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.

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. been referred to Appropriations Committee for public hearing.

Mr. President, your Committee on Enrollment and 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 Senator Coordsen as Chair; from the General Affairs Committee. That is offered by Senator Smith as Chair. 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.)

county, school district and other governmental subdivisions, and then in the Section 2, we specify city or village and put them under the State Investment Office. Was there a reason why we didn't treat the school districts and the counties and the other subdivisions as we did the cities and villages.

SENATOR LANDIS: In fact, no one had the presence of mind to ask the League of Municipalities why they had drafted the bill that way. There were no county representatives and I think we looked at the new language, not the old language. You raise a fair question. On the other hand, the counties haven't asked to be in the bill either, so...

SENATOR PIRSCH: Okay, thank you. That answers my question. Thank you.

PRESIDENT: Thank you. Senator Landis, please.

SENATOR LANDIS: I will waive.

PRESIDENT: All right. Senator Weihing, would you like to close on the advancement to E & R Initial?

SENATOR WEIHING: In order to clarify what can be done with regards to the cities and villages in the use of their surplus funds, I request that this be advanced to the next stage of legislation here.

PRESIDENT: Senator Lynch, he was closing. Okay, the question is the advancement of LB 221. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERk: 29 ayes, 0 nays, Mr. President, on the advancement of LB 221.

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

CLERK: Mr. President, I do. Your Committee on Revenue, whose Chair is Senator Hall, reports LB 198 to General File, LB 209 to General File, LB 459 General File with amendments, LB 63 indefinitely postponed, LB 104 indefinitely postponed, LB 193 indefinitely postponed, LB 294 indefinitely postponed, all signed by Senator Hall. Judiciary Committee, whose Chair is Senator Chizek, reports LB 116 to General File,

SPEAKER BARRETT: LB 459 is advanced. LB 458.

CLERK: 458 offered by the Revenue Committee. (Title read.) The bill was introduced on January 13, Mr. President, referred to the Revenue Committee, advanced to General Committee. I do have Revenue Committee amendments pending.

SPEAKER BARRETT: To the committee amendments, Chairman Hall.

SENATOR HALL: Thank you, Mr. President and members. this is a technical bill that was brought to the committee by the Revenue Department. This one is half as long as the last one, it is only six pages, and it deals with, again, the issue of income tax and how it is determined. There were a couple of omissions again that...with regard to 773 but these are much more technical and if you will bear with me I will try to explain them to the best of my ability. But the committee amendment was brought to us by John Cederberg who is a partner in Touche-Ross and who was quite actively involved in the development of 773. John was there at the birth of 773 and has continued to follow the progress of that legislation and the impact that it has had on his industry. He brought three different amendments to the committee, two of which the committee, through consultation with the department, determined that were not necessary at this time. They dealt with things such as foreign mutual funds that no one could determine anyone in the State of Nebraska even had investments in there, but probably was a good point on his part. It's just that there was no need at this time to enact that into statute, at least that was the opinion of the Revenue Department as well as the opinion of the committee. But the one committee amendment that we did adopt with the blessings of the Revenue Committee dealt with the alternative minimum tax, federal alternative minimum tax proposal that would allow Nebraskans to use this in determining their alternative minimum tax and basically what does in a nutshell, it avoids counting the state income taxes twice when you calculate the tax. It's a very long and drawn out process with regard to showing you that. It would take about four or five pages in a handout and Mr. Cederberg did have that, walked us through it and left us as confused as before he made the presentation, but it is a positive aspect for the taxpayers of Nebraska in that it does allow them the use of federal minimum tax that we have not had in the past and it corrects a problem with regard to basically being taxed twice

when the calculation is put together. So with that, if there are questions, again, I will try to answer them but it is an extremely technical although very positive change and I would urge the adoption of the committee amendments.

SPEAKER BARRETT: Thank you. Discussion on the committee amendments as explained by Senator Hall. If not, those in favor of the adoption of the committee amendments to LB 458 vote aye, opposed nay. Please record.

