

FEBRUARY 21, 2001

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Transcriber's Office
FLOOR DEBATE

February 21, 2001 LB 186A, 254, 270, 270A, 574, 574A

PRESIDENT MAURSTAD PRESIDING

PRESIDENT MAURSTAD: Good morning. Welcome to the George W. Norris Legislative Chamber for the thirty-second day of the Ninety-Seventh Legislature, First Session. Our chaplain this morning is Reverend Robert Rademacher from the Emmaus and Immanuel Lutheran Church in Kennard, Nebraska, Senator Connealy's district. Reverend.

REVEREND RADEMACHER: (Prayer offered.)

PRESIDENT MAURSTAD: Thank you. I call the Nebraska Legislature to order. Members, would you please record your presence?

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

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections, Mr. President.

PRESIDENT MAURSTAD: Any messages, reports or announcements?

CLERK: Mr. President, your Committee on Enrollment and Review reports LB 270, LB 270A, LB 574, LB 574A, and LB 254 to Select File, some of those having Enrollment and Review amendments. And that's all that I had, Mr. President. (Legislative Journal pages 723-724.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. (Doctor of the day introduced.) Also, members, if I could have your attention, relative to the agenda this morning, the intent is to do Select File. Those bills that have no amendments will be taken up first, followed up by then the bills that do have amendments, up until ten o'clock, at which time we will switch over to General File. So, at this point, LB 334 and LB 334A and LB 182 will move behind LB 97A. Mr. Clerk.

CLERK: LB 186A, by Senator Stuhr. (Read title.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Stuhr,

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you're recognized to open on LB 186A.

SENATOR STUHR: Thank you, Mr. President and members of the body. This appropriation is just for some computer changes that will be necessary with the passing of this bill, so I ask for your support.

PRESIDENT MAURSTAD: Thank you, Senator Stuhr. Discussion on the advancement of LB 186A? Senator Stuhr, would you like to close? Senator Stuhr waives closing. The question is the advancement of LB 186A. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 28 ayes, 0 nays, Mr. President, on the advancement of LB 186A.

PRESIDENT MAURSTAD: The bill is advanced. Members, if I could have your attention again, earlier I misspoke and indicated that LB 334 and LB 334A and LB 182 would be moved behind LB 97A. Actually, those three bills will be moved to the bottom of the list and will follow LB 300. Mr. Clerk, Select File.

CLERK: Mr. President, the first bill, LB 337. Senator Erdman, I do have E & R amendments, Senator. (AM7041, Legislative Journal page 653.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. President. I move the adoption of the E & R amendments to LB 337.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 337. Those in favor say aye. Those opposed say nay. The amendments are agreed to.

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

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Move the advancement of LB 337 to E & R for engrossing.

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PRESIDENT MAURSTAD: The question is the advancement of LB 337. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 409, Senator, I have no amendments to that bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you. I move the advancement of LB 409 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 409 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 133, Senator, I do have E & R amendments. (AM7043, Legislative Journal page 643.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the adoption of the E & R amendments to LB 133.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 133. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: I have nothing further on LB 133, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the advancement of LB 133 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 133. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 46, Senator, I do have Enrollment and Review amendments. (AM7040, Legislative Journal page 657.)

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PRESIDENT MAURSTAD: Senator.

SENATOR ERDMAN: Mr. President, I move the adoption of the E & R amendments to LB 46.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments to LB 46. Those in favor say aye. Those opposed nay. The amendments are agreed to.

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

PRESIDENT MAURSTAD: Senator.

SENATOR ERDMAN: Thank you. I move the advancement of LB 46 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 46 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 48, Senator, I have no amendments to that bill.

PRESIDENT MAURSTAD: Senator.

SENATOR ERDMAN: I move the advancement of LB 48 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 48 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 269, Senator, I do have E & R amendments. (AM7042, Legislative Journal page 667.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the adoption of the E & R amendments to LB 269.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the

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adoption of the E & R amendments to LB 269. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: Nothing further on that bill, Senator.

PRESIDENT MAURSTAD: Senator.

SENATOR ERDMAN: Thank you. I move the advancement of LB 269 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 269 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 346. Senator, I have E & R amendments pending. (AM7044, Legislative Journal page 670.)

PRESIDENT MAURSTAD: Senator.

SENATOR ERDMAN: I move the adoption of the E & R amendments to LB 346.

PRESIDENT MAURSTAD: Thank you. The question is the adoption of the E & R amendments to LB 346. Those in favor say aye. Those opposed nay. The amendments are agreed to. (Advanced to E & R for engrossment, Legislative Journal page 725.)

CLERK: LB 346A, Mr. President, thank you. Senator Erdman, I have no amendments to the bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the advancement of LB 346A to E & R for engrossing.

PRESIDENT MAURSTAD: Question is the advancement of LB 346A. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 226, Senator, I have no amendments to that bill.

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PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the advancement of LB 226 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 226 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 253, Senator, again no amendments to the bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Move the advancement of LB 253 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 253. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 250, Senator, no amendments to the bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the advancement of LB 250 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 250 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 280, Senator, no amendments to the bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the advancement of LB 280 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 280 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

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CLERK: LB 97, Senator, I do have E & R amendments. (AM7045, Legislative Journal page 671.)

PRESIDENT MAURSTAD: Senator.

SENATOR ERDMAN: I move the adoption of the E & R amendments to LB 97.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 97. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: Nothing further on the bill, Senator.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the advancement of LB 97 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 97. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 97A, Senator, I have no amendments to the bill.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the advancement of LB 97A to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 97A to E & R. Those in favor say aye. Those opposed nay. LB 97A is advanced. Mr. Clerk.

CLERK: Mr. President, LB 299. No E & Rs. Senator Chambers would move to amend with AM0480. (Legislative Journal page 718.)

PRESIDENT MAURSTAD: Senator Chambers, you're recognized to open on your amendment to LB 299.

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SENATOR CHAMBERS: Mr. President, members of the Legislature, this is a clean-up amendment which is necessary because of language I deleted from the bill the last time we considered it. What I deleted was a provision that would have caused the state of Nebraska to pay over to a person any damages he or she won against one of these foreign police divisions. Since that language was stricken, this language ought to have been stricken also because it relates to an amendment to the Tort Claims Act that pertains to the state. But, since the state is not involved at all, this additional language needs to be stricken, and I'm asking that you adopt it. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Is there discussion or debate on the amendment offered by Senator Chambers? Senator Chambers, you are recognized to close. Senator Chambers waives closing. Question is the adoption of AMO480 to LB 299. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 32 ayes, 0 nays, Mr. President, on the adoption of Senator Chambers' amendment.

PRESIDENT MAURSTAD: The amendment is agreed to.

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

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. President. I move the advancement of LB 299 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 299. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: Senator Erdman, I have E & R amendments first of all on LB 186, Senator. (AM7046, Legislative Journal page 671.)

PRESIDENT MAURSTAD: Senator Erdman.

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SENATOR ERDMAN: I move the adoption of the E & R amendments to LB 186.

PRESIDENT MAURSTAD: Question is the adoption of the E & R amendments to LB 186. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: Senator Chambers would move to amend with AM0495. (Legislative Journal page 717.)

PRESIDENT MAURSTAD: Senator Chambers, you are recognized to open.

SENATOR CHAMBERS: Mr. President, members of the Legislature, this is what I believe has been come...that I've dubbed the Chambers amendment that says that the reference to some rule or regulation will be as it existed on the effective date of this bill. So I ask that you adopt this amendment.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Debate on the Chambers amendment? Senator Chambers, you're recognized to close. Senator Chambers waives closing. The question is the adoption of AM0495 to LB 186. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 27 ayes, 0 nays, Mr. President, on the adoption of Senator Chambers' amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

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

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. President. I move the advancement of LB 186 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 186. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

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CLERK: Senator Erdman, LB 358. I have E & R amendments first of all, Senator. (AM7047, Legislative Journal page 696.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: I move the adoption of the E & R amendments to LB 358.

PRESIDENT MAURSTAD: The question is the adoption of the E & R amendments. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: First amendment, Senator Chambers, AM0502. (Legislative Journal page 718.)

PRESIDENT MAURSTAD: Senator Chambers, you're recognized to open on AM0502 to LB 358.

SENATOR CHAMBERS: Mr. President, members of the Legislature, this is that ubiquitous Chambers amendment and I will ask that you adopt it. What it does is say that the reference to a provision of federal law or rule or regulation will be as it existed on the effective date of this act.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Any discussion? Senator Chambers, you're recognized to close. Senator Chambers waives closing. The question is the adoption of AM0502 to LB 358. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 28 ayes, 1 nay, Mr. President, on the adoption of Senator Chambers' amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

CLERK: Senator Janssen would move to amend, Mr. President, with AM0568. (Legislative Journal page 726.)

PRESIDENT MAURSTAD: Senator Janssen, you're recogni...Senator Janssen, before you open, let me announce that the apples that

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are being distributed this morning are in honor and celebration of Senator Hudkins' birthday. I would ask you to join me in wishing Senator Hudkins a happy birthday. Senator Janssen, you're recognized to open on AM0568 to LB 358.

SENATOR JANSSEN: Thank you, Mr. Lieutenant Governor, members of the body. This a technical amendment, was just brought down to me by Bill Drafters. All it does is replaces one section of the bill to another section. It's something that will...will coordinate the bill. It does nothing to change the bill; just a technical error.

PRESIDENT MAURSTAD: Thank you, Senator Janssen. Discussion on the Janssen amendment? Senator Janssen, you're recognized to close. Senator Janssen waives closing. The question is the adoption of the Janssen amendment to LB 358. Those in favor vote aye; those opposed vote nay. Voting on the Janssen amendment. Mr. Clerk, please record.

CLERK: 25 ayes, 0 nays, Mr. President, on the adoption of Senator Janssen's amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

CLERK: Nothing further on the bill, Mr. President.

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you. I move the advancement of LB 358 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The motion is to advance LB 358 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. (Visitors introduced.) Mr. Clerk.

CLERK: Mr. President, next bill, LB 300, Senator Chambers would move to amend with AM0526. (Legislative Journal page 717.)

PRESIDENT MAURSTAD: Senator Chambers, you're recognized to open on your amendment to LB 300.

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SENATOR CHAMBERS: I need a minute, Mr. President.

PRESIDENT MAURSTAD: You have ten.

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, this is my bill. It is the Chambers amendment that I'm adding to this bill also and that is the one that says the reference will be as a particular rule or regulation existed on the effective date of this bill. Thank you, Mr. President.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Debate on the Chambers amendment? Senator Chambers, would you like to close? Senator Chambers waives closing. Question is the adoption of AM0526 to LB 300. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 26 ayes, 0 nays, Mr. President, on the adoption of Senator Chambers' amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

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

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. President. I move the advancement of LB 300 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 300 to E & R for engrossment. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 324 (sic--LB 334), I do have E & R amendments, first of all, Senator. (AM7039, Legislative Journal page 646.)

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Could you repeat the number?

CLERK: E & R amendments.

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PRESIDENT MAURSTAD: LB 334.

SENATOR ERDMAN: LB 334.

PRESIDENT MAURSTAD: LB 334.

SENATOR ERDMAN: You do have amendments? I move the adoption of the amendments to LB 334.

CLERK: E & R amendments, yes, sir,...

SENATOR ERDMAN: Yes, sir.

CLERK: ...I'm sorry.

PRESIDENT MAURSTAD: Sure. Thank you, Senator Erdman. The question is the adoption of the E & R amendments to LB 334. Those in favor say aye. Those opposed nay. The amendments are adopted.

CLERK: Senator Beutler would move to amend with AM0589. (Legislative Journal page 726.)

PRESIDENT MAURSTAD: Senator Beutler, you're recognized to open on amendment to LB 334.

