

February 23, 1989

LB 247, 312A, 357, 452, 555, 606, 809
LR 35

Senator Smith would just wait a little bit, since it is noon, maybe we could work this out over the evening and we could just come back tomorrow with a different version. I would be willing to pull my amendment at the present time, if that would help, and then we could work something out and come back tomorrow.

SPEAKER BARRETT: Senator Schellpeper, I think the Chair at this point will leave the amendment as is.

SENATOR SCHELLPEPER: Okay.

SPEAKER BARRETT: And I would, after asking for messages on the President's desk, ask you to adjourn the body until tomorrow.

SENATOR SCHELLPEPER: I would be glad to do that.

SPEAKER BARRETT: Messages on the President's desk.

CLERK: Mr. President, your Committee on Banking, Commerce, and Insurance, whose Chair is Senator Landis, reports LB 452 to General File with amendments attached. That is signed by Senator Landis as Chair. Mr. President, Senator Withem has amendments to LB 312A. (See pages 859-860 of the Legislative Journal.)

Mr. President, a new bill, LB 809 introduced by the Speaker and a number of members at the request of the Governor. (Read for the first time by title. See page 860 of the Legislative Journal.)

Mr. President, I have a series of adds, Senator Scofield would like to add her name to LB 555 as co-introducer; Senator Scofield to LB 247; and Senator Hannibal to add his name to LR 35, Mr. President, as co-introducer.

The last item I have, Mr. President, are amendments to be printed from Senator Landis to LB 606. See page 859 of the Legislative Journal.) That is all that I have, Mr. President.

SPEAKER BARRETT: Thank you, Mr. Clerk. Senator Schellpeper.

SENATOR SCHELLPEPER: I would move that we adjourn until February 24th at 9:00 a.m.

SPEAKER BARRETT: Thank you. You have heard the motion to

February 24, 1989 LB 356, 357, 450, 676, 698, 781, 809

Supreme Court. Thank you.

PRESIDENT: Senator Abboud, please, followed by Senator Smith. Senator Smith, please.

SENATOR SMITH: Are there any other lights on, Mr. President?

PRESIDENT: No, you're the last one.

SENATOR SMITH: Okay, then I won't speak at all on anything further about the bill unless someone has a question and evidently they don't. I would just ask for their support in advancing the bill.

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

CLERK: 30 ayes, 0 nays, Mr. President, on the motion to advance LB 781.

PRESIDENT: LB 781 passes. Mr. Clerk, something for the record?

CLERK: Mr. President, yes, thank you. Banking Committee reports LB 356 to General File with amendments. Transportation Committee reports LB 450 to General File with amendments. Those reports are signed by Senator Landis and Senator Lamb respectively. (See pages 870-71 of the Legislative Journal.)

Senator Schmit moves to withdraw LB 676. That will be laid over, Mr. President.

Report of lobbyists for this past week.

Mr. President, Senator Goodrich has amendments to be printed to LB 698. (See pages 872-73 of the Legislative Journal.)

And, Mr. President, I have a reference report referring LB 809 to the Revenue Committee. And that's all that I have, Mr. President.

PRESIDENT: We will move on to General File, LB 357.

CLERK: Mr. President, 357 is the bill that was introduced by

February 24, 1989

LB 155, 218, 250A, 329, 330, 335, 346
437, 449A, 478, 504, 809

bill, Mr. President.

SPEAKER BARRETT: LB 155 is advanced. Messages on the President's desk, Mr. Clerk?

ASSISTANT CLERK: First of all, Mr. President, a reminder that the Urban Affairs Committee is having a short Exec Session at one o'clock in the Senator's Lounge. That's from Senator Hartnett. Revenue Committee, whose Chairperson is Senator Hall, refers LB 346 to General File; LB 437 to General File; LB 329 to General File with committee amendments; and LB 504, indefinitely postponed. (See pages 877-78 of the Legislative Journal.)

New A bills. (LB 449A and LB 250A read by title for the first time. See page 878 of the Legislative Journal.)

A series of name additions. Senator Bernard-Stevens to LB 218 and LB 330; Senator Lindsay to LB 478; Senator Hartnett to LB 335; Senators Peterson, Rogers and Beyer to LB 809. That's all that I have, Mr. President.

SPEAKER BARRETT: Thank you. Senator Schimek, would you care to adjourn us until Monday.

SENATOR SCHIMEK: Mr. Speaker, I move we adjourn until Monday, February 27th, at nine o'clock.

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

Proofed by:

Marilyn Zank
Marilyn Zank

February 27, 1989

LB 257, 335, 336, 436, 497, 532, 540
654, 670, 705, 800, 809

SPEAKER BARRETT: Thank you. You've heard the closing and the question is the advancement of LB 336. Those in favor please vote aye, opposed nay. Voting on the advancement of the bill. Have you all voted? Record, please.

CLERK: 27 ayes, 0 nays on the advancement of 336, Mr. President.

SPEAKER BARRETT: LB 336 is advanced. For the record, Mr. Clerk.

CLERK: Mr. President, I have notice of hearing, appointment, gubernatorial conferee hearing by the General Affairs Committee, Mr. President.

Senator Pirsch has amendments to be printed to LB 257. (See page 886 of the Legislative Journal.)