CLERK: 25 ayes, 3 nays, Mr. President, on adoption of committee amendments.

SPEAKER BARRETT: The committee amendments are adopted. Senator Hall, on the bill.

SENATOR HALL: Again, as I stated earlier, there are basically two changes that LB 458 would enact and again I would urge you to take out the bill book and look at the summary and purpose of changes that is laid out there for you by committee staff. The two changes deal with unintended consequences that were laid out because of 773. The first would allow deducting the state income tax refund in 1987 which were deducted under the Internal Revenue Code but not under the Revenue Act of 1967. In other words, people who fell into the window of 1987 when the law was there, the old law was in effect still, were in many cases unable to be able to deduct the taxes that were...the income tax refunds received in 1987 and in order to allow for that this change needs to take place. It is a...it will only be a one-time kind of change in that it only will be effective for the tax year 1987. It goes back and allows those people to be able to deduct them with regard to their Nebraska tax. were deducted under their federal tax but it would now allow them to do that under their state taxes. Because of the change in law with regard to 1988, you get your refunds for the tax year 1987 and in 1988 and they were not taxable prior, they are taxable now and there is a problem there so we needed to allow for that change. The second change would allow for repaid income which an individual takes as a federal tax credit and this applies basically to individuals who receive bonuses, bonuses, for example, that are paid for sales to be achieved and they have to be paid back. This doesn't happen very often but it does happen to a group of people who basically sell for a living, do it on commission, but may receive that in advance. They have not, for example, hit their goal and they have to

return some or all of that in a subsequent year. This would allow for that the individual be able to deduct the federal credit. Now we, Nebraska law picks up the federal deduction but we do not allow for the federal credit. LB 458 would allow for the federal credit to be picked up. It, again, was an oversight with the passage of LB 773 that was totally unintended but was one that we are correcting now through LB 458. The chart that I passed out to you that Senator Hannibal asked me about which is difficult at best to understand, if you look at the top bracket there where we call people ordinary taxpayers, those are who pay taxes. They are withdrawn from...they receive a bi-monthly or monthly check, they have their taxes withdrawn at the time that they are paid. The bottom folks are the people that we're dealing with. Many of these are individuals who pay their taxes on a quarterly basis, they pay estimated taxes, they may be self-employed or whatever. And these individuals, under LB 458, many times did not...as you all know, your taxes for the fourth quarter when you pay an estimated tax is not due until January 31 of the following year.

SPEAKER BARRETT: One minute.

SENATOR HALL: So what happens there is that in this case those folks were not able to...they were not included in the taxable income, or they were included in the taxable income for 1988, fourth quarter of 1987 so basically what they were doing is being taxed twice for that income. LB 458 would correct that situation. With that, Mr. President, I would urge the adoption or, excuse me, the advancement of LB 458.

SPEAKER BARRETT: Thank you. Discussion? Senator Hall, I did cut you just a bit short. If you'd like...

SENATOR HALL: Mr. President, I thought that was intentional and you didn't hear me complain and I would urge the adoption and passage of LB 458.

SPEAKER BARRETT: Thank you for that charitable comment. Those in favor of the advancement of LB 458 please vote aye, opposed nay. Have you all voted? Please record.

CLERK: 28 ayes, 0 nays, Mr. President, on the advancement of 458.

SPEAKER BARRETT: LB 458 is advanced. LB 116.

February 7, 1989 LB 36, 38, 45, 46, 51, 53, 60 79, 123, 145, 168, 169, 189, 190 207, 237, 273, 308, 338, 410, 414 418, 431, 449, 458, 506, 706, 733

LB 36, LB 38, LB 53, LB 79, LB 123, LB 190, LB 51, LB 60, LB 189, LB 207, LB 45, LB 168, and LB 169.)

Retirement Systems reports LB 46 to General File; LB 303, General File; LB 145, General File with amendments; LB 237, General File with amendments; LB 418, General File with amendments; LB 506, General File with amendments. Those are all signed by Senator Haberman as Chair. (See pages 635-40 of the Legislative Journal.)

