this project with some money left over. I'm not sure.

PRESIDENT: The question is the advancement of LB 312A. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 27 ayes, 0 nays, Mr. President, on the advancement of 312A.

PRESIDENT: LB 312A advances. We'll move on to Select File, number 8. May I introduce some guests that we have this morning. Senator Conway would like to recognize Dr. Willis Wiseman of Wayne who is our doctor of the day. Would you please stand and be recognized, Dr. Wiseman. Dr. Wiseman, welcome. All we ask is that you keep us all healthy through the day. Welcome to our midst. We appreciate it. We'll start with Select File and for the time being we'll go right down the line and if we run into trouble timewise, toward the end we may take those who have...those bills who have no amendments on them. LB 312, Mr. Clerk.

CLERK: Mr. President, on LB 312, Senator, I have no amendments to the bill.

PRESIDENT: Senator Lindsay, please. No amendments.

SENATOR LINDSAY: Mr. President, I move that LB 312 be advanced.

PRESIDENT: You've heard the motion. All in favor say aye. All opposed nay. It is advanced. LB 296.

CLERK: LB 296, Senator I have no amendments to the bill.

PRESIDENT: Senator Lindsay, please.

February 7, 1989

LB 165, 296, 321, 322

SENATOR LINDSAY: Mr. President, I move that LB 296 be advanced.

PRESIDENT: You've heard the motion. All those in favor say aye. Opposed nay. It is advanced. LB 321.

CLERK: Senator, I have E & R amendments to LB 321.

PRESIDENT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move the adoption of the E & R amendments to LB 321.

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

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

PRESIDENT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that LB 321 as amended be advanced.

PRESIDENT: You've heard the motion. All in favor say aye. Opposed nay. It is advanced. LB 322.

CLERK: LB 322, Senator, I have no amendments to the bill.

PRESIDENT: Okay, Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that LB 322 be advanced.

PRESIDENT: You've heard the motion. All in favor say aye. Opposed nay. It is advanced. LB 165.

CLERK: On 165, Senator, I have E & R first of all.

PRESIDENT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that the E & R amendments to LB 165 be adopted.

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

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

February 8, 1989

LB 43, 80, 82, 92, 92A, 106, 113
116, 158A, 165, 166, 171, 172, 175A
177A, 177, 194, 200, 208, 238, 261A
267, 277A, 284A, 296, 312A, 312, 321
322, 353, 357, 369, 458, 459

PRESIDENT: Senator Nelson, would you object to the bracketing?

SENATOR NELSON: No. I just tried to get some attention on my mike. I didn't run up there at the front and no one asked me. I didn't say yes, I didn't say no, and it is all right with me to pass over the bill until February 22. As I've said many times, I'm willing to listen, I'm willing to learn, I'm willing to amend the bill as it is, but we're talking about a serious thing so I'm very willing.

PRESIDENT: May I ask, are there any objections to bracketing this bill until February 22? If so, now is the time to say so. If not, the bill is bracketed until February 22. Do you have anything for the record, Mr. Clerk?

CLERK: Mr. President, I do, thank you. Your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 92 and recommend that same be placed on Select File; LB 459 Select File; LB 458 Select File; LB 116 Select File; LB 267, LB 208, LB 92A, LB 158A, LB 175A, LB 177A, LB 261A, LB 277A, LB 284A, LB 312A, all on Select File. Those are signed by Senator Lindsay. (See pages 647-51 of the Legislative Journal.)

Mr. President, your committee on Transportation whose Chair is Senator Lamb reports LB 369 to General File with amendments. That is signed by Senator Lamb. Your Committee on Enrollment and Review reports LB 43, LB 80, LB 82, LB 106, LB 113, LB 165, LB 166, LB 171, LB 172, LB 177, LB 194, LB 200, LB 296, LB 312, LB 321, LB 322 and LB 353 all are reported correctly engrossed, Mr. President. That is all that I have at this time, Mr. President. (See page 651 of the Legislative Journal.)

PRESIDENT: Very good. We'll move on then LB 238.

CLERK: Mr. President, 238 was a bill that was introduced by Senator Hall. (Title read.) The bill was introduced on January 9, referred to Business and Labor, advanced to General File. I do have committee amendments pending by the Business and Labor Committee, Mr. President.

PRESIDENT: Senator Coordsen, are you going to handle those committee amendments?

February 13, 1989 LB 194, 200, 296, 321

Legislative Journal.) The vote is 37 ayes, 0 nays, 12 excused and not voting, Mr. President.

PRESIDENT: LB 194 passes with the emergency clause attached. LB 200, please.

ASSISTANT CLERK: (Read LB 200 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 200 pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Read record vote. See page 715 of the Legislative Journal.) The vote is 37 ayes, 0 nays, 12 excused and not voting.

PRESIDENT: LB 200 passes. LB 296.

ASSISTANT CLERK: (Read LB 296 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 296 pass? All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

ASSISTANT CLERK: (Read record vote. See pages 715-16 of the Legislative Journal.) The vote is 37 ayes, 0 nays, 12 excused and not voting.

PRESIDENT: LB 296 passes. I have been asked to announce that the doughnuts being handed out are compliments of the Lincoln legislative group who had a breakfast this morning. So, thank you for the doughnuts. LB 321, please.

ASSISTANT CLERK: (Read LB 321 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 321 pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Read record vote. See pages 716-17 of the Legislative Journal.) The vote is 36 ayes, 0 nays, 1 present and not voting, Mr. President.