Urban Affairs Committee whose Chair is Senator Hartnett reports LB 670 is indefinitely postponed and LB 800 as indefinitely postponed. (See page 886 of the Legislative Journal.)

Mr. President, Senators Goodrich, Nelson and Lowell Johnson would like to add their name to LB 809 as co-introducer. (See page 887 of the Legislative Journal.) That's all that I have, Mr. President.

SPEAKER BARRETT: Thank you. Senator Hall, would you care to adjourn us until tomorrow morning, please.

SENATOR HALL: Mr. President, I would...as soon as we drop these on the Clerk's desk, is that possible? (laughter) My committee, what can I say? We could read those in I...

SPEAKER BARRETT: Any messages on the President's desk, Mr. Clerk?

CLERK: Mr. President, I have some late messages that have arrived. Your Committee on Revenue reports LB 705 to General File with amendments, LB 540 General File with amendments, LB 497 indefinitely postponed, LB 532 indefinitely postponed, LB 436 indefinitely postponed, LB 654 indefinitely postponed, and LB 335 to General File with amendments attached. (See pages 887-91 of the Legislative Journal.) That's all that I have, Mr. President.

March 6, 1989

LB 87, 318, 340, 362, 362A, 390, 440
489, 541, 545A, 563, 587, 605, 661
687, 728, 793, 809
LR 16, 44, 45

SPEAKER BARRETT: With your permission, perhaps the Clerk could read some items in before we take a vote, Senator Goodrich? Thank you.

ASSISTANT CLERK: Mr. President, your Committee on Business and Labor, whose Chairperson is Senator Coordsen, reports LB 541 to General File with amendments; LB 605, indefinitely postponed. Committee on Enrollment and Review reports LB 318 as correctly Engrossed; LB 362, LB 362A, LB 440, LB 489. (See pages 993-97 of the Legislative Journal.)

New resolutions. (Read brief descriptions of LR 44 and LR 45 for first time. See pages 997-98 of the Legislative Journal.)

I have a notice of committee hearing from the Business and Labor Committee on gubernatorial appointments. Your Committee on Revenue, whose Chairperson is Senator Hall, reports LB 793 to General File; LB 390, indefinitely postponed; LB 563, indefinitely postponed; LB 661, indefinitely postponed; LB 687, indefinitely postponed; LB 728 and LR 16CA, indefinitely postponed. (See page 998 of the Legislative Journal.)

I have amendments to LB 587 from Senator Schmit to be printed; and from Senator Pirsch to LB 87. New A bill, LB 545A, from Senator Baack. (Read by title for the first time. See page 999 of the Legislative Journal.)

Amendments to be printed to LB 340 from Senator Chambers. Unanimous consent request from Senator Pirsch to add her name as a co-sponsor of LB 809, and an announcement from Senator Rod Johnson that the Agriculture Committee will meet in a brief Executive Session under the north balcony, immediately following adjournment today. That's all that I have, Mr. President. (See page 1000 of the Legislative Journal.)

SPEAKER BARRETT: Thank you. You've heard the motion to adjourn offered by Senator Goodrich. Those in favor say aye. Opposed no. Ayes have it, motion carried. We are adjourned until tomorrow morning.

Proofed by:

Marilyn Zank
Marilyn Zank

March 13, 1989

LB 46, 54, 145, 182, 211, 237, 247
259, 288, 315, 316, 356, 379, 388
411, 418, 437, 447, 449, 449A, 506
587, 630, 651, 652, 809

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: (Microphone not activated) ...to a new week in this the life of the First Session of the Ninety-first Legislature. Our Chaplain this morning for the opening prayer, Pastor Jerry Carr of First Four-Square Church here in Lincoln. Pastor Carr, please.

PASTOR CARR: (Prayer offered.)

SPEAKER BARRETT: (Gavel.) Thank you, Pastor Carr. We hope you can come back again. Roll call.

CLERK: Quorum present, Mr. President.

SPEAKER BARRETT: Thank you. Any corrections to the Journal?

CLERK: I have no corrections, Mr. President.

SPEAKER BARRETT: Messages, announcements, reports?

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 587 and recommend that same be placed on Select File; LB 379, LB 46, LB 388 and LB 145, LB 237, LB 418, LB 506, LB 449, LB 449A and LB 54, all placed on Select File, some of which have E & R amendments attached. (See pages 1059-66 of the Legislative Journal.)

Mr. President, Business and Labor Committee reports LB 630 to General File; LB 315 to General File with amendments; LB 288, indefinitely postponed; LB 316, indefinitely postponed, LB 411, indefinitely postponed, and LB 652, indefinitely postponed, those signed by Senator Coordsen as Chair of the Business and Labor Committee. (See pages 1067-69 of the Legislative Journal.)

Mr. President, a series of priority bill designations. Senator Withem, as Chair of Education, has selected LB 259 and LB 651. Mr. President, Senator Nelson has selected LB 447; Senator Langford, LB 211; Senator Coordsen, LB 182; Senator McFarland, LB 437; Senator Byars, LB 809; Senator Withem, LB 247; and Senator Crosby selected LB 356, Mr. President.

I have an Attorney General's Opinion addressed to Senator Hefner

April 4, 1989

LB 183, 188, 775, 809
LR 64, 66, 67

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: Welcome to the 58th working day in this the First Session of the Ninety-first Legislature. Our Chaplain of the day, our own Harland Johnson. Mr. Johnson.