Health Committee reports LB 449 to General File with amendments; LB 733, General File with amendments. Those are signed by Senator Wesely as Chair. Business and Labor reports LB 410 to General File; LB 414, General File. Those are signed by Senator Coordsen as Chair. Banking Committee reports LB 431 to General File; LB 706, General File. Those are signed by Senator Landis as Chair. (See page 637 of the Legislative Journal.)

Mr. President, Senator Rogers has amendments to be printed to LB 273; Senator Labedz to LB 338; Senator Smith to LB 338; and Senator Nelson to LB 458. That's all that I have, Mr. President. (See pages 637-38 of the Legislative Journal.)

SPEAKER BARRETT: Thank you. The Chair recognizes Senator Conway. Would you care to adjourn us, Mr. Conway.

SENATOR CONWAY: Mr. Speaker, members, I move that we adjourn until 9:00 a.m., February 8th.

SPEAKER BARRETT: Thank you. You've heard the motion to adjourn until tomorrow morning at nine o'clock. Those in favor say aye. Opposed no. Carried, we are adjourned.

Proofed by: <u>Arleen McCrory</u>

Arleen McCrory

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?

SENATOR LINDSAY: Mr. President, I move that the E α R amendments to LB 459 be adopted.

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

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

PRESIDENT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move LB 459 as amendment be advanced to E & R Final.

PRESIDENT: You have heard the motion. All in favor say aye. Opposed nay. They are adopted. That was the advancement, excuse me. It is advanced. Thank you. LB 458.

CLERK: Senator, I have E & R amendments on 458.

PRESIDENT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that the E & R amendments to LB 458 be adopted.

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

 ${\tt CLERK:}\ \ {\tt Mr.\ President},\ {\tt Senator\ Nelson\ would\ move\ to\ amend\ the\ bill.}$

PRESIDENT: Senator Dierks, are you going to handle that?

SENATOR DIERKS: Mr. President. Mr. President and members of the body, I visited with Senator Nelson and she asked that I withdraw this amendment.

PRESIDENT: Is there any objection? If not, Senator Nelson's motion is adopted, amendment is withdrawn. Thank you. Anything else cn it, Mr. Clerk?

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

PRESIDENT: Okay, Senator Lindsay, please, on 458.

SENATOR LINDSAY: Mr. President, I move that LB 458 as amended be admined to E & R Final.

PRESIDENT: You have heard the motion. All in favor say aye. Opposed nay. It is advanced. LB 116.

CLERK: Mr. President, may I read some items into the record.

PRESIDENT: Okay.

CLERK: Mr. President, I have an explanation of vote offered by Senator Abboud. A new A bill, LB 37A by Senator Rod Johnson. (Read for the first time by title. See page 720 of the Legislative Journal.)

I have a motion from Senator Hannibal to reconsider the Final Reading vote on LB 165. That will be laid over.

I have amendments to be printed to LB 298 by Senator Barrett. (See pages 721-22 of the Legislative Journal.) That is all that I have, Mr. President.

PRESIDENT: Now back to LB 116, please.

CLERK: Mr. President, on LB 116, the first item, I have no E & R. I do have an amendment pending, though, by Senator Chambers, Mr. President. Senator Chambers.

PRESIDENT: Senator Chambers, please.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, this is the bill which is increasing the penalty on prostitution to try to bring state law into compliance with Omaha's ordinance. I am offering an amendment that would prevent any person who is a party to the act of prostitution or the solicitation of prostitution from testifying against the other party. This is a crime which can only exist if two people are involved. Society, as I pointed out on General File, has decided to place the onus on the female member or participant. In Omaha, there is a problem with male prostitutes, homosexual, and probably some heterosexual, but that is not the problem that the businessmen ever discuss or express any concern about. So even when it comes to one who is engaging in prostitution selling his body or her body, the one who does the selling that is to be condemned and placed under this heavy punishment is the

February 15, 1989 LB 57, 58, 70, 74, 94, 97, 115
116, 126, 133, 142, 156, 175A, 177A
208, 229, 230, 233, 251, 255, 256
261A, 263, 267, 273, 281, 284A, 295
338, 378, 391, 398, 416, 443, 458
459, 499, 502

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: Welcome to the George W. Norris Legislative Chamber. Please rise for the opening prayer. Our Chaplain for the day is Father Daniel Sieker, of Blessed Sacrament in Lincoln. Father Sieker.