SENATOR BEUTLER: Mr. President, members of the Legislature, this is a minor amendment, agreeable to Senator Jensen. The bill, having to do with selling...setting up a tele...telehealth kind of system for the deaf and hard of hearing, put into the language of the bill that they could charge a reasonable fee for that service and I simply am suggesting that it's a little bit easier for the Appropriations Committee to deal with this kind of question of how much fee there should be and how much General Funds there should be if you set a fee range, like we traditionally do, and then allow it to be dealt with directly by the Health Committee and the Appropriations Committee, rather than leaving it entirely to agency discretion and then having to process another bill, should there turn out to be some kind of disagreement. So all this amendment does is says that the fee

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shall be between the range of \$20 and \$150 an hour, and it's broad simply because the agency is...is unable at this time to relate to us with any accuracy what the potential fee that should be borne might...might be. But we're confident that it would be within...our Fiscal Office is confident it would be within this range. So that's all the amendment does and I would welcome your questions. Senator Jensen, I would yield the rest of my time to you, if you are interested in using it.

PRESIDENT MAURSTAD: Senator Jensen.

SENATOR JENSEN: Thank you, Mr. President and members of the Legislature. Yes, I'll approve this amendment. It does define it a little closer, so I'd just urge the body for its adoption. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Jensen. Debate on the Beutler amendment to LB 334? Senator Beutler, you're recognized to close. Senator Beutler waives closing. Question is the adoption of the Beutler amendment to LB 334. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 31 ayes, 0 nays, Mr. President, on the adoption of Senator Beutler's amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

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

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 334 to E & R for engrossing.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the advancement of LB 334 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Mr. Clerk.

CLERK: LB 334A, Mr. President. No E & Rs. Senator Jensen would move to amend the bill. (AM0599, Legislative Journal page 726.)

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PRESIDENT MAURSTAD: Senator Jensen, you're recognized to open on your amendment to LB 334A.

SENATOR JENSEN: Thank you, Mr. Lieutenant Governor. Members of the Legislature, the Fiscal Office just brought this amendment to me this morning and it does make a change and lowers the amount that is in the A bill. The amendment: on page 2, line 2, strike "\$9,000" and insert "\$7,000", and after the second "Fund" insert "and \$2,000 from the Telehealth Systems Fund." So it's a reduction in the amount of General Funds. I would ask for the adoption of this amendment.

PRESIDENT MAURSTAD: Thank you, Senator Jensen. Discussion on AM0559 (sic--AM0599)? Senator Jensen, you're recognized to close. Senator Jensen waives closing. The question is the adoption of AM0599 to LB 334A. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 30 ayes, 0 nays, Mr. President, on the adoption of Senator Jensen's amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

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

PRESIDENT MAURSTAD: Senator Erdman.

SENATOR ERDMAN: Mr. President, I move the advancement of LB 334A to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 334A to E & R. Those in favor say aye. Those opposed say nay. The bill is advanced. Mr. Clerk.

CLERK: Mr. President, LB 182. Senator Beutler would move to amend with AM0596. (Legislative Journal page 727.)

PRESIDENT MAURSTAD: Senator Beutler, you're recognized to open on your amendment to LB 182.

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SENATOR BEUTLER: Mr. President, members of the Legislature, again, this is a minor clarifying amendment that Senator Jones and I have discussed. In Senator Jones' bill, which deals primarily with the question of what a quorum and what a majority is on the Niobrara Council, we had resolved upon the language that a quorum should be a majority of the members who are selected and serving and who vote on issues before the council. In order to clarify that portion that has to do with...and who votes before the council, this amendment goes back into the portion of the council that is the subject of concern here. On page 2 of the bill, in line 13, it provides that two of the sixteen members of the council shall be representatives of the United States Fish and Wildlife Service and the National Park Service. There's some question as to whether the courts and/or the agencies will allow those two members to be voting members of the council, so what I'm adding to that paragraph is language that simply says, "The appointments under this subdivision shall be nonvoting members unless and until the agencies represented by these appointees formally authorize such appointees to vote on all matters before the council." So that they will need to send a letter to the council indicating that these members are, in fact, now voting members and then, once that's done, it becomes clear what the quorum and the majority provisions mean. And in order to...well, I think it...I think...I hope that explains it and I would yield the rest of my time to Senator Jones.

PRESIDENT MAURSTAD: Senator Jones, you're recognized.

SENATOR JONES: Thank you, and thank you, Senator Beutler. It does clarify it a little better because he put it in the paragraph right under the ones dealing with the Fish and Wildlife Service and the representative from the National Park Service--the two people that's on the board that there's a question about their voting. And quick as it's settled in court, so the judge gives them permission, they'll be back voting members again. When that happens, well, it will go back to the normal. But the way it is right now, there's sixteen members there and if there's only fourteen of them that can vote, well, then in order to have a majority of that you got to have eight. And so even if one member is not being replaced on

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the board or waiting for a replacement, that would leave thirteen that could vote, and to get a majority there, that would be seven. So I think...I think people understand what we're trying to do here. We're just trying to make it so that they can get a quorum to be able to vote and do business until they get two more people that can vote from the...and authorization from the federal government. So I would accept this amendment to my bill. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Jones. Further discussion? Senator Beutler, you're recognized to close. Senator Beutler waives closing. The question is the adoption of the Beutler amendment to LB 182. Those in favor vote aye; those opposed vote nay. Please record.

CLERK: 27 ayes, 0 nays, Mr. President, on the adoption of Senator Beutler's amendment.

PRESIDENT MAURSTAD: The amendment is adopted. Senator Beutler, you're recognized on the advancement of LB 182.

SENATOR BEUTLER: Mr. President, members of the Legislature, Senator Jones and I had discussed making a very short record here on a couple of items and so, with your indulgence and with Senator Jones' cooperation, I'd like to have just a one-minute dialogue with Senator Jones on a couple of issues.

PRESIDENT MAURSTAD: Senator Jones.

SENATOR JONES: Yes.

SENATOR BEUTLER: Senator Jones, the language, as it reads now, indicates that a majority of the members will be those selected and serving and who vote on issues before the council. Now, let's say the two positions, the two federal positions, the Fish and Wildlife position and the Park Service position, we now know they're not authorized to vote unless the council gets a formal letter saying that they are.

SENATOR JONES: That's right.

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SENATOR BEUTLER: So, until that time comes, the majority will be based not on sixteen, the total number of members, but on fourteen, assuming everybody else has been selected and serving. Is that...

SENATOR JONES: That's...

SENATOR BEUTLER: ...is that correct?

SENATOR JONES: ...that's correct, yes.

SENATOR BEUTLER: Okay. Now let's say that those two members are not...still haven't been formally appointed but, in addition to that, you have one additional member who just happens...the Governor hasn't filled the vacancy yet and so your number of members who are actually serving is reduced from fourteen to thirteen. Now, it's my understanding in that situation you would expect the majority to be seven. Is that correct?

SENATOR JONES: Seven, right.

SENATOR BEUTLER: Okay. That's all I wanted to clarify. Senator Jones, thank you very much.

SENATOR JONES: Thank you.

SENATOR BEUTLER: I return the remainder of my time.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. Further debate? Senator Erdman.

SENATOR ERDMAN: I move the advancement of LB 182 to E & R for engrossing.

PRESIDENT MAURSTAD: The question is the advancement of LB 182 to E & R. Those in favor say aye. Those opposed say nay. The bill is advanced. Mr. Clerk.

CLERK: Mr. President, LB 329 on General File, a bill originally introduced by Senator Wickersham. (Read title.) Bill was introduced on January 8, referred to the Revenue

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Committee, was discussed yesterday, Mr. President. I do have amendments pending to the bill.

PRESIDENT MAURSTAD: Senator Wickersham, would you like to take a moment just to provide a brief recap of where we're at on the bill?

SENATOR WICKERSHAM: Thank you, Mr. President. Well, in terms of recap, the bill was introduced and it has survived a motion to indefinitely postpone, so we get to talk about it today. The bill presents a couple of different issues to the Legislature: whether or not occupation taxes levied or assessed or collected, however you want to characterize it, by municipalities should be included within their restricted funds budget; and, secondly, whether we should allow them to gross up their prior year's...their coming year's budget by the amount of the prior year's budget of funds from that source so that they would not be affected adversely by that change in policy; and then, thirdly, it has a provision allowing NRDs to gross up their budgets for monies that they previously receive from the Water Quality Enhancement Fund, allowing them to fund water quality activities from local property taxes or other local resources since the monies are no longer available in the Water Quality Enhancement Fund. I hope that was an adequate description of the bill.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. Thank you, Senator Wickersham. Mr. Clerk.

CLERK: Mr. President, the first amendment for consideration this morning is FA35 by Senator Beutler. (Legislative Journal page 673.)

PRESIDENT MAURSTAD: Senator Beutler, you're recognized to open on your amendment to LB 329.

SENATOR BEUTLER: Mr. Clerk, is this the amendment that says on lines 11 and 12, page 5, put a period after "year" and strike the remainder of the sentence?

CLERK: It is, yes, sir.

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SENATOR BEUTLER: Mr. President, members of the Legislature, this amendment essentially strikes out from what Senator Wickersham describes as the grossing up provision that portion of it which would allow NRDs to levy additional property taxes above and beyond the lid limitation. That's all that the amendment does. It doesn't affect anything on the city tax side. It simply addresses this one particular item. I don't know to what extent that we should get into or reiterate the arguments of yesterday. My main objection to this kind of provision is that it will not solve the water quality problems and it will have the effect, in my opinion, of putting off any real solution to water quality problems yet, again, another session. Because people will tend to say, people who don't have any idea of the amount of money it's going to take to solve the problem, they are going to say and put political pressure on that says, well, let's...we passed LB 329, let's see if that works, we don't need to do anything else. That's exactly what will happen out there, and certain lobbying groups will pick up that mantra. There's the possibility that later in this session maybe something can be worked out that's a real solution, and, for my part, I don't want anything to do with a solution that is a default solution, if that is the characterization that Senator Wickersham would give to it. It won't work for a number of reasons. First of all, not enough money can be raised by this method to come anywhere near close to solving the problem. Secondly, it doesn't raise the money in an even way throughout the NRD districts. Third, some of the districts couldn't do it because they have levy limits on them anyway and, for other districts, it would drive up the levy right to the 4.5 limitation. So there are a variety of reasons why this is not a solution and, even as a default proposition, is for political and practical reasons less than acceptable. So I would ask you to essentially, for all practical purposes, cut out that portion of the bill that has to do with the NRDs and forces them, essentially, to raise property taxes in an era and in a continuing era in this Legislature where we're trying to cut down on property taxes. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. Senator Wickersham, on the Beutler amendment.

