

APRIL 12, 2001

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FLOOR DEBATE

April 12, 2001 LB 667

PRESIDENT MAURSTAD PRESIDING

PRESIDENT MAURSTAD: Good morning. Welcome to the George W. Norris Legislative Chamber for the sixty-fourth day of the Ninety-Seventh Legislature, First Session. Our chaplain this morning is Father Richard Quinn, from Holy Name Catholic Church in Omaha, in Senator Bourne's District. Father Quinn.

RICHARD QUINN: (Prayer offered.)

PRESIDENT MAURSTAD: Thank you, Father Quinn. We will call the Legislature to order. Members, would you please record your presence. Mr. Clerk, please record.

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

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

CLERK: No corrections, Mr. President.

PRESIDENT MAURSTAD: Are there any messages, reports, or announcements?

CLERK: Mr. President, lobby report for this week to be inserted in the Legislative Journal. And a report from Health and Human Services System to be on file in the Clerk's Office, available for member review. That's all that I have, Mr. President. (Legislative Journal pages 1475-1476.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. First item this morning.

CLERK: Mr. President, LB 667. It's on General File. It was a bill introduced by Senator Schrock and others. (Read title.) The bill was introduced on January 16, referred to Natural Resources, advanced to General File. The bill was considered, Mr. President, on March 29 on the floor. At that time, the committee amendments were divided. The first component of committee amendments, FA145 was adopted. The second component is now pending, Mr. President, FA146, of the committee

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amendments. (Legislative Journal page 1272.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Schrock, would you like to take a few minutes and provide a brief explanation of this part of the divided committee amendment?

SENATOR SCHROCK: Mr. Lieutenant Governor, members of the Legislature, as you may recall, LB 667 is the bill that would say that wells drilled after a certain date in a water basin that is being the subject of litigation by another state, that those wells may be treated differently by the natural resource districts. And it also has the island well provision in it, which was Senator Pederson's bill. The other day when we were talking about this issue, the body adopted one-half of the committee amendments, providing for a change for a well may be drilled in conjunction with spacing from the channel of the river instead of the banks of the river. The second part of the committee amendment was being discussed by members of the Natural Resources Committee and Senator Beutler. This part of the committee amendment would change the green copy of the bill. On page 4, line 2, it strikes the language regarding the date on which the litigation is filed in federal court where Nebraska is named the defendant, and inserts a date certain, which will be January 1, 2001. This was an issue that I discussed thoroughly with the natural resource districts and the irrigation districts in the basin affected. And this is what they wanted me to support. I've also introduced LB...or, AM1416, which would allow NRDs the discretion to treat wells differently if the litigation is filed in federal court after the effective date of the act, so as not to tie future litigation to the date of January 1, 2001, in case somebody files suit against us in another basin. That is kind of where we stand at the present time. If somebody else would like a further explanation or an update, I would try to provide that.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. For debate on FA146, Senator Beutler.

SENATOR BEUTLER: Mr. Lieutenant Governor, and members of the Legislature, the second part of this amendment, as you may recall, allows the NRD to treat water wells differently if they

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are established after the date of January 1, 2001. And as we had a discussion earlier on General File, you will recall that there was some considerable discussion about whether it was fair in light of general ground water principles that have governed to date to allow the creation of an artificial date and just say that wells after that date can be treated differently, presumably more...with more regulation. This...the whole subject matter and the scope of what's being done I don't think rises to the level of a fetal tissue debate. And so I'm not going to make a big, long debate about it. We had a discussion about it earlier. I'm going to vote no on this part, because I think a January 1, 2001 artificial date is wrong. The date should be the commencement of the litigation, if you're going to allow any other date than the date of the creation of the management area itself. So you can vote accordingly. There will be a couple of other amendments, one from myself and one from Senator Schrock. And as far as I'm concerned, I think we should decide this matter quickly, do the two amendments quickly, if it...if they are favored by the body, and move on to Select File, where, after we've all had a chance to look at the amendment altogether, the way Senator Schrock is putting it into form, and with my amendment, and then on Select File we can have, hopefully, another intelligent discussion, perhaps, on one or two aspects of it, before you make a final decision on exactly what policy you want to put in place. So with that, that will be the last I'll speak on the remaining part of the committee amendment.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. Mr. Clerk, item on the desk.

CLERK: Mr. President, Senator Schrock would move to amend this component. Senator, AM1416. (Legislative Journal page 1435.)

PRESIDENT MAURSTAD: Senator Schrock, you're recognized to open on your amendment.