FATHER SIEKER: (Prayer offered.)

SPEAKER BARRETT: Thank you, Father Sieker. Please come back again. Roll call.

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

SPEAKER BARRETT: Thank you. Corrections to the Journal.

CLERK: I have no corrections, Mr. President.

SPEAKER BARRETT: Any reports, messages, or announcements?

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 502 and recommend that same be placed on Select File, LB 281 Select File, LB 416 Select File, LB 443 Select File, those signed by Senator Lindsay as Chair. Mr. President, your Committee on Enrollment and Review reports LB 74 as correctly engrossed; LB 116, LB 175A, LB 177A, LB 208, LB 261A, LB 263, LB 267, LB 273, LB 284A, LB 338, LB 378, LB 391, LB 398, LB 458, LB 459, and LB 499, all reported correctly engrossed, all signed by Senator Lindsay. (See pages 746-47 of the Legislative Journal.)

Mr. President, a communication from the Governor to the Clerk. (Read. Re: LB 57, LB 94, LB 97, LB 126, LB 133, LB 229, LB 230, LB 233, LB 251, LB 255, LB 295, LB 58, LB 70, LB 115, LB 142, LB 156, LB 256. See page 748 of the Legislative Journal.)

those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

(Read record vote as found on pages 940-41 of the CLERK: Legislative Journal.) 46 ayes, 0 nays, 3 excused and not voting, Mr. President.

PRESIDENT: LB 398 passes. LB 458.

CLERK: (Read LB 458 on Final Reading.)

All provisions of law relative to procedure having been complied with, the question is, shall LB 458 pass? those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

(Read record vote as found on page 941 of the Legislative Journal.) 46 ayes, 0 nays, 3 excused and not voting, Mr. President.

PRESIDENT: LB 458 passes. LB 459.

CLERK: (Read LB 459 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with; the question is, shall LB 459 pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

(Read record vote as found on page 942 of Legislative Journal.) 46 ayes, 0 nays, 3 excased and not voting, Mr. President.

PRESIDENT: LB 459 passes. I understand we're skipping LB 499. We'll jump to LB 48.

Mr. President, I have a motion on the desk. Schmit would move to return LB 48 to Select File for a specific amendment, that amendment being to strike the enacting clause.

PRESIDENT: Senator Schmit, please.

SENATOR SCHMIT: Mr. President and members, I'm going to offer this motion and I will tell you now that I'm going to withdraw it when I finish making a couple of points and allow you to vote

March 2, 1989

LB 48, 49, 61, 176, 226, 298, 327 349, 391, 398, 408, 416, 458, 459 502

2 present and not voting, 4 excused and not voting, Mr. President.

PRESIDENT: LB 502 passes. While the Legislature is in session and capable of transacting business, I propose to sign and do sign LB 391, LB 398, LB 458, LB 459, LB 48, LB 61, LB 176, LB 298, LB 327, LB 349, LB 416 and LB 502. May I introduce some guests, please, of Senator Hefner. Under the south balcony we have Mr. and Mrs. Darrell Henry of Coleridge, Nebraska. Would you folks please stand and be recognized. Thank you for visiting us today. Mr. Clerk, something for the record?

CLERK: Mr. President, your Committee on Education reports LB 226 to General File with amendments, signed by Senator Withem. Agriculture Committee reports LB 49 to General File with committee amendments, signed by Senator Johnson as Chair. That's all that I have, Mr. President. (See page 950 of the Legislative Journal.)

PRESIDENT: Thank you. We'll move on to Select File. LB 408.

CLERK: Mr. President, the first bill on Select File, LB 408. The first order of business are E & R amendments.

PRESIDENT: Senator Moore, please.