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SENATOR WICKERSHAM: Thank you, Mr. President. I oppose Senator Beutler's amendment because I do think it is necessary that we give the NRDs authority to spend, from whatever sources they can obtain the money, and I will...I will...I would suggest to you that the primary source at the moment would be property taxes, but give them the authority to spend the money that they are currently spending on water quality initiatives. Now, I suppose that puzzles you a little bit when I suggest that we need to give them authority to spend money that they're already spending. What can...what can he be possibly talking about? Well, the fact of the matter is that the monies that the NRDs currently receive out of the Enhancement Fund are outside their restricted funds budget. The dollars that they might have to use to replace the Enhancement Funds are within the restricted funds budget, so you have to give them the ability within their restricted funds budget to spend the dollars that they will no longer receive from the Enhancement Fund unless we provide a different source of revenue for the Enhancement Fund. The old source of revenue for the Enhancement Fund was, of course, the fertilizer fee. We made the decision here last year that that would not be extended beyond its December 31, 2000, deadline, sun...sunset date. Senator Beutler objects to the potential for levying property taxes to pay for water quality initiatives. Now, maybe his objections are two-pronged. One, he maybe doesn't want to fund it out of property taxes. Maybe he believes that's a better...some other source of revenue is a better source, but that has not been developed. Secondly, perhaps he has objections because he believes that we should not be increasing local property taxes. On that count I would agree with him, but I think that water quality is an important issue; has to be funded; the programs have to be continued. It is something that is very, very important to the state of Nebraska. There is no other funding source available. I am willing to suggest to you that under those circumstances that we do, indeed, give the NRDs the authority to levy property taxes for that purpose. The third suggestion that Senator Beutler, I think, would make to you is that, even if they can, they won't, because NRDs and the folks who pay the taxes in NRDs aren't nearly as interested in water quality as he is or I am or maybe you are. He just says they won't do it. Well, I don't know

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whether they will do it or not, but I do know that if we don't give them authority to do it they can't. And it seems to me that there is a world of difference between making something possible and at least having the hope and the expectation, and if we need to have something more than hopes and expectations I'll be happy to consider that because I think it's an important issue. But why, why would you cut off, in a sense, why would you cut off your nose to spite your face? Why should you not allow something to be possible? Why should you just sit back and say, well, it won't happen even if I allow it, and I'm not contented? That's essentially the message that I think Senator Beutler brings to you--don't allow it; they aren't going to do it anyway. Well, what if they did? Would that hurt anything? I don't think it would hurt a thing and it might be an appropriate resolution, particularly when there isn't any other...

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: ...funding source springing up to meet this need. And I will...and I will again reiterate that I think it is a need, that the programs ought to be continued and, in fact, I think it's very, very important for the state that the programs be continued. But, at the moment, I don't think we have any other choices before us and I don't want to foreclose the opportunity to continue funding even if that funding source is property taxes.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. Further debate, Senator Vrtiska.

SENATOR VRTISKA: Thank you, Mr. Lieutenant Governor. Members of the body, I'd like to enter...have a little discussion with Senator Wickersham, if I could, please.

PRESIDENT MAURSTAD: Senator Wickersham.

SENATOR WICKERSHAM: Yes.

SENATOR VRTISKA: Senator Wickersham, the money you're talking about that you want to include in this, is this dedicated

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directly to water quality?

SENATOR WICKERSHAM: There is nothing in the bill that would require the NRDs to use any extra monies that this might make it possible for them to raise, nothing directs that to water quality, no.

SENATOR VRTISKA: Okay, let me...let me preface...preface what I have to say by telling you that I support NRDs totally and have for many, many, many years, but I do have a problem with expending more money and not directing...because it appears to me, and correct me if I'm wrong, but it appears to me we haven't done all that great a job with water quality in the state with the money we have. I guess my problem is, if we're going to put more money into the pot and they use it for other activities and water quality is not addressed, what have we really gained? And that's a question that really bothers me and I'd like to have your response.

SENATOR WICKERSHAM: Well, Senator, I would hope that if the NRDs took advantage of this extra spending authority that they would indeed use the money for water quality projects or initiatives, but that is not required in the bill. I...I don't know what else...

SENATOR VRTISKA: We know again...

SENATOR WICKERSHAM:I don't know what else to suggest to you.

SENATOR VRTISKA: Okay.

SENATOR WICKERSHAM: If you wanted to, if we're going to be on...we may be on this bill for awhile. If you wanted to prepare an amendment or if you want me to prepare an amendment that would cause that to happen, I don't think that would be inappropriate.

SENATOR VRTISKA: Well, I couldn't support this unless something like that is actually...comes into being, and I say that as, again, I support NRDs, but sometimes I get the impression that

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NRDs were originally established for the purpose of flood control and for soil conservation and it appears to me in many instances, and I'm not...I'm not specifying a specific district and I'm certainly not admonishing or trying to be negative towards NRDs, but sometimes I think that other activities have been engaged in outside of what I consider to be the purpose of NRDs, and I'm concerned that if we don't...if we don't exact that the money would be used for the purpose that you've indicated that you are trying to extract it from the taxpayers for and it goes into other programs, then we really haven't accomplished anything as far as water quality is concerned. And all of us on this floor, I'm sure across the state, know that water quality is the important issue. All you have to do is visit with the towns and see the reports from the towns that are having problems with their water and it's increasing yearly, probably even daily, and, yet, what you're talking about does not necessarily, as I understand it, say that they have to spend that money for that purpose. So I guess what I'm saying is it's kind of like putting the money out there and then hoping that it will be used for what purpose you have intended it, but there's no...nothing that says that they have to do that, and I have a problem with that and I have to be honest with you. Again, I support NRDs and I support a lot of good work they've done. Maybe there's some things I don't...they do I don't agree with, but that's not the point. I think the point we're at now is we're talking about taking more property tax money from the taxpayer for what you say is a specific purpose and, yet, that specific purpose isn't identified in the bill. And I'm not going to say that...that I'm going to make accusations against NRD that they'll waste the money or spend it for things that it shouldn't be spent for but, again, there's no guarantee when this money is appropriated that they won't use it for other purposes than water quality and I...I guess that's where I'm coming from, Senator Wickersham, and...

SENATOR WICKERSHAM: All right.

SENATOR VRTISKA: ...if you have a response that would...

PRESIDENT MAURSTAD: One minute.

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SENATOR VRTISKA: ...make me feel better I'd be glad to hear it.

SENATOR WICKERSHAM: Well, Senator Vrtiska, I don't object to what you're suggesting. It just wasn't something that was added to the bill. I'll ask if you would wish to work with Committee Counsel and we can have an amendment prepared along the lines that you're suggesting. I certainly don't object to that.

SENATOR VRTISKA: Okay. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Vrtiska. Further discussion on the Beutler amendment? Senator Beutler, you're recognized to close.

SENATOR BEUTLER: Senator Maurstad, members of the Legislature, I won't repeat again the arguments I made to you earlier, but let me just make a couple of comments in response to what I've heard this morning. Let me say this first of all. Senator Vrtiska doesn't stand up and speak all that often, but he has a knack every once in awhile of hitting things right on the head, and I think that his comment this morning about the fact that here we're raising property taxes and there's no requirement that it be spent on water quality, I think that has identified a major...one of the major problems with this particular provision. Secondly, in response to Senator Wickersham, he has said, well, why not give it a try; that this is kind of spiteful that we're not even willing to give this small alternative a try. But what I want to point out to you is that with respect to NRDs who have plenty of levy...levy authority, in the past they have not been using it to fix water quality problems as they should because they are adverse to levying property taxes. And let me go back again to just one example. There are many examples out there, but I go back again to the Twin Platte NRD. You may look back at that levy sheet that I gave you yesterday. The Twin Platte NRD was at 1.46 of a possible levy of 4.5. And you might say, well, they don't have any problems in the Twin Platte, but you might also remember yesterday that I described to you quite extensively the problems they have in that NRD right adjacent to the South Platte NRD and the fact that they've done nothing on their side of the boundary and the South Platte NRD has move...is moving to level three kinds of measures. In

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other words, they're asking their farmers to do a lot more to protect the quality of the water, whereas across the boundary in the next NRD, in the Twin Platte, same problem, same area, they haven't asked them to do anything. In fact, they just took enhancement money to put in some monitoring wells to discover that they had a problem, even though they knew they had a problem. That's the kind of thing we're dealing with. What if the Enhancement Funds had not been there? Would they even have done the monitoring, or would they still have put their heads in the sand and pretended that on their side of this political boundary somehow the land was different and the water underground didn't flow between them and they have a problem on their side but we don't have a problem on our side? Would they...would they still be saying that but for the Enhancement Funds providing the monitoring money? I think they might. So that's why I'm saying there is evidence today, long historic evidence, of their reluctance to press with property taxes. It's not a matter of, well, let's see what's going to happen. We know what's going to happen. And so, again, I would suggest to you that we take the NRD portion out of this bill and then we can deal straight up and down with whether we want municipalities to be able to have flexibility with their occupation taxes...

PRESIDENT MAURSTAD: One minute.

SENATOR BEUTLER: ...or not. Let's get this bill down to one subject that we can deal with. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. The question is the adoption of the Beutler amendment to LB 329. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: 10 ayes, 20 nays on the adoption of Senator Beutler's amendment, Mr. President.

PRESIDENT MAURSTAD: The amendment is not adopted. Mr. Clerk.

ASSISTANT CLERK: Mr. President, the next amendment I have is offered by Senator Beutler. Senator, this was FA36, but I have

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note you want to substitute AM0597. (Legislative Journal page 727.)

PRESIDENT MAURSTAD: Without objection, Senator Beutler, you're recognized to open on AM0597.

SENATOR BEUTLER: Mr. President, members of the Legislature, this amendment also deals with the NRD side of the bill and what it says is essentially this: if we're going to give the NRDs the power to raise property taxes again then, in that case, we ought to be sure, and what would be fair is that everybody in the district had equal power in terms of voting power in the district, because they all pay the property taxes, they all have an interest in the protection of water quality. The town people have an interest in protecting the wells of the town, and the country people have an interest in protecting their own wells. And so what the amendment would do would be to simply require that all NRDs conform their district election patterns so as to abide by a one person, one vote rule. This is not an urban-rural amendment. The cities of Omaha and Lincoln and their NRDs are in a one person, one vote relationship, so this amendment doesn't effectively affect either Omaha or Lincoln. But what it does do is to say to all those little communities out there, all those little towns out there, you're equally important in this question; you're equally affected by the problems that we seek to solve with the NRDs and you also pay the property taxes. Nowhere else do we distinguish in our elected officials, at this level or higher, do we distinguish between one person's paying of property taxes and another. We don't make that a means of distinguishing who gets a more powerful vote than another. That's something we used to do in colonial times and for a long time thereafter. I think that what is fair, if we're going to continue to increase property taxes for the NRDs, is that all of those districts out there that involve these hundreds of small towns ought to recognize that it's everybody's right to have an equal vote, one person, one vote, in the NRD, and I hope that that democratic principle is something that you can support. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. Senator Wickersham.

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SENATOR WICKERSHAM: Mr. President, I would ask the Chair to rule that Senator Beutler's amendment is not germane to the bill. The bill deals with issues that are germane to funding issues and budget issues. They primarily contain...pertain to municipalities. Senator Beutler is opening up a completely different chapter in our statutes and is addressing an issue that has to do with elections that is unassociated with funding or budgets.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. Senator Beutler, would you like to respond to the challenge?

SENATOR BEUTLER: Well, I would only say, Mr. President, that certainly one can take that narrow legalistic, unengaging point of view, but it seems to me that in practice and in reality and in real life there's certainly nothing more relevant to property taxes than your right to vote.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. Members, I'm going to rule that the amendment is not germane as it is not a natural and logical sequence to the subject matter of the original bill. Senator Beutler.

SENATOR BEUTLER: Ah, Mr. President, the lawyers have won again. I'd move to suspend the rules and consider the amendment notwithstanding the germaneness ruling.

PRESIDENT MAURSTAD: Is there debate on the...on the...Senator Beutler, as we proceed with the proceedings, could you file a motion, please? Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Beutler would move to suspend the germaneness rule to permit consideration of AM0597.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Beutler, you're recognized to open on your motion.