HARLAND JOHNSON: (Prayer offered.)

SPEAKER BARRETT: (Gavel.) Thank you, Harland, very much. Roll call.

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

SPEAKER BARRETT: Thank you. Any corrections to the Journal?

CLERK: No corrections this morning, Mr. President.

SPEAKER BARRETT: Messages, announcements or reports?

CLERK: Mr. President, a series of Attorney General's Opinions, one to Senator Beck regarding LB 775; an amendment to...or an opinion to Senator Lamb and a third opinion to Senator Hall regarding LB 809, Mr. President. Also, LR 64, LR 66, LR 67 as passed by the Legislature yesterday are now ready for your signature, Mr. President. That's all that I have. (See pages 1465-1474 of the Legislative Journal. The opinion to Senator Lamb is in regard to LB 183.)

SPEAKER BARRETT: Thank you. And while the Legislature is in session and capable of transacting business, I propose to sign and I do sign LR 64, LR 66 and LR 67. To item 5, Mr. Clerk, special motion.

CLERK: Mr. President, Senators Withem and Schmit would move to suspend Rule 3, Section 17, so as to place LB 188 on General File notwithstanding the action of the Education Committee. The motion was filed on March 29 and is found on page 1383 of the Journal, Mr. President. LB 188 was reported by the Education Committee as indefinitely postponed on March 20 of this year.

SPEAKER BARRETT: Thank you. Senator Schmit.

SENATOR SCHMIT: Mr. President and members, I will only use a portion of my opening time because I want Senator Withem to use a portion of it also. So perhaps if the Speaker would notify me

it be the local school district, the ESU, the technical college, whatever it might be. On a statewide average that is roughly 62 cents out of every property tax dollar goes toward education. In some districts, that is much higher. I know in the Omaha area, it is approximately 70 cents out of every dollar. In some districts, it is lower, but it is very easy to say that well over half of the property tax dollar that is paid by our constituents goes toward the funding of education at the local level. We have all heard that the need and the cry, the holler, that property taxes are extremely high in the State of Nebraska, and we have had a number of studies, a number of national surveys that have brought this to our attention. And Senator Moore and other members of the body brought a number of proposals to the Revenue Committee this year that dealt with the issue of property taxes, and in one form or another, there were over 32 bills that dealt with the issue of property taxes, dealt with either a reduction or a shift, some form of change in how we address the issue of property taxes. And what the Revenue Committee did was we sent three bills to the floor. We sent LB 611, which was Senator Moore's bill that deals with a restructuring of the funding, to move us away gradually, as it may be, from the reliance on property taxes. We sent Senator Howard Lamb's bill, which follows this bill, LB 84 which was a rebate bill, 10 percent. That is one that is favored by the agricultural interest in this state, and we also sent Senator Chizek's bill, LB 747, I think, or 737, one of the two, that follows Senator Lamb's bill, and that was a bill that dealt with the interest in the form of a homestead exemption that the urban folks tend to favor. After we sent those bills, we, basically, killed every other property tax proposal outside of LB 809, which was the Governor's proposal, that we heard toward the end of the session, and...end of the committee hearings, excuse me, and then that bill was ultimately last week advanced to the floor, but we sent these three bills to the floor feeling that they provided a vehicle in one way or another, in either one bill or another, the opportunity for us to address, not only short-term property tax relief, but also the issue of long-term change with regard to how we fund education and, ultimately, long-term property tax relief. The bill that we have before us, LB 611, was...it was decided that it would become a bill through Senator Moore's amendment, which will follow, that will address the long-term aspect. The problem that we have had in the past with addressing the property tax issue, the shift, if you will, away from property taxes, is that there has not been a mechanism by which the monies that we pump in kept consistent with the

other property tax bills; property tax bills, we are going to debate LB 84 right after this. If you look at the handout, the part of the compromise in LB 84 that we have all read so much about, I guess the key part of the compromise from my point of view, somebody who wants to restructure the whole tax system, the key thing in LB 84, if we choose to pass that, is that LB 84 will be sunset in two years, as with school foundation and equalization aid. I think it is important to realize that LB 84, in my opinion, is simply a stopgap measure, a Band-Aid measure, as I said, last week. LB 84 or some other bill that is temporary, would simply serve as some local anesthetic, to serve as a painkiller until we get ready to do some major surgery next year. There is all that major surgery, the intent we are saying today if we pass LB 611 is we are going to share the income tax base with the school districts in the State of Nebraska, very similar to what they do in Kansas and other states in this country. Now another thing is a lot of people have asked me how does LB 611 fit in if for some reason LB 84 would fail, and the Governor's LB 809, obviously, LB 611 could be passed in concert with that bill, as well, because both of those bills are simply stopgaps and would serve as a bridge to some sort of, what I am going to call, major restructuring contained in LB 611 and the intent thereof. So with that, and I have tried my hardest to give you information so you can understand this, but that is much easier said than done. I know many senators and staff received a packet of information a few weeks ago. I passed out this handout that I will go into a little bit later telling about the actual intent of the local income tax. I think for the time being now I have said plenty to complicate your minds, and if you have questions, now would be a good time to ask them of me or Senator Hall.