SENATOR SCHROCK: Mr. Lieutenant Governor, members of the Legislature, this is the amendment I talked about previously, that would say that NRDs would have the discretion to treat wells differently if litigation is filed in federal court after

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the effective date of this act, so not to tie future litigation to the date of January 1, 2001. So in case we have another basin in the state where litigation might be filed against the state of Nebraska, then the NRD would have the discretion to choose a different date. And that date could be when the litigation was filed. But this does not affect...this amendment does not affect the Republican River basin. It just kind of covers the subject matter in case there's a litigation in another basin in the state of Nebraska.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. On the Schrock amendment to the committee amendments, Senator Bromm.

SENATOR BROMM: Thank you, Mr. President. And this is tough work, trying to prescribe what is a fair standard for the NRDs to look at when they begin to differentiate between the restrictions on water wells. As has been discussed before, where we have had a general rule that we all share the shortage when it comes to ground water, and then we start to deviate from that, that is...that needs to be done carefully. But I think Senator Schrock is doing this because it absolutely is necessary. I know he wouldn't propose it otherwise. The NRDs do need this flexibility, I guess, and particularly down in the area of the Republican River valley, although this amendment would pertain, perhaps, to other basins in the future. I wanted to ask Senator Schrock a couple of questions, if he would yield to.

PRESIDENT MAURSTAD: Senator Schrock.

SENATOR SCHROCK: Proceed.

SENATOR BROMM: Senator Schrock, the amendment says, if such litigation is commenced after the effective date of this act, the district may establish different provisions for restriction of water wells constructed after the date on which the litigation is commenced in federal court. I want to ask you a question. Let's say that the...this pertained to some water basin, call it the Big Blue or something, let's just use that as an example. And let's say litigation started January 1, or January 2 of 2002, and then the NRD in that area decided to put

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some restrictions on wells. Could they pick a date...they could pick that date of January 2, 2002 to differentiate between wells. Is that correct?

SENATOR SCHROCK: Senator Bromm, that is correct.

SENATOR BROMM: Okay. Could they also...this is not intended to restrict them from picking an earlier date or a later date, is it?

SENATOR SCHROCK: Senator Bromm, they can't pick a date earlier than the date of the litigation filing. But they can pick a date later. And the reason this amendment was brought to us, because if, in fact, we are the subject of litigation in another basin, as LB 667 is drafted, then any well in that basin drilled after January 1, 2001 would...

SENATOR BROMM: Well,...

SENATOR SCHROCK: ...that would be the date they...

SENATOR BROMM: Yeah.

SENATOR SCHROCK: ...could treat it differently. And we think...

SENATOR BROMM: No, I didn't make my question clear. Senator Schrock, let's say that they created a management area and they went through the process without this legislation, and as a result of that process of creating a management area in which quantity was a factor to be addressed in the management area, quantity, this legislation would not preclude that NRD from picking an earlier date for that management area to kick in and to impose controls. Is that right?

SENATOR SCHROCK: That would be correct in the case where they have a quantity management area...

SENATOR BROMM: Okay.

SENATOR SCHROCK: ...in the NRD.

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SENATOR BROMM: Okay.

SENATOR SCHROCK: But if they didn't have that quantity management area, then they could not choose a date before the litigation was...

SENATOR BROMM: Okay.

SENATOR SCHROCK: ...filed.

SENATOR BROMM: Then let's say the litigation was filed, and the NRD then created a management area, and quantity was involved. Could they pick a later date than the litigation, if they chose to do so?

SENATOR SCHROCK: Yes, they could, Senator Bromm.

SENATOR BROMM: Okay. All right. And that's...and then another question,...

PRESIDENT MAURSTAD: One minute.

SENATOR BROMM: ...if some of the wells that are in the NRD have no impact on the quantity concerns, in other words, if they're trying to protect the quantity of water in the river, but obviously these wells over here in this section of the NRD have no relationship to that quantity, they will have the...still have the flexibility to not have those restrictions apply to the wells that have no relationship to the quantity concerns. Is that correct?

SENATOR SCHROCK: That is correct. And that would be my intention.

SENATOR BROMM: Okay.

SENATOR SCHROCK: Yes, that is correct.

SENATOR BROMM: Thank you, Mr. President.

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PRESIDENT MAURSTAD: Thank you, Senator Bromm. Senator Beutler on the Schrock amendment to FA146.

SENATOR BEUTLER: Senator Schrock, let me clarify what I just heard, if I...to see if I understand this correctly. If you have a district that has no management area for water quantity, and litigation is commenced in the federal court on that issue, and then subsequent to that time they establish a water quality management area...I'm sorry, a water quantity management area, then they have the option of choosing the later date, which would be the date of the creation of the water quantity management area. Correct?