SENATOR BEUTLER: Mr. President, members of the Legislature, sometimes we tend to restrict ourselves so much that we can't get to broad solutions of problems, and then we come to a point

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late in the session where we want real solutions to the problems so all of us politely forget about the germaneness rule and put together these big deals and these broad solutions. All I'm asking for today is to suspend the rules and consider this matter notwithstanding the germaneness rule, as we often do late in the session, but I'm asking you to do it also in part to...to indicate to you how difficult it is to get something on to the floor that is a real solution to the problem. If the Revenue Committee and the Natural Resources Committee won't put anything out on the floor then the only way to have a solution to the problem is by some kind of amendment on the floor. But then, chances are, all of them will be nongermane. Everybody stands up and says water quality is the problem; widespread acknowledgement that water quality is the problem. Senator Wickersham acknowledges this is a default provision, not designed to solve the problem in any sense. Senator Wickersham admits that. So we have a problem. We have a nonsolution. We have a problem getting real solutions to the floor. How can we do it but by these kinds of means? I think if you're going to raise property taxes that it is really time to consider, once again, the relationship of the small town to the countryside. Surely there's not such a dichotomy there when you exclude Lincoln and Omaha and the first class cities. If you're looking just at the small towns in the countryside is that really a situation that we want to call "them" and "us"? Do we want to create those kinds of dichotomies in our law? Aren't we all in it together, at least in that context? That's what we're talking about here with this amendment--being in it all together; giving everybody an equal voice. If you live in a town, small village class town, and the farmers just outside the town are loading the fields with too much fertilizer...maybe they're not part of the 95 percent of farmers who are very conscientious and do things right; maybe they're part of the 5 percent that load on the fertilizer even though they know it could cause a problem, and they pollute the well of the village and create the need for bottled water or for expensive alternatives to the village water system. Don't you think that people in that situation, and there are thousands of them all over this great state, don't those people in all those little towns, shouldn't they have an equal voice in saying, yes, we will spend this property tax money for a little more water

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quality here; yes, we will take some measures that will help us restore our water system; yes, some NRD funds maybe should be spent directly for that water system if the problem is caused by nonpoint...nonpoint source pollution from neighboring farm fields? Don't they have a right? Don't they have an equal right to have a voice in those questions that's so closely, so powerfully affect them, affects the very water that they drink? So I would be interested in responses to that and to the rationale as to why they should not be treated equally. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. On the motion to suspend the rules, Senator Schrock.

SENATOR SCHROCK: Mr. Lieutenant Governor, members of the Legislature, I'm going to vote against the motion to suspend the rules and...and then I would vote against the amendment also. Senator Beutler, I'm not saying you don't have a point here, but in the past we've had quite a few hearings in Natural Resources, when you were there, too, on the one man, one vote issue, and I believe if we're going to do something like this it needs to come out of committee. This is not a bill we've had this year and it's a...we have not addressed this issue maybe adequately, but maybe we have. It all depends on the situation. I just want to make it quite clear that I'm not going to vote for suspension of the rules and I'm not going to vote for your amendment should you be successful on suspension of the rules. I don't consider LB 329 the answer to the clean water problem. That's not the answer. We've met. We've got to search for other ways. But it could be a tool that could be used by the NRDs, but it's not the solution and so you're right from that standpoint. But...but let's don't go to one man, one vote on...on the NRD board issue. Let's don't do that this morning on this issue. That completes my comments.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. Further debate, Senator Wickersham.

SENATOR WICKERSHAM: Mr. President, Senator Beutler is suggesting doing exactly the opposite of what he was suggesting a few moments ago, and we all have that privilege in here.

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It's, as I noted yesterday, you always have to listen carefully because things just can turn on a dime in here, and you're being asked to turn on a dime now. Just a few minutes ago Senator Beutler was suggesting, in support of an amendment that he offered, that we keep this bill down to one subject so that we could understand what we were doing and stay focused. Now he wants us to take off in a completely different tack and to bring in a very controversial and complicated subject to this bill. I don't think we, at this point, need to suspend the rules to do that. Now, I haven't...and I have one other concern with taking up the amendment at all, and that is the fact that, as far as I know, this...was this issue brought to a committee and did we have a public hearing on this issue this year and is the bill out of committee? I don't think it's even had that consideration. I'm...I'm...I don't see why we should take this subject up without that kind of consideration. I certainly don't think we ought to suspend the rules so that we can bring in a completely unrelated subject and make this bill more difficult to understand than most of you already think it is.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. Further debate, Senator Beutler.

SENATOR BEUTLER: Well, let me...let me indicate to you that I'm certainly not changing direction. I recommended that the whole issue be taken out of the bill, but the body...but the body chose to leave the issue in the bill. Once you leave the issue in the bill then, of course, I need to deal with it in the best way that I can, and there's certainly nothing contradictory in suggesting that if you're going to keep this in the bill, that's my whole point, if you're going to keep it in the bill at least...and increase property taxes, at least let everybody have an equal vote. That would make sense. It's interesting to me that the two persons who have responded to...who have responded to this amendments so far, nobody has the courage to address the basic issue. Did you hear one thing about why the people in the small towns should not have an equal vote with the people in the countryside? I...I would...I would hope, before this debate was over, that we would hear an articulate and staunch defense of why the small town people don't have an interest in water quality that's the same as everybody else's. Has the...has the

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issue been before the Natural Resources Committee? Yes, it has, five times in my memory, and it's been squished every time, trapped in the Natural Resources Committee and killed five times in a row, no compromise, no nothing. Senator Schrock, I guess I would be interested, simply because I'm interested in generating some discussion on the subject matter here rather than legalistic process things and avoidance of confrontation of the...directly with the issue, you indicated that there may be times when it was appropriate that the small town voters wouldn't have an equal right with the country voters and they shouldn't have. Could you describe for me what those circumstances would be?

PRESIDENT MAURSTAD: Senator Schrock, would you yield?

SENATOR SCHROCK: Senator Beutler, with a lot of things, the NRDs are funded primarily by property taxes, and you could use this argument on schools, too, but...and the...the issues that the NRDs deal with is mostly property issues, and so there are some NRDs that are one person, one vote, but the ones that aren't, the board has chosen to keep it that way, although there are some guidelines. They can't be too over...they can't be too far out of whack on this issue. But I think some of those local NRDs that are still not one person, one vote feel that the property owners should have a little more say in how the money is being raised and how it's being spent because it's a property owner situation. Now, does that justify one person, one vote or not one person, one vote? I'm not sure of that right now. And you are correct, this bill has been in front of the committee before; it's never been passed out of committee. But we have not had a hearing on it this year, so, from that standpoint, you know, you raise an issue. I'm not saying it's not a legitimate issue, but I don't think this is the time and place for it.

SENATOR BEUTLER: Senator Schrock, let me ask you this. Isn't it true that majority of NRD funds and a majority of their spending every year are state funds and federal funds as opposed to property taxes?

SENATOR SCHROCK: Senator Beutler, I don't know the breakdown on that, but I think a lot of it is property taxes.

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SENATOR BEUTLER: Oh, a lot of it is property taxes, but I'm...

SENATOR SCHROCK: But, yeah, there's state funds and federal funds involved.

SENATOR BEUTLER: ...but I'm just making a point that a very hefty...

SENATOR SCHROCK: Yeah.

SENATOR BEUTLER: ...percentage of it,...

SENATOR SCHROCK: The...

SENATOR BEUTLER: ...I'll get it a little later, but...

SENATOR SCHROCK: ...Water Quality Enhancement Fund is a state...is a state program.

SENATOR BEUTLER: Um-hum.

PRESIDENT MAURSTAD: One minute.

SENATOR BEUTLER: Thank you, Senator. Well, I mean the answer to the question seems to be we pay more property taxes so we get to say more about it, and I guess if you believe in that principle you shouldn't vote to suspend the rules, but then probably you should go back in and see if you can get around the constitution and change the way that we vote on all these different elected positions, because it's certainly true that the farmers, in the sense that Senator Schrock seems to be using the words, are paying more property taxes. They may be paying less income taxes, but they're paying more property taxes. So what about the citizens in the small town who may be paying more income taxes? Should...doesn't that count for anything? If that income tax money is going back into state funds that then are funneling back into the NRDs and water quality programs...

PRESIDENT MAURSTAD: Time. Further debate on the motion to suspend the rules? Senator Beutler, you're recognized to close.

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SENATOR BEUTLER: Mr. Speaker, members of the Legislature, this is not a bill that needs a hearing in committee. It's a matter of simple fairness. Can't get any simpler than this. So I'd simply put the motion to you and I'd ask for a call of the house and a roll call vote.

PRESIDENT MAURSTAD: The question is, shall the house go under call? Those in favor vote aye; all those opposed vote nay. Please record.

CLERK: 16 ayes, 0 nays, Mr. President, to place the house under call.

PRESIDENT MAURSTAD: The house is under call. Would unauthorized personnel please leave the floor. Would members please return to the Chamber and record your presence. The house is under call. The house is under call. Senator Bruning, could you please check in? Thank you, Senator. Senator Kremer. The house is under call. Senator Landis, the house is under call. The question is, shall the rules be suspended to take up AM0597? Requires 30 votes. A roll call vote has been requested. Mr. Clerk.

CLERK: (Roll call vote taken, Legislative Journal page 729.) 14 ayes, 23 nays on the motion to suspend the germaneness rule, Mr. President.

PRESIDENT MAURSTAD: The motion is not adopted. The call is raised. Mr. Clerk.

CLERK: Mr. President, the next motion I have to the bill is by Senator Beutler. Senator, your motion is to bracket LB 329 until April 1, 2001.

SENATOR BEUTLER: Withdraw that amendment...that motion.

PRESIDENT MAURSTAD: The motion is withdrawn. Mr. Clerk.

CLERK: Mr. President, the next motion I have is Senator Bourne, AM0574. (Legislative Journal page 730.)

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PRESIDENT MAURSTAD: Senator Bourne, you're recognized to open on your amendment to LB 329.

SENATOR BOURNE: Thank you, Mr. President, members. As I've been listening to this debate over the last couple days it seems to me the bill is trying to be all things to all people. We have two things in there. We have one, it places the occupation tax under the restricted funds; and the second part seems to deal with the...or not seems to, it does deal with the natural resources districts. What my amendment does is it separates them, basically, and my amendment would take out any reference to placing the occupation and license tax under the restricted funds. And so, if my amendment is adopted, any reference to the occupation tax being placed underneath the restricted funds would be eliminated and the only thing left in the bill would be the natural resources district issue, which sounds like needs some development and we'll go from there. My reason for doing this is...is that we really haven't demonstrated...and, again, I'm going to confine my comments solely to the occupation tax and the restricted funds. We've had debate over this...on this for the past two mornings and, in my mind, we've really not demonstrated the need to place the occupation taxes under the restricted funds. We've had testimony it's going to provide property tax relief and, as best as I'm able to figure out, I think it's going to do exactly the opposite. Senator Wickersham yesterday had indicated that this is one of the few taxes that is totally unrestricted, totally...I don't want to say out of control, but one of the taxes that is unrestricted and...and I disagree with that because these taxes are levied or assessed by city councils and I think if a city council raised these occupation taxes an inordinate amount there would be a huge public outcry and people, you know, the remedy then would be at the ballot box. So I don't really see the harm. We're trying to put everything under the restricted funds and I think that it...it's taking away local control and I think it's also eliminating a lot of flexibility. I want to make it very clear that if this amendment is...or, excuse me, if the amendment is struck down and LB 329 goes on without my amendment, this impacts everybody. This impacts every city, state...or, excuse me, every city of any class, village, township. It applies to

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everybody, so this is not just an eastern Nebraska issue, a central Nebraska. This applies to all cities, villages, municipalities. So, again, I haven't heard where the harm is as it relates to the occupation tax. I've never had a constituent letter or a constituent call me and say, you know, occupation taxes are rising an inordinate amount; do something about this. I've never heard that this is a problem. And so that's the purpose of my amendment. So, to reiterate, if my amendment is adopted, it simply removes any reference to the occupation tax being placed under the restricted funds and the bill would go on and deal with the natural resources districts. If you have any questions I'd be happy to answer them, but that, in a nutshell, is what my amendment does. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Bourne. Senator Wickersham, you're recognized.