SENATOR MOORE: Mr. President, I move we adopt the E & R amendments to LB 408.

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

CLERK: Mr. President, the first amendment I have to the bill is by Senator Barrett. Senator, I have AM306, it's on page 692 of the Journal.

PRESIDENT: Senator Barrett, please.

SENATOR BARRETT: Thank you, Mr. President and members. Yes, this little amendment is on page 306 or rather 692 in the Journal. It affects only the exchange program, Mr. President. The original bill put a limitation on which would have prevented an exchange student from attending a high school within 150 miles of his own school. We heard from a superintendent in Columbus who said we may have some students who would like to go

March 2, 1989 LB 48, 61, 161, 176, 298, 327, 334 349, 354, 354A, 391, 398, 416, 458 459, 502, 542

adopted...or, excuse me, as amended be advanced.

PRESIDENT: You've heard the motion. All in favor say aye. Opposed nay. It is advanced. LB 354.

CLERK: LB 354, Senator, no amendments to the bill.

PRESIDENT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that LB 354 be advanced.

PRESIDENT: You've heard the motion. All in favor say aye. Opposed nay. It is advanced. LB 354A.

CLERK: On 354A, Senator, I have no amendments to the bill.

PRESIDENT: You've heard the motion...Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move that LB 354A be advanced.

PRESIDENT: You've heard the motion. All in favor say aye. Opposed nay. It is advanced. Mr. Speaker, did you wish to say something about the time of the meeting tomorrow morning before we adjourn?

SPEAKER BARRETT: Thank you, Mr. President, just a reminder that we will convene at eight o'clock tomorrow morning for the purpose of reading, I believe it is LB 92, the big bill. Thank you. Eight o'clock, tomorrow morning.

PRESIDENT: Okay, Mr. Clerk, do you have something for the record?

CLERK: Mr. President, I do: Senator Rod Johnson would move that LB 161 be placed on General File pursuant to Rule 3, Section 19, and that will be laid over.

Your Enrolling Clerk has presented to the Governor as of eleven-o-five this morning bills read on Final Reading this morning. (Re: LB 391, LB 398, LB 458, LB 459, LB 48, LB 61, LB 176, LB 298, LB 327, LB 349, LB 416, LB 502. See page 956 of the Legislative Journal.)

Banking Committee reports LB 542 to General File with amendments

March 7, 1989

LB 48, 61, 92, 92A, 147, 147A, 154 176, 298, 327, 349, 360, 360A, 391 398, 416, 441, 458, 459, 502

PRESIDENT NICHOL PRESIDING

PRESIDENT: Welcome to the George W. Norris Legislative Chamber. We have with us this morning as our chaplain of the day Reverend Steve Janovec of the People's City Mission in Lincoln. Would you please rise for the convocation.

REVEREND JANOVEC: (Prayer offered.)

PRESIDENT: Thank you, Reverend Janovec. Roll call, please. Record, Mr. Clerk, please.

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

PRESIDENT: Thank you. Any corrections to the Journal this morning?

CLERK: No corrections, Mr. President.

PRESIDENT: Do you have any messages, reports or announcements?

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 147 and recommend that same be placed on Select File; LB 147A, Select File.

Mr. President, Enrollment and Review reports LB 154, LB 360, LB 360A and LB 441 as correctly engrossed, both those items signed by Senator Lindsay as Chair of the Enrollment and Review Committee. (See pages 1003-04 of the Legislative Journal.)

Mr. President, communications from the Governor. (Read communications regarding signing of LB 391, LB 398, LB 458, LB 459, LB 48, LB 61, LB 176, LB 298, LB 327, LB 349, LB 416, LB 502, LB 92 and LB 92A. See page 1004 of the Legislative Journal.)

Mr. President, an appointment letter from the Governor appointing Ms. Kathy Campbell to the Child Abuse Prevention Fund Board. That will be referred to Reference. (See page 1005 of the Legislative Journal.)

I have a report from the Job Training area for the Department of Labor, Mr. President. That will be on file in my office. (See page 1005 of the Legislative Journal.)