SENATOR SCHROCK: I think you're correct. If they don't have a water quantity management area, they can choose the date the litigation was filed, or some date after that. If they have a water quantity management program in their bas...in the NRD, then they can choose a date prior to the time litigation was filed. But that...but this bill really doesn't affect that.

SENATOR BEUTLER: Well,...okay, but I want to understand this distinction. In that scenario, they have two options, as I understand it, the date the litigation is commenced,...

SENATOR SCHROCK: Right.

SENATOR BEUTLER: ...or the later date when the management area is established.

SENATOR SCHROCK: That is correct.

SENATOR BEUTLER: But beyond those two options, they can't create any other date?

SENATOR SCHROCK: That is correct.

SENATOR BEUTLER: Okay. And how is it that...is the NRD going to have to go through some existing testing to determine whether a well affects water quantity or not?

SENATOR SCHROCK: Senator Beutler, you probably know the answer

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to this just as well as I do. I assume when the litigation is complete on the Republican River basin, they're going to have a pretty good idea which wells are hydrologically connected and which ones aren't. And I assume the NRD is going to take that in consideration if and when controls are commenced on irrigation wells. But it's just hard to predict where we're headed with all this legislation. And the purpose of the legislation is, of course, to give the NRDs another tool to use. And the purpose of the legislation is to make people stop and think before they drill an irrigation well in a basin...

SENATOR BEUTLER: Okay.

SENATOR SCHROCK: ...that's under litigation.

SENATOR BEUTLER: Okay. Let me see if I have this right now. With respect to the Republican basin, if the committee amendment is adopted, the rule would be...and let's say the committee amendment is adopted and your amendment is adopted, okay?

SENATOR SCHROCK: Okay.

SENATOR BEUTLER: In the Republican basin, the rule would be that they could choose as a date for making a differentiation with regard to the treatment of water wells, they could choose either January 1, 2001...and I'm talking about districts now that haven't yet established a management area.

SENATOR SCHROCK: Yes.

SENATOR BEUTLER: They could choose January 1, 2001, one option; they could chose the date that they set up the management area.

SENATOR SCHROCK: Yes.

SENATOR BEUTLER: Those are their two options.

SENATOR SCHROCK: Right.

SENATOR BEUTLER: Okay. That's the...

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PRESIDENT MAURSTAD: One minute.

SENATOR BEUTLER: Republican basin. But now, with this amendment, we're not going to treat other basins the same in that regard. Right?

SENATOR SCHROCK: That is correct, Senator Beutler.

SENATOR BEUTLER: We're going to give them the option of the litigation date or the date the management area is established.

SENATOR SCHROCK: That is correct.

SENATOR BEUTLER: Okay. Why is it that as a matter of public policy we would want to treat the Republican basin different from any other basin?

SENATOR SCHROCK: I think the answer to that is a practical basin. When I talked to the farmers and the NRDs in the area, they thought it was unfair for wells drilled since the litigation has been filed that they did not...they were not forewarned about legislation like this. Certainly, the green copy is the litigation date. And I know that there's certainly a part of me that would still like to go to the date the litigation was filed. But they thought it was unfair that wells drilled since the litigation up until January 1, 2001 be included in,...

PRESIDENT MAURSTAD: Time.

SENATOR SCHROCK: ...shall we say, the controlling of irrigation wells differently.

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

SENATOR JONES: Thank you, Mr. Lieutenant Governor and members of the body. I guess I'm a little bit concerned exactly what's happening here. Because I understand it in the Republican valley where that they can...there is a problem, there's a litigation and that. But if I could ask Senator Schrock a

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question or two, I'd sure appreciate it.

PRESIDENT MAURSTAD: Senator Schrock, would you yield?

SENATOR JONES: Yes. Does this continue...does this make it the same now across the whole state as it would be in the Republican valley, except for the dates you're talking about?

SENATOR SCHROCK: Yes, Senator Jones. And I...the one thing we're concerned about is, when we drafted this legislation, of course we tried to draft it narrowly so it affected a basin under litigation. We didn't think of what this legislation would do in other basins should another litigation be filed. And if another lawsuit is filed against the state of Nebraska in another basin, then wells drilled after January 1, 2001 would...could be treated differently by that NRD. And rather than use that date for further litigation in other basins, we thought it was fairer that the date the litigation was filed, or the date they set up a water management area, would...to give them an option. So whenever you pass legislation, there's unintended consequences. And we didn't realize that when we were talking about this issue in committee. So that's the reason for this amendment.

SENATOR JONES: Yes. How many NRDs do not have a water management program already set up? I realize that the Middle Republican, but...and the Lower. Which others? Do you know?