SENATOR WICKERSHAM: Thank you, Mr. President. I rise in opposition to Senator Bourne's amendment. I think the issue is important as a matter of tax policy and conformity. I want to give you an example, and I don't wish to pick on the city of Omaha. That's not the reason I'm going to use them as an example. If you're interested, we have examples from two other communities, but we, over the summer, we weren't able to research the budgets of all the municipalities in the state of Nebraska to determine what the facts for everybody might be. For the year 1999, the city of Omaha raised \$84 million, roughly, out of property taxes and motor vehicle taxes. They raised about \$96 million...well, if you wanted to round up it'd be \$97 million out of sales tax, and then they had \$33 million from the state from a variety of pools or pots of money, and they had roughly \$23 million from occupation taxes. Now, everything else in that list is in the restricted funds budget except for occupation taxes and, out of...it's a significant amount of money and it is a tax that, at the moment, is completely unrestricted. It is unrestricted both in rate and in the amount that can be raised within the restricted funds budget, and it isn't accountable in any respect other than, as Senator Bourne suggests, if the tax somehow got too high that you would hear from the voters. He suggests that the voters would go to the city council. Well, I think past practice has

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been for the city councils to stay the course and then the voters come to us, at least that's what always happened with property taxes in the past. Property taxes, you remember, were always a result of local decisions. People would go to their local elected officials and complain about their property taxes, local elected officials would say they couldn't do anything about it, so then they came to us. I don't think the process would turn out to be much different with regard to occupation taxes. Now, ask yourself if you really want to have as a part of our tax policy structure a tax that is unregulated as to amount or the rate, either one, and ask yourself what kind of incentives do we have then to use that tax and whether or not ultimately we won't be called to task when people...other people do what comes naturally and that is go follow the money. They will follow the money and we will hear about it, and we will have had the opportunity to rationalize a little bit of our tax structure today and to place this category of taxes, occupation taxes, within restricted funds. Now that doesn't mean that a city can't balance out their revenue structure however they want. They can rely more heavily on occupation taxes if they want, but if they rely more heavily on occupation taxes they're going to have to rely less heavily on others...

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: ...and, primarily, that would mean that they would have to rely less heavily on property taxes. I don't agree with Senator Bourne that this causes the potential for increasing property taxes. All of the issue is, quite frankly, the other way, as I think you can see from the example that we handed out about the potential impacts of LB 329 if you have, for example, an 8 percent growth in this particular source of revenue, from occupation taxes, and lower rates of growth from sales tax and from property taxes. Now I...I do not think that this unduly restricts municipalities. Again, they can raise as much as they want from this source, but because it would be within restricted funds it might mean that they would have to reduce revenues from other sources at the same time they were increasing revenue from this source in order to stay within their restricted funds budget. I don't think that's unreasonable. In fact,...

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PRESIDENT MAURSTAD: Time.

SENATOR WICKERSHAM: ...given...

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. Senator Baker, on the Bourne amendment.

SENATOR BAKER: Thank you, Mr. Lieutenant Governor and members. I rise in support of the Bourne amendment and I understand Senator Wickersham wishing to place the occupation tax under the budget restrictions, but I really think we have two separate and distinct issues here--the occupation tax and NRDs--and I simply am echoing some of what Senator Schrock said yesterday. I think this is not anywhere near a final solution to the NRD problem but I, for one, am willing to trust those board members out there. They're my neighbors and we talk a lot. I trust them fully to use their tax authority wisely on this thing. And as I said, it's not the final solution. My Upper Republican NRD, if you look at the chart that was handed out yesterday, is not going to be able to benefit from this much at all, just a few dollars. The other NRDs in District 44 are going to benefit from it. So I think it's a bit of a trade-off, a compromise and I'd like to see both of these issues addressed, but I don't think they belong tied together and I certainly want to go on record stating this is not a final solution to the NRD water quality problem, but I will support the Bourne amendment. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Baker. Senator Bromm, on the Bourne amendment.

SENATOR BROMM: Thank you, Mr. Lieutenant Governor. I have heard most of the debate but haven't participated in it yet, and I...I've been a little bit torn with this bill. I understand Senator Wickersham's arguments and points, and he has some good principles that he's trying to support in his...by advancing LB 329. I don't agree that the decision on restricted funds for municipalities and the concept of the NRD tax should be tied together, and I...it's unfortunate that they are. But let me tell you that on Senator Bourne's issue on the municipality

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issue on restricted funds, after some reflection and listening to the arguments, I have decided that, at least for my part, I'm not going to support advancing the restricted fund tag on this source of revenue for the cities. And my rationale is this, I think in the last two or three years, we have...as a Legislature, we have done an awfully lot to impact our local subdivisions, and in particular our municipalities, in their ability to provide basic services for citizens. I represent a lot of small towns and a lot of these small towns are having a difficult time providing the essential services. And they look at this as another effort by...they view us as Big Brother in this instance. We view the federal government as Big Brother. They view us as Big Brother, as another effort to restrict their decision making. They're responsible to their constituents, they're responsible to their voters if they approve an occupation tax, and if people don't like it, they can take action to remove that or to remove their elected officials. Our effort has been on property tax, and I'm going to continue trying to hold the lid on property tax, and we've done that, I think, with a fairly bold step in imposing all of the lids and so forth that we have, on their ability to raise property tax without a vote of the people. Secondly, occupation tax is kind of a unique thing. I was trying to find a definition for what it really is. I mean, we know what it is but it is...it is intended, I think in history, to be a tax on conducting a type of occupation or a business within the confines of the political subdivision that is imposing the tax. And some subdivisions look at that as a way to raise a little money to help regulate that activity, whether it be operating a bar or whether it be having a telephone system or whatever other example of occupation tax you want to use. That was kind of the history, I think, of it. Now in the town that I live in, we were fortunate enough to get a new hotel into town a few...in the recent past, and one of the attractive features of that was that they impose a hotel/motel occupation tax, which was dedicated to tourism, which would help the motel and hotel generate business...

PRESIDENT MAURSTAD: One minute.

SENATOR BROMM: ...and everybody felt like it was kind of win-win situation. The hotel/motel isn't complaining about it.

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The people aren't complaining about it. And we haven't had a telephone occupation tax for very many years, but they saw fit to impose one of those in the recent past, and that money has been used some for trying to explore economic development opportunities and telecommunication opportunities and it's been a big help to us. So I don't really see the compelling need. I see...I see Senator Wickerham's argument, and on paper I think it makes sense, but I don't see the compelling need to do it and I think on the heels of what we've done to local political subdivisions, in terms of lids and restrictions, I don't think we need to do this right now. I don't think they would like it, I don't think...

PRESIDENT MAURSTAD: Time.

SENATOR BROMM: ...that there's a compelling need to do it. Thank you, Mr. Lieutenant Governor.

PRESIDENT MAURSTAD: Thank you, Senator Bromm. Senator Beutler, on the Bourne amendment.

SENATOR BEUTLER: Mr. President and members of the Legislature, I just wanted to take one second to support the amendment. It's interesting that some in here are arguing that the occupation tax has the effect of lowering property taxes, and then would turn around on the NRD side and be in favor of something that would increase property taxes. The rationale for increasing property taxes is that this is a special, special case, water quality, and it is. But you know, those little towns out there in Nebraska, they have a thousand and one special cases. Maybe somebody needs a basic utility system, maybe somebody needs a sewer system, some other piece of infrastructure that's key to the survival of the town. You can think of a large number of things which are as important at the moment as water quality is to those little towns, and so maybe we ought to make an exception with this occupation tax and recognize that there may be, we don't know, there may be, there probably are, a lot of really special situations out there where we would want those small towns to be able to levy an occupation tax to make financial ends meet. Thank you.

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PRESIDENT MAURSTAD: Thank you, Senator Beutler. Senator Wickersham, on the Bourne amendment.

SENATOR WICKERSHAM: Mr. President, a little bit of the irony in what Senator Beutler suggested in his argument, and I'm getting a little bit concerned. It seems like Senator Beutler and I are doing this kind of tit-for-tat routine today and I don't intend that, Senator Beutler. But part of what Senator Beutler suggested is that LB 329 would affect property taxes because it might cause them to be reduced if it was passed. That's true. If you don't pass LB 329, it will have no effect on property taxes in municipalities except for the extent maybe they'd be taxed by an NRD. I don't know what else I can say about that subject. But the fact of the matter is that right now municipalities can levy occupation taxes at a rate on the subjects that are permissible for occupation taxes, and it has no effect on anything except that they raise more money. It's completely outside any limitations. That is very, very unusual in our tax structure. Now I can think of one other one other, I think, that fits that same category but I think it's regulated as to amount of rate, and that is the wheel tax, for example, that municipalities can impose. It is hard, I suppose for you to vote for principle, but here you have a major source of revenue that is unrestricted as to rate or unrestricted as to the amount that can be raised without affecting other taxes. That is simply a matter of principle. How can you reasonably say that that should...that that particular source of revenue should not be subject to some constraint? I will reiterate, if you leave it unrestricted as to rate and unrestricted as to the amount that can be raised, people will go where they can and we will hear about it eventually. I'd just as soon get ahead of the score a little bit and I think do so in a fairly principled and reasonable way, and that's to place this particular source of revenue within restricted funds. I'm not asking that we restrict it in terms of rate, and I will again say that as a matter of principle you can compare this particular source of tax very closely with sales tax. And how do we treat sales taxes? They're limited as to rate and they're within restricted funds. I'm only asking you as a matter of principle to take on half of that model, just half of the model, and that seems to be unacceptable to some. But to imagine...now the other discussion

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that I heard a little bit was that somehow occupation taxes would become the salvation for small communities. That is not possible, that is not possible without the imposition of occupation taxes at rather high rates. And believe me, if that occurred, you would hear about it. Think about it. Occupation tax is like a sales tax. What is a small community going to tax that would raise very much revenue? What kind of economic activity occurs in one of those small towns that would raise that kind of revenue? They have to impose it on the gross receipts of a public service corporation. What are those?

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: Telephones, gas companies. What if you're in a community that uses propane, doesn't even have natural gas? What are you going to do when a community says, okay, we're going to raise the occupation tax on natural gas? The price of natural gas goes up. We've got a bill like this in the Revenue Committee, by the way...and there's a windfall, what's being characterized as a windfall because people had to pay more for natural gas, so somebody gets a bunch more money and it goes into a pot and other people are now saying, well, it just disappears, and you shouldn't be entitled to that windfall. Well, somebody is going to get a windfall out of an occupation tax on gas rates in a local community. If you adopt LB 329, that windfall will come back in next year and we'll lower other taxes. I don't know how we're going to resolve that issue, but I think LB 329 is a reasonable proposition, takes us toward the principle...

PRESIDENT MAURSTAD: Time. Thank you, Senator Wickersham. Senator Bourne, on AM0574.

SENATOR BOURNE: Thank you, Mr. President, members. I want to just kind of read to you a definition of what an occupation tax is, and Senator Bromm kind of mentioned this when he was talking in support of the amendment. This is from Black's Dictionary. "An occupation tax is a tax imposed upon an occupation or the prosecution of a business, trade or profession. It is not a tax on property or even the capital employed in the business, but an excise tax on the business itself. An occupation tax is a form

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of excise tax imposed upon persons for the privilege of carrying on a business, trade or occupation." So it seems to me that if a part of a city, village, municipality, whatever, if part of their mix or their tax base is an occupation tax, and we take away the flexibility from that, it just seems...stands to reason that other taxes perhaps would go up, particularly property tax, which is the tax that I hear about more frequently from my constituents that's too high. I've only been here a few years but I have never once heard from anybody, even a business who is subject to an occupation tax, that this is too high. So I think what we have here is we have a solution in search of a problem. I don't see the harm. Senator Wickersham has not mentioned the harm, he's not said, here's a particular instance where this is too high. I just don't see what...what the harm is. I think, again, this is a bill that's searching for...a solution searching for a problem. Senator Wickersham keeps mentioning that there's no accountability, but there is, the city council. The city council sets this rate, and again if they set the rate too high, people will oppose it when they go to set the rate. They have public hearings. People can come and oppose this at the public hearing, this tax is too high or not. So again, I don't see the problem. We're trying to put in law, we're putting an occupation tax under the restricted funds, and we haven't really offered any good reason to change the way the policy of this state has been for years and years. So, I urge the support of the amendment to LB 329 which would remove any reference towards placing the occupation tax under the restricted funds. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Bourne. Senator Raikes, on the Bourne amendment.