SPEAKER BARRETT: Thank you. Discussion on the Moore amendment to the committee amendments? Senator Landis, followed by Senators Withem, Rod Johnson and Lamb.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, when Nebraska began, it was sensible to have a very high reliance on property taxes because most everybody was on the farm and farmland was land that produced wealth. So to have a property tax made sense. It was a way of, in those rough times, of having a graduated income tax. The more land you had, the more wealth you had, property tax had a progressive quality. With the rise of urban land, land that does not produce wealth but that occupies a form of wealth, that is to say the holdings are

ahead. It is important that we make some sort of change, and with the intent language, we are basically saying here is what our direction is. Hopefully, Senator Withem's School Finance Review Commission, which Senator Lamb and myself sit on, could come back to you next year and give you a more detailed version of what we are able to do, modeling something very similar to what they do in Kansas. Now one of the first battles I watched back as a staff member in the Legislature in the 1982 session, the whole battle over 816, and those of you that were around that era, you can remember the constant battle of who was paying whose way. Lincoln and Omaha were paying outstate Nebraska's way; outstate Nebraska was paying Lincoln and Omaha's way. There was a constant, constant battle, turf battle on who was getting whom in that whole state aid distribution formula. That is why I think it is important that we move towards something like this, which is, basically, a state aid distribution formula but it is a distribution formula that fairly gives back to a school district income that came from that area. That is the one key thing that it does, and it maintains the concept of local control. Instead of being state dollars, it is local dollars. That is very important. Secondly, probably even more significantly, what this bill will allow basically, if we ever get to a point where we actually adopt a total local income tax, it will allow school districts in this state to tap their revenue sources. That is very significant to a lot of school districts in this state that have been clamoring for a change in state aid and changing away from our present foundation and equalization mix to a weight that is more weighted towards equalization. Well, most of those school districts, if they could tap their income, they would not be so concerned about switching state aid around, and they wouldn't need it, because if they were given their income and their property, they would have the finance to operate that school. I think there is a variety of reasons where a background as working for Senator Sieck and talking with Senator Remmers and others, I remember back in 1982 when we first came across the idea in Kansas, I, myself, believe this is the direction we need to go in the State of Nebraska. Now if we pass LB 611, we are just saying that is our intention. We are planning to get there. Probably tomorrow morning we will get to LB 84 and, eventually, if we have to, get to LB 809. It is important that those bills are strictly short term. LB 611, the local income tax concept, is long term, a long-term solution to our problems to do something with property taxes, and I think it is fairly simple. If any of you have further questions on this bill, please come talk to me between

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LB 84, 84A, 247, 429, 611, 683A, 683
739, 739A, 761, 809
LR 76

683A.

SPEAKER BARRETT: The A bill is advanced. And Senator Carson Rogers is announcing some guests in the north balcony from Scotia. Representing District 28 in Greeley County, 11 K through sixth graders from Scotia with their teacher. Would you folks please stand. Thank you. We're pleased that you could visit with us today. For the record, Mr. Clerk.

CLERK: Mr. President, I have some...new resolution, LR 76, offered by Senators Wesely, Landis, Schimek, Crosby and Warner. (Read brief description of LR 76 as found on pages 1701-02 of the Legislative Journal.) That will be laid over.

Enrollment and Review reports LB 247 to Select File; LB 611 to Select File; LB 84, LB 84A, LB 739, LB 739A to Select File. Those are signed by Senator Lindsay as Chair. (See pages 1702-04 of the Legislative Journal.)

Mr. President, a series of amendments; Senator Wesely to LB 429; Senator Conway to LB 683; and Senator Kristensen, Mr. President, to LB 761. (See pages 1705-08 of the Legislative Journal.)

And the last item, Mr. President, your Committee on Revenue whose Chair is Senator Hall reports LB 809 to General File with amendments attached. And that's all that I have.

SPEAKER BARRETT: Thank you, sir. Senator Dennis Byars.

SENATOR BYARS: Mr. President and colleagues, as LB 809 was reported out of committee, I would ask that we adjourn until the 17th day of April, 1989, at 9:00 a.m.

SPEAKER BARRETT: Thank you, Senator Byars. You have heard the motion to adjourn until Monday morning at nine o'clock. Those in favor say aye. Opposed no. Ayes have it, carried, we are adjourned. (Gavel.)

Proofed by:

Marilyn Jank
Marilyn Jank

April 24, 1989

LB 809
LR 79, 82

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 William Thornton of the Second Presbyterian Church in Lincoln. Would you please rise for the invocation.

REVEREND THORNTON: (Prayer offered.)

PRESIDENT: Thank you, Reverend Thornton, we appreciate that. Roll call, please.

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

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

CLERK: I have no corrections, Mr. President.

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

CLERK: Mr. President, amendments to be printed to LB 809 by Senator Byars. LR 79 is now ready for your signature, Mr. President. That's all that I have. (See pages 1857-58 of the Legislative Journal.)

PRESIDENT: Thank you. We ready to move on to the resolutions, number 82.

CLERK: Mr. President, LR 82, offered by Senators Pirsch and Lindsay, is found on page 1811 of the Journal. It asks the Legislature to commend and applaud the efforts of 120 students who participated in the Academic Decathlon.

PRESIDENT: Senator Pirsch, please.