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LB 43, 48, 80, 82, 106, 113, 166
171, 172, 194, 200, 296, 321, 322
353

PRESIDENT: LB 321 passes. LB 322.

ASSISTANT CLERK: (Read LB 322 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 322 pass? All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

ASSISTANT CLERK: (Read record vote. See page 717 of the Legislative Journal.) The vote is 39 ayes, 0 nays, 10 excused and not voting, Mr. President.

PRESIDENT: LB 322 passes. LB 353.

ASSISTANT CLERK: (Read LB 353 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 353 pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Read record vote. See page 718 of the Legislative Journal.) The vote is 38 ayes, 0 nays, 1 present and not voting, 10 excused and not voting, Mr. President.

PRESIDENT: LB 353 passes. While the Legislature is in session and capable of transacting business, I propose to sign and do sign LB 43, LB 80, LB 82 with the emergency clause, LB 106, LB 113, LB 166 with the emergency clause, LB 171, LB 172, LB 194 with the emergency clause, LB 200, LB 296, LB 321, LB 322, and LB 353. We will move on to Select File, LB 48.

CLERK: Mr. President, LB 48 is on Select File. The body considered it briefly on Friday. At that time, Mr. President, Senator Bernard-Stevens had offered an amendment to the bill. The amendment is found on page 697 of the Journal.

PRESIDENT: Senator Bernard-Stevens, do you want to recall for us what your amendment is, please?

SENATOR BERNARD-STEVENS: Thank you, Mr. President, members of the body. Briefly recall the amendment, and I'll be up front with the body. I'm having a little trouble, in my own mind,

February 13, 1989

LB 43, 80, 82, 106, 113, 158A, 166
171, 172, 194, 197, 200, 260, 263
296, 321, 322, 332, 340, 353, 433
481, 717, 729, 731, 772, 773, 804
LR 15

SPEAKER BARRETT: Shall LB 263 be advanced? Those in favor say aye. Opposed no. Ayes have it, carried, the bill is advanced. For the record, Mr. Clerk, on the President's desk.

CLERK: Mr. President, your Committee on Revenue, whose Chair is Senator Hall, to whom was referred LB 260, instructs me to report the same back to the Legislature with the recommendation it be advanced to General File with amendments; LB 332, General File with amendments; LB 729, General File with amendments; LB 197, indefinitely postponed; LB 433, indefinitely postponed; LB 481, indefinitely postponed; LB 717, indefinitely postponed; LB 731, indefinitely postponed; LB 804, indefinitely postponed; and LR 15CA, indefinitely postponed. Those signed by Senator Hall as Chair. (See pages 724-26 of the Legislative Journal.)

Urban Affairs Committee, whose Chair is Senator Hartnett, reports LB 772 and LB 773 as indefinitely postponed, both signed by Senator Hartnett. Your Enrolling Clerk did present to the Governor, as of ten forty-five, bills read on Final Reading, Mr. President. (Re. LB 43, LB 80, LB 82, LB 106, LB 113, LB 166, LB 171, LB 172, LB 194, LB 200, LB 296, LB 321, LB 322, and LB 353.)

Senator Warner has amendments to be printed to LB 340; and Senator Labedz to LB 158A. Mr. President, that's all that I have. (See pages 727-28 of the Legislative Journal.)

SPEAKER BARRETT: Thank you, sir. Senator Robak, please.

SENATOR ROBAK: Mr. President, I move we adjourn until tomorrow at nine o'clock.

SPEAKER BARRETT: You've heard the motion to adjourn until tomorrow morning at nine o'clock. All in favor say aye. Opposed no. Ayes have it, motion carried, we are adjourned.

Proofed by:

Sandy Ryan
Sandy Ryan

February 21, 1989 LB 43, 75, 80, 82, 106, 113, 166
171, 172, 194, 196, 200, 296, 321
322, 353, 546, 635, 639, 752

PRESIDENT NICHOL PRESIDING

PRESIDENT: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. We have with us this morning as our chaplain of the day, Dr. Al Norden who is pastor emeritus of the University Lutheran Chapel at Lincoln. He has served there for 30 years. Would you please rise for the invocation.

DR. NORDEN: (Prayer offered.)

PRESIDENT: Thank you, Dr. Norden. We appreciate your coming and doing this for us. Roll call, please. Record, Mr. Clerk, please.

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

PRESIDENT: Thank you. Do you have any corrections to the Journal today?

CLERK: I have no corrections, Mr. President.

PRESIDENT: Very good. Any messages, reports or announcements?

CLERK: Mr. President, a communication from the Governor to the Clerk. (Read communication. Re: LB 43, LB 80, LB 82, LB 106, LB 113, LB 166, LB 171, LB 172, LB 194, LB 200, LB 296, LB 321, LB 322 and LB 353, signed by Governor. See page 793 of the Legislative Journal.)

Mr. President, your Committee on Government, Military and Veterans Affairs whose Chair is Senator Baack to whom was referred LB 546 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File; LB 639 General File, LB 76 General File with amendments, LB 196 indefinitely postponed, LB 635 indefinitely postponed, LB 752 indefinitely postponed, those signed by Senator Baack as Chair of the committee. (See page 793 of the Legislative Journal.)

Received a report from the Department of Roads, quarterly report from the State Highway Commission, and a report from the Equal Opportunity Commission, Mr. President. Those will be on file in my office. And that is all that I have, Mr. President.