SENATOR RAIKES: Thank you, Mr. Lieutenant Governor and members. I oppose this amendment; in fact, I'm going to be a stick in the mud on this one like I usually am, and I would just mention that if you follow Senator Wickersham, why, quite often that's a fair characterization of what you are. But let me...let me speak a little bit about both aspects of the bill. First, the NRD, the gross-up portion. I don't understand why this is a problem. I can understand that you are concerned that NRDs are not required to spend this money for water quality, but this is giving them

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the opportunity. Without this, they don't even really have the opportunity, so I can't see why interest in water quality doesn't suggest that you support this NRD provision. So that's really all I've got to say I guess on that. I'm supportive of it. It is an opportunity. The second part concerns occupation taxes and this, I think, gets to our general tax policy and indicates the power of the status quo. Occupation tax is consistent only because it, like property and sales tax in our provisions, is now a part of the status quo. It doesn't make a lot of sense otherwise. We've heard comments to the effect that, well, I'm interested in lowering property taxes, I don't want to do anything with occupation taxes. Including occupation taxes in the budget lid is, in fact, a reduction in property taxes. There's no other way. That's simply the way it works. On property taxes, and on sales taxes for that matter, we have focused on both a rate limit and a total dollar limit. We regarded both of them as being important. Now in the case of sales tax, you have a rate limit and the dollar limit ends up being used to reduce property taxes, but still there is a dollar limit. This proposal in Senator Bourne's amendment would allow hands-off totally on occupation taxes, which is the status quo. Why is that a good idea? Why do you take one small segment of the tax base and turn everything loose? If you want to turn everything loose, why don't you do it with sales taxes? Why would you pick one small segment? This proposal on occupation taxes is simply making occupation tax policy consistent with the other parts of our state tax policy. And for that reason, I think it's a good idea. I support LB 329. I don't support this amendment. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Raikes. Further debate on the Bourne amendment? Senator Bourne, you're recognized to close.

SENATOR BOURNE: Thank you, Mr. President, members. Again I want to make very clear what this does. This amendment takes out any reference from LB 329 to placing the occupation tax under the restricted funds limit. And what would be...if this amendment is adopted, what would be left in LB 329 is the natural resources districts issue, which again that would remain. We...constantly we've heard that this occupation tax is

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totally unrestricted, totally hands-off, and I would argue that that's absolutely not the case. We have local city councils that regulate this tax, that set the rate through a public hearing process. Citizens or businesses, whoever can come and oppose or support the increase of this tax, so I would argue against Senator Wickersham and Senator Raikes that it absolutely is regulated in that the local cities, villages, municipalities control this. Senator Bromm, when he stood up and supported the amendment, he mentioned that the city of Wahoo just opened a new hotel, and these hotel rooms are subject to an occupation tax that's provided some revenue for the city. As I mentioned before, if you have in your mix of tax revenue, occupation tax, sales tax, property tax, and you limit the flexibility of the occupation tax, some other tax...either services have to be cut or some other tax has to be raised. I have never had a constituent complain that his occupation tax is too high, but I've had numerous of them...numerous constituents complain about their property tax. And I believe that this bill without my amendment would shift it more towards a property tax increase. So I would urge your adoption of this amendment, and again what that would leave in the bill is simply the natural resources district issue. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Bourne. The question is the adoption of the Bourne amendment to LB 329. Those in favor vote aye; those opposed vote nay. Voting on the Bourne amendment. Senator Bourne. The question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 26 ayes, 0 nays, Mr. President, to place the house under call.

PRESIDENT MAURSTAD: The house is under call. Would all unauthorized personnel please leave the floor. Would members please return to the Chamber and record your presence. The house is under call. Senator Bourne.

SENATOR BOURNE: I would accept call-in votes.

PRESIDENT MAURSTAD: Call-in votes will be accepted. The house

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is under call. The house is under call. Call-in votes have been authorized. Senator Jensen, Senator Chambers, could you please check in? Senator Thompson. The house is under call. Call-in votes are being accepted. Senator Jones, the house is under call. Senator Wickersham, for what purpose do you rise? Roll call vote? A roll call vote has been requested on the Bourne amendment to LB 329, in regular order. Mr. Clerk.

CLERK: (Roll call vote taken. Legislative Journal page 730.) 24 ayes, 14 nays, Mr. President, on the amendment.

PRESIDENT MAURSTAD: The amendment is not agreed to. The call is raised. (Guests announced.) Debate on the advancement of the bill, Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, this bill says two things. It says that if we have to, if we can't find any other way to do it, we can pay for quality water programs with property taxes through our NRDs. That's not a mistake. It also says that one of the revenue sources of a city ought to be in the same kind of budget restrictions on spending lids as all other revenue sources that the city controls. And that's not a bad thing. Those are standard, appropriate policy extensions of where we've been in the past. We've wanted quality water programs. We've wanted to have limitations on spending growth in which budgets are and spending is accountable at the local level, and this bill does nothing more than tell us what the latest chapter in a long history that we have fought every step of the way to get to, and I would ask for its advancement because it simply restates what we've said to the public in the past. It will back quality water programs and will try to get a control on local spending, and that's what this bill does. It deserves to be advanced. I ask you to do so.

PRESIDENT MAURSTAD: Thank you, Senator Landis. Senator Coordsen, on the motion to advance LB 329.

SENATOR COORDSEN: Thank you, Mr. President and members of the body. Senator Landis I think said about everything I was going to say. We did make provisions in this bill to continue quality

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water programs, funded a little bit differently, but since I'm a person who would be funding on either side of the equation, I think this is a fair system provided in here. The one thing that's been a puzzle to me throughout the debate on this bill is how it is that a dollar is a tax dollar in one situation and not a tax dollar in another situation. It makes no difference to the consumer's pocketbook whether we elevate occupation taxes to take the place of other spend...paper spending measures we do not want to ask for. I think the fairer way is to make all taxes part of the rest of our provisions, no matter what we call them. And an occupation tax is not a tax on the franchise, it's a pass-through that goes to the customer. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Coordsen. Mr. Clerk, you have an item on the desk.

ASSISTANT CLERK: Mr. President, I do have a priority motion. Senator Schimek would move to reconsider the vote on AMO574.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Schimek, you're recognized to open on your motion to reconsider the previous motion.

SENATOR SCHIMEK: Yes, thank you, Mr. President and members of the body. I apologize to the body because I really didn't know how I wanted to vote on that particular amendment, and I'm still not sure that I know how I wanted to vote on that particular amendment, but I think it was a close enough vote that we ought to hear the discussion and if I...if I'm the only one that feels that way, I apologize, but I do want to hear the discussion a little bit more, and that is the reason for my motion to reconsider, and I would appreciate your support of that motion.

PRESIDENT MAURSTAD: Thank you, Senator Schimek. Debate on the motion to reconsider? Senator Vrtiska, would you like to...Senator Vrtiska waives off. Senator Wickersham, on the motion to reconsider.

SENATOR WICKERSHAM: Mr. President, at some risk, I'm going to try again to explain what I think is the principle at issue here in hopes that Senator Schimek will withdraw her motion to

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reconsider if she wishes to hear more about this issue. It is, in my notion, really quite' simple, and in my notion it is a matter of principle. Now for others, it's a matter of money. And I don't want to be unkind with that characterization but that's what it is. It's a matter of money, a source of money that is unrestricted by any policy we have except the persons to whom it can be imposed on and by whom it can be imposed on. And those aren't very substantial restrictions because occupation taxes can be imposed by any municipality. And if you want to go around to all of the different kinds of municipalities, you'll see that each one of them has their own particular section that deals with occupation taxes. But if you want to see an example of one, turn to page 7 in the bill and you'll see what occupation taxes can be imposed on and how they can be imposed. It is extremely broad and there are no restrictions. Please, please again think about the principles that we have in our tax structure. Which taxes do we have that are unrestricted as to rate and which taxes do we have that are unrestricted in terms of falling within a budget of expenditures so that even if you have the opportunity to raise monies from a particular source, and you raise more than you do from other sources, it'll depress the revenues from other taxes. This tax was overlooked, in my estimation, when we imposed the budget limitations on municipalities and other political subdivisions. I think we made a mistake. I don't recall any discussion at all of this particular tax when the Revenue Committee and when this Legislature was debating those proposals. I just think we overlooked it. But it's significant enough now to bring to you as a matter of principle and to suggest that it deserves the same treatment in terms of being inside the restricted funds budget, as we do for sales taxes and as we do for property taxes. It's really quite simple. It is simply a matter of conformity, it is a matter of principle, and if you do not believe that you will not hear from your constituents as municipalities take the opportunity to raise monies from a source that is unrestricted, then I've got a bridge that I want to sell to you, because you will hear from them because they will hear from their local elected official, we had to do it. And they may even cite at that point some unfunded state mandate or some unfunded federal mandate, and they will say, well, we had to raise it and we're sorry your heating bill went up and

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I'm sorry you can't pay your phone bill and I'm sorry that our occupation taxes had to be increased but we had to do it. Why don't you go talk to the Legislature? And they will, and I don't think you or I will enjoy the conversation. Why can we not now as a matter of principle suggest to the municipalities...

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: ...that, yes, if you want to access that source of revenue, you can do so in a way that is unrestricted as to rate, largely unrestricted as to the kinds of businesses or things that you can tax, but if you raise revenues from that source, you've got to lower other taxes so the aggregate tax burden in your community doesn't fall outside of the limitations that are imposed on all the other political subdivisions. You're subject to the same rules the counties are, you're subject to the same rules, in general, that schools are, and there's conformity as a matter of principle in the tax structure, and conformity as a matter of general principle amongst the political subdivisions of the state of Nebraska. That's all, just principle.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. For debate on the motion to reconsider, Senator Bromm, followed by Senators Landis, Bourne, Beutler, Redfield and Hilgert. Senator Bromm.