SENATOR PIRSCH: Thank you, Mr. President. Yes, indeed, we do want to remember those 120 students from 20 schools who have put in a lot of effort and work in the competition called the Academic Decathlon. The idea for the Academic Decathlon came from Dr. Robert Peterson, Superintendent of the Orange County Schools in California. He wanted to develop a mechanism to motivate students at all grade levels to strive for academic excellence. In 1968 the first Academic Decathlon was held in Orange County. And in '79 the competition involved the entire State of California. In 1982 the competition became a national

have brought us this bill, along with the Governor, for making the idea of property tax relief more than just an empty phrase that we have been passing around year after year. I think all parties have gone to making this a very serious discussion. Now let me tell you that I have got a choice between LB 809 and 84 and I also think the new compromise notion is worthy of our thoughts. Senator Byars, I know, as the chief proponent and priority of 809 as your bill, I want to tell you that, of the three, I'm not going to vote for it on this level and I will tell you, because it fails to give a second year of assurance of property tax relief, I think it's going to be tough for the public to understand why one year they would get one level and the next year they get another level and they don't know until November or sometimes after there because of this difficult phenomenon. I'd just as soon have a program that we have some confidence in, that if, in fact, we do it for one year, then we re-up it for the next year rather than we have this...this ever changing sort of steam valve approach. And, for that reason, I hold 89...809 one step below 84. This amendment goes a long way toward solving a problem that 84 has for me and that is that it recognizes we have got the money to do it this year and it saves for another day the question of re-upping the program with the appropriate funding. It doesn't get us in trouble next year. That is why this amendment is so important. In the past, I have had some difficulty because if 84 is a two-year program, it seems to me we haven't made appropriate acknowledgement for funding, this amendment does that and, for that purpose, I'm glad. But 84, itself, can be improved and I will tell you why and the new compromise discussion points it out. It really is a blending of two different programs, a rebate program and a homestead program and that makes it two levels of administration and pretty costly to do, pretty costly to do, might be some problems in the way that it gets carried out. But it's better than LB 809, in my sense, because it's more understandable, it's certain and it has elements of targeting that I like. Frankly, the discussion that's come up in the last couple of days in the compromise certainly has some virtues, easier administration, more understandable than either 809 or even the mixed formula of 84. The difficulty is there aren't any caps in it for me and I, too, am awaiting the Attorney General's notion. I, on the other hand, have suffered, as you have, from not being able to see the compromise language. I have asked for a copy of it. It's now up in the bill drafters. When it comes down I'm going to put it into the Journal, not on 84, not on LB 809; there is an insurance bill, LB 279, that everybody and their dog has put an

unintentionally. Thank you.

SPEAKER BARRETT: Senators Hall, Chizek and Warner. Senator Hall. Senator Hall waives. Senator Chizek.

SENATOR CHIZEK: Mr. Speaker, colleagues, I, obviously, rise in support of the amendment. I...as some of the speakers had previously said, we went through a period of negotiations in trying to reach some kind of an agreement. Frankly, you heard a number of comments today about the potential constitutionality question that may exist with the cap. This is my...the beginning of my fifth year in this body. And, Mr. Speaker, if I had a dollar for every time I heard "if it's not broke don't fix it", I would probably be wealthy. All we have at this point in time is speculation that there is a constitutional question. I think those of us who are co-sponsors on this particular piece of negotiated legislation, that we arrived at agreement at, obviously, there are things Senator Moore, Senator Lamb, myself would rather have a little different. However, this is what we arrived at, this is what we agreed to. This was the consensus. I don't think any of us are saying that, if it comes down from the Attorney General that there is a constitutional question, we're willing to deal with it. We have been willing to deal with it. But up to this point in time, colleagues, we have nothing in our hands. I've talked to as many attorneys who tell me that there aren't a constitutional question, as those that tell me there are. Now just simply because the attorneys that I happen to be working with, or a particular individual happens to be working with aspire this point of view, that doesn't make it right anymore than ours. What we're saying is let's adopt the amendment, let's advance the bill. If there then is a problem in an opinion or ruling that comes down from the Attorney General, then we are prepared to deal with it. But until such time as that happens, Mr. Speaker, if it isn't broke let's don't fix it.

SPEAKER BARRETT: Thank you. Senator Warner, followed by Senators Labeledz, Hefner and Haberman.

SENATOR WARNER: Mr. President, members of the Legislature, I'd rise to oppose the amendment to sunset in one year, for at least two reasons. The most frequent argument I've heard against LB 809, it seems to me, is that there is no stability to it, only lasts for one year then we turn around and say LB 84, we're going to amend it for one year because it has stability, or I

like to discuss the advancement. Senator Lamb. Senator Bernard-Stevens. Senator Lamb.

