

January 13, 1989

LB 30-34, 361, 410-460

CLERK: Mr. President, I do, thank you. I have a reference report referring LBs 374-409, signed by Senator Labedz as Chair of the Reference Committee.

In addition to that, Mr. President, I have received a communication from the Chair of the Reference Committee referring the communication received from the University Board of Regents regarding the University Health Care project. That has been referred to Appropriations Committee for public hearing.

Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 30 and recommend that same be placed on Select File; LB 31, LB 32, LB 33 and LB 34, all on Select File, Mr. President, all with E & R amendments attached. (See pages 223-26 of the Legislative Journal.)

Mr. President, new bills. (Read LBs 410-449 by title for the first time as found on pages 226-49 of the Legislative Journal.)

Mr. President, in addition to those items I have notice of hearings from the Agriculture Committee offered by Senator Rod Johnson as Chair; from the Business and Labor Committee offered by Senator Coordsen as Chair; from the General Affairs Committee. That is offered by Senator Smith as Chair. And, Mr. President, a notice of hearing from Senator Warner as Chair of the Appropriations Committee.

SENATOR HANNIBAL: Mr. Clerk.

CLERK: Mr. President, new bills. (Read LBs 450-459 by title for the first time. See pages 236-38 of the Legislative Journal.)

Mr. President, finally, I have an announcement the Urban Affairs Committee has selected Senator Korshoj as Vice-Chair of the committee.

Senator Rod Johnson would like to add his name to LB 361 as co-introducer. (See page 238 of the Legislative Journal.)

(Read LB 460 by title for the first time. See page 238 of the Legislative Journal.)

March 9, 1989

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

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

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

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

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

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

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

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

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

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

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

Proofed by:

Arleen McCrory
Arleen McCrory

March 14, 1989

LB 182, 340, 432, 483, 586, 628, 683
714, 733, 779, 783, 785, 786

Judiciary Committee reports LB 182 to General File with amendments, LB 483 General File with amendments. Those are signed by Senator Chizek. Revenue Committee reports LB 779 indefinitely postponed, LB 783 indefinitely postponed, LB 785, LB 786, all indefinitely postponed. Those are signed by Senator Hall as Chair. (See pages 1144-45 of the Legislative Journal.)

I have a Rules Committee report, Mr. President, regarding proposed rules change offered earlier this session.

Judiciary gives notice of confirmation hearing.

Senator Wesely has amendments to LB 733, Senator Conway to LB 340 to be printed and Senator Robak to LB 628. (See pages 1146-47 of the Legislative Journal.)

Mr. President, Senators Landis, Schellpeper, Goodrich and Barrett would move to raise LB 683 and Senator Wesely would move to raise LB 432, both those will be laid over.

Senator Kristensen would like to add his name to LB 586 as co-introducer and Senator Conway to LB 714. (See page 1148 of the Legislative Journal.) That is all that I have, Mr. President.

SPEAKER BARRETT: Thank you. Senator Wehrbein, would you care to adjourn us?

SENATOR WEHRBEIN: Sure, I can handle this. Mr. Chairman, I move we adjourn until tomorrow morning at nine o'clock on March 15.

SPEAKER BARRETT: Thank you. You've heard the motion. Those in favor say aye. Opposed nay. Ayes have it, motion carried, we are adjourned.

Proofed by:

Sandy Ryan
Sandy Ryan

Women. I just want you to know that it was there in honor of Ag Day. Thank you.

PRESIDENT: Thank you, Senator Beyer. We'll move on to the motion to place LB 432 on General File notwithstanding the committee action. Mr. Clerk.

CLERK: Mr. President, Senator Wesely would move that LB 432 be placed on General File notwithstanding the action of the Government, Military and Veterans Affairs Committee. Senator Wesely offered his motion on March 14. It may be found on page 1148 of the Journal.

PRESIDENT: (Gavel.) Let's hold our conversation down, please, so we can hear the speaker. Senator Wesely.

SENATOR WESELY: Thank you, Mr. President, members of the body. I hope to go through in fairly rapid fashion the background on this issue, and, hopefully, we won't take very much time on this issue. I do want to raise for your consideration the issue presented to you in LB 432. LB 432 comes after previous legislation has attempted to address the question of accountability with the passage of LB 775. As you all know, LB 775 was passed in 1987. At the time of its passage, we were able to get, as part of that piece of legislation, through work of Senator McFarland, Senator Vard Johnson and myself, an amendment that required some disclosure, on an annual basis, by the Revenue Department as to how much that bill would cost. We have seen a couple of reports since that time. And you just, last week, received a copy of the latest from the Revenue Department. But the extent...that was the extent of our ability to pass that legislation, that concept in 1987, and it was inadequate, in my view. So I came back last year, in 1988, and introduced a piece of legislation to again require disclosure to a greater degree of the cost of LB 775 and its benefits and to better analyze its impact on the State of Nebraska. That bill was killed and came two votes short of being brought out of committee. At that time, Senator Vard Johnson and I sat down and decided it's time we resolve that issue. So we sat down, last session, and came up with a compromise that was able to, I think, meet the concerns of the industry of this state that wanted to have some protection and confidentiality versus the public's right to know the cost of that piece of legislation. So, we did draft an amendment, Senator Vard Johnson and myself, and offered it again late in the session. We fell two votes