SENATOR BROMM: Thank you, Mr. Lieutenant Governor. And I apologize, Senator Bourne and the body, I had committed to a meeting with someone a little while ago and I excused myself in respect to not disrupting that commitment, so I missed the vote. I would have been the twenty-fifth vote, so I apologize for that and...but more debate is probably always a good thing in a decision like this, in any respect. I do support the motion to reconsider, and I respectfully disagree with my seat mate in some respects here, Senator Wickersham. And conformity can be a good thing, no question about that. Having everything fit into the principles that we're operating under can be a good thing, but there also is a very strong argument that we make to the federal government that we, as a state, deserve to have some flexibility in some of our decision making here. I don't think

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we'd want the federal government to tell us everything that we want to know about our own budget and about how that should be structured and what the level of our state budget should be because we want some flexibility to make those decisions. And we're accountable to our people if we exceed their expectations and their tolerance in taxing them. They have every right to be upset if we go above what's reasonable and necessary. And so do the people and the constituents of the village of Malmo or the village...town of Chadron or the city of Norfolk. The people have every right to complain to their city council and to remove them or to take action if they feel something has been done that's inappropriate, and I think we should let that system work when at all possible. And we've done some extraordinary things to try to lower property tax because it was an extraordinary problem that we couldn't seem to get a handle on. And we went, in some respects, beyond our normal control of local political subdivisions to try to bring that about, and I'm willing to stand behind that and I have stood behind that and I voted for that every step of the way. But I don't think that lends itself necessarily to the next step, that we have to be all-controlling in every other aspect of local business including occupation tax which has traditionally been left to their discretion and they're accountable to that, both to the people they impose the tax on that pay it and the industry or the occupation that's affected. So I again feel that I would like to support the Bourne amendment and I'd encourage the body to support Senator Schimek's motion to reconsider and I thank Senator Schimek for filing the motion. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Bromm. Members, I'd like just a reminder that at 11:45 we'll be moving to a motion to introduce the claims bills. The bills that are listed on the agenda are incorrect. The correct bills would be LB 849 and LB 850. Those are the claims bills for this year. Further debate on the motion to reconsider AM0574 to LB 329? Senator Landis.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature. Today is one of those days where I'm delighted that I've never run for the Legislature as a conservative, claiming that I am a conservative, claiming that I am more

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frugal and tighter-fisted and more skeptical of state government and more the enemy of government. I've never done that, and I don't have to be a conservative today, so I've got some flexibility here. The conservatives, though if I understand correctly from a lot of those votes, what they were saying, no, we got a lid but let's not really have a lid, let's have a lid with a hole in it. I'm going to hold on to my conservative status, but I want a lid that I assure have a little piece here on the side that I can get what I need to done through that back door, while at the same time claiming that I have a record of fiscal responsibility and tight-fistedness. Now see, I don't have to do that because I'm not a conservative. On the other hand, that's what happens. What we're doing here is acknowledging an escape hatch that cities have for their budget, and that budget lid says, look, occupation taxes will be here but the rest of these are restricted funds. And now that we're saying, you know, when we think about that, if we really wanted that lid to work, we'd have no funds into the restricted pot and now we're saying, oh, no, no, no, there's a back door. As a matter of fact, Senator Bromm called it flexibility. The problem is if you want flexibility, take off the lid. That's flexibility. If you want a lid, then be true to the concept of a lid which is that it works to control spending in this way. You can raise money from any way that you want to, but you can only spend a certain amount of it and if you raise money through occupation taxes...if you raise money through occupation taxes, you will stop raising as much money on property taxes. That was the whole idea. If you get money in one side, then you can put it against the costs that you do otherwise. But what you're doing what this vote says, look, we're going to get a source of revenue that won't serve to lower property taxes. We'll be able to spend it without lowering property taxes because it's not a restricted fund. If you both go tell your constituents that you're a conservative and, number two, you're fighting property taxes, then I don't see how you get to say, ah, ah, ah, ah, we'll take an escape hatch for occupation money, we'll let the city spend it without regard to what its growth is, and we won't put it into the pot by which we will lower property taxes, because that's what you're doing. I would suggest that you vote for LB 329 because it's consistent with the principle of making a lid that's real rather than a lid that's phoney-baloney. And

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by the way, we've tried poney-baloney lids in the past. We had them in the school areas and people laughed at them while as we built bigger and bigger holes at the water line of that ship and after a while we realized it was a lid in name only. And the public got tired of that and, as a matter of fact, they went to the ballot to try to get us to be more serious when the last time we created a lid that wasn't genuine or effective. We need to have an effective lid if it's going to be a lid. So one thing that we're doing is we're consistent with the fact that we wanted to have a lid and, number two, we're consistent with saying if we're getting money from sources other than property taxes, use that money, if possible, to offset the growth of property taxes, and this puts the occupation tax money into the same pot, and the net effect of that will be to drive property taxes down. Senator Bromm may want flexibility but I'll tell you, I don't think you get flexibility piece by piece. If you embrace flexibility, like I might since I'm not a conservative, I might undo the lid. That's not something that I...that's beyond the pale of me to consider. I might do that. I will tell you this. If you have a lid, you ought to be true to it, you ought not to build in little escape hatches from it. You ought to own up to the fact that it's a lid and you ought to own up to the agenda of trying to lower property taxes. And if you don't want to do that, then you ought to name it and say it...

SENATOR CUDABACK PRESIDING

SENATOR CUDABACK: One minute.

SENATOR LANDIS: ...and do it. But I would suggest not saying one thing and doing another, and that's what this amendment does.

SENATOR CUDABACK: Thank you, Senator Landis. For discussion to reconsider a motion, those wishing to speak are Senators Bourne, Beutler, Redfield, Hilgert, Coordsen and Senator Wickersham. Senator Bourne.

SENATOR BOURNE: Thank you, Mr. President, members. I rise in support of Senator Schimek's reconsideration motion and I appreciate her bringing that. I don't agree with Senator

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Landis, respectfully, that you can...can't be a conservative and vote for this. This isn't about money, this is about local control. I'll say more about the bill when it comes...when we need to debate it further, but for right now, what you'll be voting on next is to reconsider, and I urge your support of that. Again, this is about local control, this isn't about money. Thank you.

SENATOR CUDABACK: Thank you, Senator Bourne. Senator Beutler, on the reconsideration motion.

SENATOR BEUTLER: Question.

SENATOR CUDABACK: Question has been called. Do I see five hands? I do see five hands. All in favor of ceasing debate on the reconsider motion vote aye, opposed nay. The question before us is ceasing debate. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 27 ayes, 0 nays, to cease debate, Mr. President.

SENATOR CUDABACK: Debate does cease. Senator Schimek, to close on your reconsideration motion.

SENATOR SCHIMEK: Yes, thank you, Mr. President and members of the body. I appreciate the discussion that we had here. What I want to make sure that everybody understands and what we're doing next is voting simply on the motion to reconsider, which takes 25 votes if I am accurate on that, Mr. Clerk. Twenty-five votes for reconsideration. And then if that passes, then you vote again on the amendment. So I just wanted to make sure that everybody understood that. I think that there will be more discussion. If the reconsideration motion passes, there will be more discussion on the amendment itself. So with that, I would encourage you to vote the reconsideration motion. I'm not sure yet if I'm going to vote on the amendment, but I am going to support the reconsideration motion.

SENATOR CUDABACK: Thank you, Senator Schimek. The question is, the reconsideration motion for AM0574 to LB 329. All in favor of the motion to reconsider that vote, vote aye, opposed nay.

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We are voting on the motion to reconsider. We are voting on the motion to reconsider. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 26 ayes, 12 nays, Mr. President, on the motion to reconsider.

SENATOR CUDABACK: It is reconsidered. Mr. Clerk.

CLERK: Senator Bourne, is it your intent now to reoffer AM0574, Senator?

SENATOR BOURNE: It is. Thank you.

SENATOR CUDABACK: Senator Bourne, to open.

SENATOR BOURNE: Okay, just to kind of recap where we are. This amendment, AM0574, would simply eliminate any reference to the occupation tax being placed under the restricted funds in LB 329. What would be left, if this amendment is adopted, is the references to the natural resources district and how to best fund those districts. So that is what this amendment does. I'd be happy to answer any questions. Senator Schimek wanted some discussion. I guess I could do that now. An occupation tax is a tax that's levied on a business, just to reiterate, and what this bill is trying to do is place that under restricted funds. And my sense is that if...again if a city, village, municipality has a mix of taxes, that their tax revenue, property tax, sales tax, occupation tax, and we limit the amount of occupation tax, then that's going to cause property tax to go up. I have never had a constituent call me and say the occupation tax is too high. The only person that testified in support of this bill, other than the introducer, was the telephone...a wireless telephone company. I just don't see where this is a problem. We do have control over this. In a sense, it's not under...it's not under the restricted funds pursuant to the statute, but it is restricted because it's under the local city councils. So again, this bill would impact every city, village, municipality, and I just think that this is a decision that's best left to the local entities. And if you adopt my amendment, it would take out any reference to occupation taxes being placed under

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restricted funds. It would maintain the status quo as we've always done it, and I'd appreciate your support of this amendment. Thank you.

SENATOR CUDABACK: Thank you, Senator Bourne. There were several lights on prior to...if you don't wish to speak to this motion. Senator Redfield, your light was on next. Did you wish to speak?

SENATOR REDFIELD: Thank you, Senator Cudaback, members of the body. Senator Landis talked about conservatives and I think that everyone here recognizes the fact that I have certainly been a very consistent conservative vote on the floor. Senator Wickersham talked about principle, and I've always voted on principle. But the reason I can vote on principle is because behind principle there are faces, and I see in my district and in yours across the state people who struggle, people who have to pay a phone bill, a utility bill and all kinds of other bills. And those folks, when they call into the telephone company and they say, how much will it cost me to get a telephone line, and they're quoted \$18.95 a month, and then they get their first bill and it's \$26.95 because of all the taxes that are on it, they don't understand that those taxes, some of them, are going to cities in occupation taxes. When they get other bills, they don't understand that some of those taxes are actually going to their city governments in occupation taxes. They're almost hidden taxes. Oh, yes, they're on the bill, but those people don't know who to go to or how to protest it. They feel helpless, they need a telephone, they need it for health reasons, they need it for safety reasons, but they don't know how to do anything to protest those high occupation taxes and other taxes on their telephone bill. They struggle and they have faces, and I'm looking at that and I'm saying that the principle here is that we're going to be honest and we're going to show them what government costs. There is nothing wrong about that. The current system says that the city government can tax up to their maximum level. And under Senator Bourne's amendment, they would be able to continue to tax up to their maximum level, but on top of that, they would be able to continue to add to the occupation taxes to bring in more unrestricted revenue to the cities. Now I think that the people

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have a right to truth in lending. I think they have a right to look at what city government is costing them. I think Senator Landis is absolutely right, that it's a consistent principle of conservatives who say they are fiscally responsible, to say that we're going to be up-front and honest about the total cost, and we're going to let people see what government is costing them. And we're not going to leave them a back door where they can increase these taxes in ways that people find it very, very difficult to protest or to have a voice or to change it. I am firmly committed to this bill. I hope that people will not vote the Bourne amendment. I ask your support to oppose it. Thank you.

SENATOR CUDABACK: Thank you, Senator Redfield. We are discussing AM0574, the Bourne amendment to LB 329. Senator Coordsen.

SENATOR COORDSEN: Thank you, Mr. President and members of the body. Looking at the board, it would appear that the die is cast and we have begun a reversal of a process that we established a number of years here in the Legislature. Occupation taxes didn't used to be much of a money raiser, but when they were found to be outside of the budget limitation growth, they become quite a money raiser. Now I know that most of you have been approached by your mayors and the president of your city council and all of those sorts of things, and asked to commit before, in some cases perhaps, you were fully aware of what had happened. I would ask you this. If all of the provisions to create an occupation tax in the manner that it is before us, as a totally outside of the lid, unrestricted, no limit, tax on your friends and neighbors, would you vote for it? Would you vote for it if one did not exist, and where we were going to create one this morning on General File in the very manner that is provided for in statute, would you vote for it? Would you vote for it? This doesn't make me a whole lot of difference other than the principle of the whole package of tax reform that this body put in place several years ago which did two things concurrently, and sometimes we forget and sometimes we need to remind ourself; one is that the situation that existed on the local level at that time was one of almost unbridled growth in taxes. Protests were rampant on the amount

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of property taxes. Sales tax rates were being increased, by the vote of the people certainly, but under the goal of reducing property taxes. The Legislature created a limit on elected boards, a limit on elected boards. There is no limit anywhere in statute on the citizens of Nebraska and what they can decide to spend and what they can decide to do at a free and open election. There is no limit, there is no limit anywhere on what the people who are going to pay the bill can do, but we found it necessary several years ago to put restrictions that were pretty severe on elected boards of all kinds, and this was an exception that was overlooked and was found to be a growing source of revenue. Now your...you've made up your mind, you've made your commitments, but just be sure that as sure as God made little apples, to coin the phrase, this will, in fact, extend our ourself to other exceptions to the restriction. We are continually besieged by elected boards who wish to have exceptions created for them so that they do not have to ask for the...to the people who are going to pay the bill what they can spend out of the citizen's pocket. Most elected boards, bless their hearts, want to go back to the good old days when any amount of money was available to them to spend as they desired. So if you would vote for this, if it was a new proposal before us, certainly stick to your guns. If you believe that...

SENATOR CUDABACK: One minute.