SENATOR LAMB: Yes, Mr. President, members, much of this ground has been covered in discussion of the amendment. And to clarify a possible question that Senator Haberman had about the reason for the one-year sunset, is that it seems to me that there is money in the treasury for one year. And whether we had a two-year sunset, or a one-year sunset, we were committed to revisiting the issue in case there was not enough money for the second year. So this seemed to ease the problem in many people's mind as to the funding situation. So that was the reason to go to the one-year sunset. Now, this bill has been under discussion for, well, I've been working on it for a number of years, as you know. I had a similar bill four years ago. I had a similar bill four years ago. During the special session that we had last fall, in November, I was working on the bill. I went over to the Department of Revenue to get help on the bill. I went to the Governor to enlist her support of the bill, and I did not get either of those. I've been working with a number of senators on this issue. And so then last Friday, as you well know, we had further discussions with the Governor about what could be a possible compromise issue, and one we had in mind was a one-year, a one-year instead of a two-year, because we understood that she did have problems with the funding mechanism, the funding amounts and so that was the proposal. Then, of course, that was not sufficient to allow her to support the bill, which is fine, which is reasonable. And I realize that she does have problems with the possible constitutionality, and I recognize that also. So, at this point, this doesn't have to be the bill. This does not have to be the bill that provides property tax relief this year, but I want it this year. I think most people here want it this year for several reasons. One is that the people of the state are crying out for tax relief more and more than ever before, and this is the year that we do have some money in the treasury that can be used for this purpose. Now LB 809 is coming up. I have repeatedly said that I'll support 809. This body will make the decision as to which is the best property tax relief bill. I can live with either one of them. This is the one that I've been working on for a number of years. And I have had many discussions with the Governor, with her staff over the past several months about it. We have never, until this weekend, had an offer of something that might be a compromise, and so we got it yesterday morning. I have still not seen the amendment, I

have not seen it, although we do have some printed material which outlines what the amendment would do. But then we did decide that...to go ahead with 84 because we did not have any reason not to go ahead with it. But that does not preclude the Governor's bill, the Governor's amendment that she's promoting, or the original version of LB 809, and I can live with that. I don't know if this body will go with that. So, at this point, I have no alternative except to pursue LB 84 in its present form; that's what is before you today. I hope you'll advance it.

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

SENATOR BERNARD-STEVENS: Thank you, Mr. Speaker, members of the body. I, too, want to join Senator Landis in saying my appreciation for the four members of our body who have worked diligently through this session to come up with what we have in LB 84. I did want to make just a couple of comments on the amendment that we just agreed to, however. I just want to kind of, I guess, make myself feel a little better about it. I sometimes hesitate, being a member who hasn't been here that long, to try to remind those of you who have been here longer of some certain elements that we tend to forget because of the political nature that the Legislature tends to get into the last 19 days or so. But I don't think anyone in the body ever believed that we could do substantial property tax for a long period of time without an adjustment on sales or income or both. I don't think there is a member of the body who ever believed that you could do substantial, for a long period of time, without such an adjustment. Now, if the body wants to buy the argument that we only have enough money to fund it for one year, please note you've already forgot the first rule, you can't do substantial property tax relief for a long period of time if you haven't adjusted the tax rates accordingly. If you're just going to spend available money, then I think you should tell the people of the State of Nebraska we're not going to make any sacrifices, we're not going to follow the rules knowing that we have to broaden the tax bases elsewhere, we're not going to do that, if we have some money available, then we'll do it, and then we'll come back in an election year, next year, and talk about increased funding on sales and income taxes. I don't know who the body is trying to kid, I think we're trying to kid ourselves. I think we're trying to kid ourselves. At this point we're saying, let's go with 84, and I intend to advance 84, and then we'll wait and see what happens with the Attorney

SENATOR ELMER: Thank you, Mr. Speaker, I'll be quite brief. LB 84, as it stands with the one-year sunset, really doesn't change realities, we all know that we'll be talking about 84 at the beginning of the next session, because people will want it to stay. I agree with Senator Bernard-Stevens, whether we had a one-year, a two-year, or no sunset at all, I think we need to be consistent. We all think that beginning in...that the beginning of the 92nd Legislature, with LB 611, LB 89, LB 84, LB 809, that we'll be able to address this in a more permanent manner. And we need to be ready to broaden our tax base at the state level to support those. But I'll support LB 84. I urge its advancement because, in reality, we all know we'll talk about it next year, if it has a sunset or not. Thank you.

SPEAKER BARRETT: Thank you. Senator Abboud, followed by Senators Hall, Chambers, Chizek and Withem.

SENATOR ABBODD: Mr. President, colleagues, this is \$94 million that is going to go back to the taxpayer. Quite frankly, I'm happy to see it go back in the form of property tax relief, but if the body chose to give it back in the form of an income tax rebate or sales tax rebate, I would be supporting that as well. I view this as a rebate back to the taxpayer. We're giving the money back this year instead of putting it into the General Fund appropriation, we're putting it in, we're giving it back to the taxpayers so that it will not become a part of our continuation budget, and I think that is the crucial crux of LB 84. It is significant in addition because we're providing property tax relief to the homeowners, the individuals that I have been receiving calls and letters from over their property tax bills. I think that we have an opportunity, this year, to either spend this additional \$94 million or give it back to the taxpayers, and I would choose to give it back to the taxpayers this year. Now, in addition, I think we have to look to the other proposal that is before the body, LB 89. It has some good characteristics, but I think that the best course of action would be to advance LB 84, and then I also plan to advance LB 809 and take a look at the two proposals on Final Reading. I think that each of them have some good points. I think the one-year appropriation is the wisest approach considering in past years we've had a great deal of revenue, and then the next year it would slack off. So I think the wisest approach is the one-year, we'll see if we have the money next year to fund this property tax relief for an additional year, it's my hope that it

will be. Hopefully, we'll be able to fund a property tax rebate in the area of \$94 million again next year. But I'm satisfied this year to take it one year at a time, give back \$94 million to the homestead...for the homestead exemption, next year come back, if there is additional revenue at that time, let's give that back to the homeowner once again. Thank you.