short, again at that time, of seeing that issue resolved. Well, being undaunted, I came back again this year with a version of that compromise and LB 432 was introduced and heard by the Government Committee. LB 432 attempts to recognize again what Senator Johnson and I did last year, to balance the right of the corporations that apply for and receive benefits under LB 775 with the public's right to know what they are getting for their money under that piece of legislation. It does provide for aggregates of 10, at least, so that no individual corporation would have all of its information released. It attempts to still, though, identify for the public who is winning and who is losing, who is gaining and who is not under that piece of legislation. Well, the hearing, I thought, went very well and I commend the Government Committee for what I thought was one of the best public hearings this Legislature has had. The Revenue Department came in, and the Chamber of Commerce came in and they said, you can't figure this stuff out, they can play with the numbers, we will, we will. And, of course, the Government Committee said, what, what are you talking about here? And, of course, there was quite a challenge of the Government Committee and the Revenue Department in the chamber about the unsubjective figures that were being released by the Revenue Department. I thought the committee challenged the executive branch and the private sector quite well on that, and I was quite confident the bill would come out of committee. I planned on picking it as a priority bill. Unfortunately, some problems got into the way, and the committee eventually killed the bill a couple of weeks ago. Why they killed the bill and the circumstances of it are why I'm discussing it with you right now. I'm very concerned about the way this issue was handled and I do not plan to let it die. The bill was killed after we had a good, solid four votes in the committee, when I talked to one of the members of the committee that had been there and then not been there on the issue, and he indicated to me that he did not want to vote for the bill because of concerns that, if it came to the floor, I would use it to attack the Governor and use it on a partisan basis. And I indicated at that time that, if it was my intent to do that with this piece of legislation, I'd have done it much longer ago than any time it had come to the floor, that I had a report that had been completed in early January I had not released, that I had not tried to make it a battle between the Governor and myself, not tried to make it a partisan issue, and that I was not going to do that, that I wanted to see this policy enacted. It was important to me, personally, it was my own priority and that I made that commitment. Nevertheless,

carried back to the committee was a message that Senator Wesely, if this bill is not brought out of committee, will release a report and attack the Governor and do all these terrible things. Well, I felt that that was a misjustice, injustice and misstatement of the facts. I am very angry with the fact that having tried to cooperate with the committee, that having tried to cooperate on this issue and tried to down-play its overtones, that the result is lack of action on a positive nature by the committee. Well, the issue simply will not die, it will not go away. LB 775 is too big a matter, too big a concern and it's too important to ignore. Its cost now, under a report that I did issue last week, one I did sit on for a couple months because I did try and cooperate and did try and down-play the impact of this legislation. But nevertheless that report needs to be out, and you've got an executive summary that's been distributed for you. LB 775 calls for close to \$400 million, at this point, in revenue loss under its credits. It's a massive piece of legislation that has impacts far beyond the economic development talk that has generated it. It's also a very important revenue issue, one that affects us a great deal. We need to understand its implications, what is it going to do, what is it going to accomplish. By trying to say that disclosure, by trying to say LB 432 ought not pass, by trying to keep the sort of information that I'd like to see the public have away from the public you do not make the issue go away, you make it intensify, because the public wants to know what is happening with this bill. They know about the legislation, they care about the legislation, they want to know the facts. Every time we attempt to stand in the way of this information coming forward, every time we attempt to kill the concept that I think some of us would like to see occur in this Legislature and allow the public more information than they are now being able to see on LB 432, all that you are saying to the public is we don't trust you or we don't trust the information and what is going to come out of it, that we don't want people to know too much information about 775, that we don't want the truth to come out. I think what happens is the message is loud and clear, my view, that the public is not going to stand for that and this is going to be an issue this year and next year and every year into the future that we do not address its concerns. Now let me run through some of the information that might be available under this legislation. You did get the report last week from the Revenue Department, it does indicate some information about the costs involved, and it's a little bit better than it was last year. But it doesn't tell you how it all fits together, what

are the pieces that come together in this LB 775 puzzle. What the pieces will tell you in the other report that came out is that there are something like 25 companies that receive over 50 percent of the benefits under the bill. Yes, we have something like 180 companies under this legislation, but it is a small number that receive the bulk of the benefit. Who are those companies and how much do they gain from that legislation? If we had the sort of bill that I'm talking about with LB 432, you could know that. You could know who the big winners are under LB 775. You could know the payback periods for those big winners. Is it paying for itself? Are we able, if we put an investment in these companies, able to get that money back in a reasonable amount of time? Right now it is estimated by our study, and really for the most part by the study by the Revenue Department, that we're talking about a pay-back period in the range of 15 to 20 years. When the bill passed we talked about a pay-back period in the range of 5 or 6 years. We missed it by just a little bit. But when the bill passed we talked about something like 25 or fewer companies receiving benefits under the bill. There are now 180 some companies that are participating in this legislation. When we talked about the bill when it passed, we talked about companies like Goodyear and ConAgra that were going to benefit from it. We now have cable TV companies and we've got truck-stops applying for these benefits under the bill. The bill needs attention. The bill needs work. The bill needs to be discussed fully on the floor of this Legislature. I, for one, am quite angry with the fact that we aren't able to discuss it in a straightforward fashion by having LB 432 come forward out of the committee. Now I've got much more to talk about, and then I do have the report that I've distributed an executive summary on. But the truth of the matter is I could go forward with this motion to pull the bill out of committee and have a bill that we cannot act on. It's not a priority bill. I, knowing the bill was killed by committee, took my priority status to another piece of legislation. Also knowing that Senator McFarland has a bill dealing with LB 775 that requires a minimum number of jobs, that would be easily amended, and also Senator Korsnoy has a piece of legislation dealing with LB 270 that could be amended as well, it's my view that to take time, any further time on this issue this morning, would be inappropriate. So I'm going to ask that my motion be withdrawn at this time and just tell you that I'm quite upset with the way this bill was handled and that I do plan to pursue it and plan to offer an amendment to bring this bill into another piece of legislation that is a priority bill,

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

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

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

PRESIDENT: Senator Conway, please.

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

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

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