SENATOR COORDSEN: ...we need to be careful and conservative, and it scares me to find Senator Landis and I on the same team, in the administration of the public business, then perhaps a different approach might be needed. Thank you.

SENATOR CUDABACK: Thank you Senator Coordsen. Senator Wickersham, on AM0574.

SENATOR WICKERSHAM: Mr. President, members of the body, I will admit candidly that I don't think the discussion from myself, from Senator Coordsen, Senator Redfield, Senator Landis and others are probably going to change your mind. As Senator Coordsen noted, you've probably made commitments. You've told somebody you're going to do something and it's very hard for me to suggest now that you ought to go back on that commitment, but

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I think you ought to...I do think that you ought to rethink that because you still have an opportunity to go to the person that you made the commitment to and say, I've changed my mind. So I'm going to take a chance that you'll do that. I think the points that my colleagues have made, in fact, made them in better ways than what I could have done myself, are points that you should take to heart. Occupation taxes are indeed paid by someone. Occupation taxes are oftentimes paid by the persons who can least afford to pay them because they are like a sales tax. They're regressive like a sales tax. And the point that they may not know exactly who they're paying them to is absolutely valid. I look at the cell phone bill that I receive, and there's an occupation tax line on the cell phone bill. It doesn't say that it's an occupation tax to the city of Lincoln. It is. It says it's an occupation tax. I don't...if I didn't know enough about the tax structure, I wouldn't even know who to complain about that tax to. Now I could probably go without my cell phone. You could probably go without yours. So I don't want to get into a complaining match about occupation taxes on cell phones, but there are other people who can't do without their telephone and don't necessarily know where the money is going, and they sure as blazes probably don't know what it's going for, because they haven't been the ones that are able to keep track of the local municipal budgets to know where they're going. You all seem to be prepared to vote for Senator Bourne's amendment because you're in favor of flexibility. One of my colleagues came up to me and suggested, well, Senator Wickersham, what you ought to do to really drive home the point to your colleagues is offer an amendment to Senator Bourne's bill...or Senator Bourne's amendment, I'm sorry, to completely remove the lids, the spending lids, completely remove the spending lids. That's the ultimate in local discretion. Well, for those of us who have been here for a few years, we've kind of gotten our experience and our views of that kind of well in hand. That didn't seem to work. That's the situation that we confronted in 1996, 1997, 1998, when this Legislature started to make very hard decisions about how it was going to cause reductions in property taxes and control of spending in general. We made very hard decisions. I apologize to you now because we did not include the restrictions on occupation taxes in that package. We could have done it at that time because it was

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consistent with the principles that were laid in front of this Legislature and adopted at that time. Now, because it is convenient perhaps, we can now ignore that consistency, for whatever reasons we can rationalize for ourselves...

SENATOR CUDABACK: One minute.

SENATOR WICKERSHAM: ...so that we can go home and maybe not, maybe not have to face a constituent and say, I voted today in a way that is eventually going to cost you money and I'm sorry about that.

SENATOR CUDABACK: Thank you, Senator Wickersham. The lights that are on, wishing to address AM074 are Senators Kruse, Beutler, Hilgert, Kristensen, Preister, Janssen, Robak and Cunningham. Senator Kruse, on that amendment.

SENATOR KRUSE: Thank you, Mr. President and members. All this talk about principle is wonderful and I'm charmed by it, but there's one thing that's being left out of this. I'm for the principle that's being talked about, but why wasn't that done and why isn't...why would it be done now without accommodation of budgets? What we're really considering doing here is on one sunny day voting to reduce the budgets of several of our cities, without any hearing, without any response, just reduce them. If we are going to put this in, let's adjust the cap. But we're really reducing the cap if we adopt this bill. I yield the rest of my time to Senator Beutler.

SENATOR CUDABACK: Senator Beutler, you have about...

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, let me, in the kindest way possible, suggest this. The members of the Revenue Committee have stood up and argued strenuously for principle, and yet who brought us the first crack in principle? The NRD provision is an exception from principle, is it not, because it gives latitude to the NRDs to add money to their budgets? It's an exception and a departure from principle, and that's what's confused me about this whole bill. It's like the Revenue Committee wants to say, it's all right to make an exception over here but not over here, which begins to translate

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to me to say, well, we know what the good exceptions are and there are good exceptions and there are bad exceptions, and we make a good exception here and you can't make this bad exception over here because we know better. Who threw the first stone? Thank you.

SENATOR CUDABACK: Thank you, Senator Beutler. Senator Beutler, your light is next.

SENATOR BEUTLER: Call the question.

SENATOR CUDABACK: The question has been called. Do I see five hands? I do see five hands. The question before the body is, shall debate cease on AM0574 to LB 329? All in favor vote aye, opposed nay. We are voting on ceasing debate. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 26 ayes, 5 nays, to cease debate, Mr. President.

SENATOR CUDABACK: Debate does cease. Senator Bourne, you're recognized to close on your amendment.

SENATOR BOURNE: Thank you, Mr. President and members. I'll be very brief. We've heard all this maybe a little too much. (Laugh) Again, what this amendment does is maintains the status quo. People here are saying, oh, your constituents are going to be taxed too much, et cetera, et cetera. Well, we're not hearing that complaint. We're hearing a complaint about property tax and I think if we limit...place a limit on the occupation tax, that's going to cause property tax to go up, which seems to be the concern that most all of our constituents have. Again, just to reiterate what this amendment does, is it eliminates any reference to occupation tax being placed under restricted funds and so then what would be remaining...what would remain in LB 329 is the natural resources district taxation issue. I would appreciate your support of this amendment. I would ask for a call of the house, a roll call vote in regular order. Thank you.

SENATOR CUDABACK: Thank you, Senator Bourne. The question is, shall the house go under call? All in favor vote aye, opposed

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nay. Record, please, Mr. Clerk.

CLERK: 32 ayes, 0 nays, to place the house under call, Mr. President.

SENATOR CUDABACK: The house is under call. All unauthorized personnel please leave the floor. Unexcused senators please report to the Chamber. The house is under call. Senator Tyson, would you please check in? Senator Jones. Senator Redfield, would you please check in? Senator Burling, please check in. Mr. Clerk, all present or accounted for. There's been a request for a roll call vote in regular order. Please call the roll.

CLERK: (Roll call vote taken. Legislative Journal page 731.) 28 ayes, 16 nays, Mr. President, on the amendment.

SENATOR CUDABACK: AM0574 to LB 329 is adopted. Mr. Clerk. I do raise the call.

CLERK: Senator Beutler would move to bracket the bill until March 30, 2001. Senator Beutler, open on your bracket motion.

SENATOR BEUTLER: Senator Cudaback, members of the Legislature, I would like to offer this as truly a kind of compromise. It brackets just till March 30, that's five weeks off. What you have heard about this particular NRD provision is that we have a water quality problem. There's been no...no two sides to that debate, everybody agrees. Everybody also agrees that it takes a lot of money to resolve it. Everybody also agrees, and Senator Wickersham agrees, that this particular bill, this particular idea isn't going to come anywhere near to solving the problem. Senator Schrock has been consistent, throughout several years of debate, saying the problem needs to be resolved. He even supported the fertilizer tax solution. I know he's tried to get the committee to address the problem. I think the committee can address the problem. What I'm saying to you is here is an opportunity not to put off this bill forever but by your vote on this motion to say to Senator Schrock, lead us to a solution or at least put before us a solution to this problem this year. And that's what this vote could do. You put the bill off till March 30, we come back, we listen to the Natural Resources

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Committee and/or Senator Wickersham and the Revenue Committee's idea of what a good solution to this problem is. And maybe, just maybe, we solve it this year and get it off everybody's back, but I think we do need to resolve it and here's an opportunity, an opportunity born of some hard debate and some misdirections, perhaps, and some uneven statements that arise out of situations where we're all...where we all feel passionate about things. But the fact of the matter is we're all saying the same thing, it's just that the opportunity doesn't happen to be in front of us at the moment. But that doesn't mean that Senator Schrock and the committee couldn't bring that opportunity to us. In fact, I suspect he's ready, willing and able to do that, and I suspect it would be worth our time to take a good, hard look at a real solution. If we don't like it, you can move forward, Senator Wickersham can move forward with LB 329. But here's a vehicle sitting there that can be used for this purpose, and so I would simply recommend this motion to you that would make that possible and suggest that your vote on this motion can be an indication that you want to move forward in a certain way. Thank you.

SENATOR CUDABACK: Thank you, Senator Beutler. Mr. Clerk, next agenda item.

CLERK: Mr. President, pursuant to the agenda, I have a motion. Senator Connealy, as Chair of the Business and Labor Committee, would move for the introduction of new bills by the Business and Labor Committee, specifically Request Numbers 1061 and 1062.

SENATOR CUDABACK: Senator Connealy, as Chairman of the Business and Labor Committee, you're recognized to open.

SENATOR CONNEALY: Yes, Senator Cudaback. This is a claims bill that we do annually and as the Lieutenant Governor said before, this is LB 849 and LB 850. LB 849 is for the approval of claims that the State Claims Board approved and LB 850 is for ones that they did not approve. The Business and Labor Committee will hold a public hearing on these bills on March 12. We expect to receive detailed information on each of these claims before they're presented to us and we'll make that information available to you before we have floor debate on them, so I move

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the suspension of the rules for introduction of LB 849 and LB 850.

SENATOR CUDABACK: You've heard the opening. Any discussion? I see no discussion. Senator Connealy, did you wish to close? He waives closing. Mr. Clerk, repeat the motion.

CLERK: Mr. President, the motion is to permit the introduction of new bills, specifically Request 1061 and 1062.

SENATOR CUDABACK: All in favor of that motion vote aye; opposed nay. It does take 30 votes. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 34 ayes, 0 nays, Mr. President, on the introduction of new bills.

SENATOR CUDABACK: The bill (sic) does pass.

CLERK: (Read LB 849 and LB 850 by title for the first time.) Mr. President, other items if I may. I have hearing notices from the Judiciary Committee and the General Affairs Committee, signed by their Chairpersons. New resolutions, Mr. President: LR 32 by Senator Schrock, requiring an approval of a gift of land; LR 33 by Senator Kristensen regarding a commemoration of Chief Red Cloud being inducted into the Nebraska Hall of Fame; LR 34 by Senator Kristensen regarding the awarding of the Pioneer Award, the Wagonmaster Award, and the NEBRASKALander Award in conjunction with Statehood Day; LR 35 by Senator Schimek, congratulating the Library Commission on a hundred years of service. All of those will be laid over. Communication from the Governor to the Clerk. (Read re: LB 104, LB 105, LB 126, LB 128, LB 128A, LB 162, LB 179, LB 268 and LB 317.)

Priority bill designation: LB 429 by Senator Janssen; and Senator Redfield, LB 277 is her priority bill. LB 667 is reported to General File with committee amendments, by the Natural Resources Committee. Banking Committee reports LB 719 to General File, LB 663 indefinitely postponed. Agriculture Committee reports LB 435 to General File with amendments, LB 438

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to General File with amendments. Those reports all signed by the respective Chairs. I have a confirmation report from the Education Committee; Senator Chambers, an amendment to LB 283 to be printed. And, Mr. President, a communication from the Speaker regarding the referral of LR 32 to Reference Committee for referral. And finally, Senator Dwite Pedersen would like to add his name to LB 688. (Legislative Journal pages 732-747.)

SENATOR CUDABACK: Anything further, Mr. Clerk? Mr. Clerk, anything further? Thank you, Mr. Clerk. Speaker Kristensen, you're recognized.

SPEAKER KRISTENSEN: Thank you, Mr. President. I move we adjourn till tomorrow morning at 9:00 a.m.

SENATOR CUDABACK: The motion is to adjourn until Thursday morning, February 22, at 9:00 a.m. All in favor say aye, opposed nay. We are adjourned. The ayes have it.

Proofed by: Kathleen Higley