PRESIDENT NICHOL PRESIDING

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

CLERK: Mr. President, I have a motion by Senator Chambers to reconsider a vote taken yesterday. That will be laid over, Mr. President. Health and Human Services Committee reports LB 462 to General File with amendments. I have amendments to be printed to LB 769 and LB 279. (See pages 1911-12 of the Legislative Journal.)

Mr. President, I have an amendment to LB 84. Senator Bernard-Stevens would move to amend the bill. (Senator Bernard-Stevens' amendment appears on page 1912 of the Journal.)

PRESIDENT: Senator Bernard-Stevens, please.

SENATOR BERNARD-STEVENS: Thank you, Mr. President. In following up on the statements I made earlier, I'll at least put the membership on a vote, and I'll make sure, hopefully, it will be a record vote, and we'll put ourselves, at least, on the line. If we are truly going for significant property tax, which LB 84 or LB 809 are, it is significant property tax relief. And I understand Senator Schmit's argument, it may be deleted a great deal because of LB 361, and I understand that, and he's absolutely correct. But to just go for one year and then to put off any future funding mechanism for an entire year and say we'll look at it later is once again skipping a beat and saying we're going to dodge that bullet, we're going to be able to come up with some positive things here, say, look at what we did. But we again dodged the bullet, and that bullet is in order to get significant property tax, we've known it since the Syracuse Study, and I think members knew it way before then, you have to broaden your tax base to do it, you have to have enough money and enough ways to support that to do it. So my amendment is very simple. It would once again put it to a two-year program, LB 84, and we'd have a half cent sales tax increase in order to fund the second year. It's quite simple. I think I know what

the people and we absolutely do not want to give them back any more of the income tax money that they paid in. Senator Moore, your LB 611 is supposed to a property tax relief bill, is it not? So it will kick in in a couple of years and there might be some mechanics in the bill that needs worked on, I don't know. They say it's unconstitutional. Well, let's give them the money back, let them spend the money and then when it's declared unconstitutional see if they can get the money back. They can't get it back. Probably won't have the ruling for a year or so and they can't get it back. You can't get...you can't get blood out of a turnip. But the people in my district keep saying, give us some property tax relief. They don't say give it to us for 10 years. They would love it for the rest of their life but if we give it to them, they will spend the money. It will help the economy. And I'm sure they would be very happy to get \$174 or whatever it is. And next year I think it can be bigger because I think it's...we're going to swell up with this state income tax that we have. So I'm not going to let them...I would vote against reconsideration. Let's see what happens because I know they will accept the one-year refund. And I will give the rest of my time to Senator Smith, not Schmit, Smith.

PRESIDENT: You have three minutes, Senator Smith.

SENATOR SMITH: Thank you, Mr. Chairman, and thank you, Senator Korshoj. I would like to ask a question. We have been doing a lot of talking for a long time on this issue. I would like to ask either Senator Lamb or Senator Scott Moore to respond to a question that I would have.

PRESIDENT: Which one?

SENATOR SMITH: Maybe it will take both of them. We'll start out with Senator Lamb and maybe we can continue with Senator Moore because what I'm going to ask is for them to lay out for me...Senator Lamb, I have heard you say you will support LB 809, I've done the same thing. You want LB 84, I've done the same thing. And Senator Moore has LB 611, I'm doing the same thing. My concern is, how do these really, really all mesh together or do they? And my reason may be different from yours. My reason is that I, like you, Senator Lamb and other people on this floor that have talked for some time all through this whole session to me about the fact that we want property tax relief some way or another. We've managed to get to this point, as Senator Schmit has said, and a few of the people, they have never ever reached

this point before evidently. We've done it now. We are actually to the Select File level with property tax relief on this bill. We need to put something together that's going to be workable, is my only concern, but I do want to make something happen. Can you tell me how LB 809, 84 and LB 611 can work together?

SENATOR LAMB: Well, when you get to the final analysis, it will be either 809 or 84 and then those, theoretically, will blend in to LB 611 down the road which, basically, the School Finance Review Commission is working on. But that...that commission's work has not been finalized at this point, but they are looking at reducing property taxes by an increase in the sales tax and income tax.

SENATOR SMITH: And/or or both?

SENATOR LAMB: Probably both.

SENATOR SMITH: Probably both. All right, thank you. I guess I don't need you, Senator Moore.

PRESIDENT: One minute.

SENATOR SMITH: I guess that Senator Korshoj may not be so glad he relinquished his time to me because what I am thinking to myself is, doesn't it seem logical that the sunset should be two years on your bill then, in case your bill is the one that we deal with which comes right before Senator Moore's bill. The study has been concluded. Wouldn't it make better sense to have a two-year sunset?

SENATOR LAMB: Well, it really, as I mentioned before, it really doesn't make a lot of difference because we're going to have to come back here next year to see how the financing is going. I'm hoping...I'm hoping that our present tax rates will support LB 84 for two years. Now, if it will not, then we will have to revisit the issue whether or not we have a one-year or a two-year sunset and I can go either way on that sunset provision but I think there are more people in here who are more comfortable with a one-year sunset than they are with a two-year.

SENATOR SMITH: You're saying that you think there's...

thought if we spend \$115 million for that, we wouldn't have anything left for property taxes. I would like to ask Senator Lamb a question if he will yield.

PRESIDENT: Senator Lamb, please.

SENATOR LAMB: Yes, sir.

SENATOR HEFNER: Senator Lamb, I have had some letters from some county treasurers saying that the implementation of this bill would be a very tough job and it would cost them probably over a million dollars for the...for the counties to implement this. Have you worked out any compromise with them or wording in the bill?

SENATOR LAMB: We...yes, Senator Hefner, we have been working very closely with Jack Mills. The other day I had an amendment on the bill which clarified that the Department of Revenue is responsible for the forms that have to be filled out to get your...to get the 10 percent rebate on commercial, industrial and agriculture and that the county officials have agreed to provide the forms for the homestead exemption since they are already somewhat in the homestead exemption business. So Jack is satisfied that it's not an undue burden on the counties.

PRESIDENT: One minute.

SENATOR HEFNER: Okay. Well, thank you, Senator Lamb. That was my concern because I hated to see the counties spend one or two million dollars to implement this. Also, I think we need to realize that we do have an outside group working and that's the tax limitation group. I feel if we don't pass something this year, well, we will see a petition drive to put a limitation on property taxes and I don't think we would want to see that. Also, we are facing some drought conditions at the present time so we need to give consideration to that. But, in the end, I'm going to support this bill and I'm also going to support LB 809 to Final Reading and that way we'll have a choice to make of which one we want to pass.

PRESIDENT: Thank you. Senator Schellpeper, please, followed by Senator Moore and Senator Lamb. Senator Schellpeper.

SENATOR SCHELLPEPER: I guess I will call the question.

would primarily, well, only affects the interstate construction within Douglas County. I know...there is language in the bill urging the department to again apply this year. If I remember correctly, last year they applied, I think it was \$16 million and this year I think the number is, I know it is larger, it seems to me it is around 30 but that may not be exactly right, but there is language encouraging or concurring in the department making that request the second time, and, frankly, if it does not occur, if the state does not receive those discretionary funds, a year from now we will have to look at that issue and make a determination if there is a way and logical method in which the state could help accelerate that program other than with those discretionary funds. I have spoken with Senator Kerrey one day within the last month and talked about it and he was very interested in trying to assist in whatever way he could in that area. So, but the only direct relation to those discretionary funds is concurrence, in effect, in the appropriation bill that the Department of Roads should proceed with those requests, and I know that is being done.

SENATOR HARTNETT: Thank you.

SPEAKER BARRETT: Thank you. Senator Hannibal, please.

SENATOR HANNIBAL: Mr. Speaker, I would move that we recess until one-thirty.

SPEAKER BARRETT: Thank you. Mr. Clerk, anything for the record.

CLERK: Mr. President, yes, thank you. A series of amendments to be printed to LB 813. (See pages 1942-46 of the Legislative Journal.)

Enrollment and Review reports LB 330 and LB 586 as correctly engrossed. Mr. President, I have an Attorney General's Opinion addressed to Senator Beyer, Byars, (Re. LB 809) excuse me, and Senator Bernard-Stevens had amendments to LB 814, Mr. President, and that is all that I have. (See pages 1936-46 of the Legislative Journal.)

SPEAKER BARRETT: Thank you. You have heard the motion to recess until one-thirty. Those in favor say aye. Opposed no. The ayes have it. Carried. We are recessed. (Gavel)

pass after LB 84 passes, and then what will happen is, is that the hits will come in the form of A bills, LB 814 and LB 813, and that's what I would be willing to be will happen. I think that is part of the concern, legitimately so, on part of both Senator Hannibal and Senator Warner. But we have debated this bill. We have addressed this issue and the point in time has come to vote up or down LB 84. It has been handled, I think, very up front. There has been little or no parliamentary procedure attempted even on the issue. All we need to do now at this point is defeat the bracket motion that Senator Hannibal has before us, take up the motion I guess that Senator Lamb has to suspend the rules and vote without further debate on both LB 84 and the A bill and I think that, at this point in time, at 9:59 on the 85th day, it's appropriate to do that.

SPEAKER BARRETT: Senator Hefner, would you care to discuss it?

SENATOR HEFNER: Mr. President, I respectfully call the question.

SPEAKER BARRETT: The question has been called again and the hands to up very quickly. I'll recognize it. Shall debate cease? All in favor vote aye, opposed nay. Please record.

CLERK: 27 ayes, 1 nay, Mr. President, to cease debate.

SPEAKER BARRETT: Debate ceases. Senator Hannibal, please, would you care to make the closing statement?

SENATOR HANNIBAL: Yes, Mr. Speaker, I would address a couple of points raised. Senator Lamb did mention that I was invited and did attend the meeting that Senator Landis had called to bring the sponsors of LB 84 together, along with some other members that they thought would be interested in hearing, and I was, and I went, and I did listen. And you're right, Senator Lamb, I didn't offer anything. I said I was there to listen. I was trying to hear the arguments and try to understand the bill. To say that I haven't had concern about the price tag of this bill though I think would be a misstatement. I have had a concern about the price tag of this bill all along. I was a co-signer of LB 809, especially when it had a \$50 million price tag on it, and I was a sponsor of that. I would support it now. I would support LB 84 in some measure less than \$98 million. Would prefer it to be more in the 50-60 million dollar area because I think that's all that we can do. And, Senator Hall, I do