SENATOR SCHROCK: The Upper Republican has a water quantity management area. They are the only state...the only NRD except for the Middle Republican, which is in the process of doing it. But they haven't...okay, I take that back. The Little Blue has a water quantity management plan; the Lower Platte North; Lower Platte South; Lower Republican; Middle Republican; North Platte; Upper Blue...Upper Big Blue; Upper Niobrara-White; and Upper Republican.

SENATOR JONES: They all have quantity? Or just...

SENATOR SCHROCK: They are...yes, they do.

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SENATOR JONES: Okay. Well, if they've got quantity already, how will this liti...how will this bill help them?

SENATOR SCHROCK: Because they can use the date the litigation was filed if they want to.

SENATOR JONES: Yes. Okay. Well, thank you.

PRESIDENT MAURSTAD: Thank you, Senator Jones. Senator Schrock, you're recognized to close on your amendment to FA146 to LB 667.

SENATOR SCHROCK: Mr. Lieutenant Governor, this amendment basically says that if litigation is filed in another basin in the state of Nebraska that it would give the NRDs in that basin the flexibility to choose the date that the litigation was filed or the date that they set up a water quantity management or implement their water quantity management program. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. The question is the adoption of the Schrock amendment to FA146 to LB 667. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 25 ayes, 0 nays, Mr. President, on the adoption of Senator Schrock's amendment to the committee amendments.

PRESIDENT MAURSTAD: The amendment is adopted. Further debate on the committee amendment, FA146? Senator Schrock, you're recognized to close.

SENATOR SCHROCK: The second part of the committee amendments is the part that the NRD would choose the date January 1, 2001, to determine whether wells drilled after that date could be treated differently. I know that Senator Beutler would rather have the date that the NRDs...that the litigation was filed. Certainly, we discussed this with the people in the basin, we discussed this with the NRDs, and the NRD board that I particularly discussed this with and would be most affected, the Lower Republican NRD, wanted the date January 1, 2001 used instead of the date that the litigation was filed. I understand Senator Beutler's sentiments. But it's kind of a deal breaker for me

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with the NRDs and the people in the basin if we choose that date. So I...I'm not trying to have the last word here, Senator Beutler, but I would appreciate a vote for this amendment. And Senator Beutler, if you would like any of my time, I would give that to you. All right. That would conclude my remarks.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. The question is the adoption of the second part of the committee amendments, FA146 to LB 667. Those in favor vote aye; those opposed vote nay. Voting on second part of the divided committee amendments to LB 667.

SENATOR SCHROCK: Lieutenant Governor, I think if I wish you a good day, maybe the one vote will arrive.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. Mr. Clerk, please record.

CLERK: 26 ayes, 1 nay, Mr. President, on the adoption of the second component of the committee amendments.

PRESIDENT MAURSTAD: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Beutler. Senator, I...based on your earlier comments, I have two amendments, AM1206, AM1206 is the first one, and AM1207.

SENATOR BEUTLER: (Microphone malfunction) ...take up, and AM1207 I'll withdraw.

CLERK: Mr. President,...

PRESIDENT MAURSTAD: AM1207 is withdrawn.

SENATOR BEUTLER: Members of the Legislature,...

PRESIDENT MAURSTAD: Senator Beutler, you're recognized to open on AM1206. (Legislative Journal page 1277.)

SENATOR BEUTLER: AM1206, which I think has Senator Schrock's approval, basically...it simply makes clear that with respect to

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management areas that are the subject of litigation, that at such time as the litigation may be finished, whatever provisions you put in place could continue. So it adds the words "is or was" the subject of litigation. And that's the intent of the change. And I think it's in accordance with Senator Schrock's intent anyway. Thank you.

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

SENATOR SCHROCK: Mr. Lieutenant Governor, members of the Legislature, I thank Senator Beutler for bringing this to our attention. I think it's clarifying language that strengthens the bill, because there could be some question that this would not be implemented at the conclusion of the litigation. And it makes it very clear that this implementation of the date of January 1, 2001 would still be in place even after litigation was settled. And so it's an amendment that I think strengthens the bill and is good clarifying language. And I thank Senator Beutler for bringing that to the body.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. Further debate on the Beutler amendment? Senator Beutler, you're recognized to close. Senator Beutler waives closing. The question is the adoption of AM1206 to LB 667. 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 Beutler's amendment.

PRESIDENT MAURSTAD: The amendment is adopted.

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

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Debate on the advancement of LB 667? Senator Schrock, you're recognized to close.

SENATOR SCHROCK: Mr. Lieutenant Governor, I want to thank the committee members for helping me with this issue. I want to thank Senator Beutler for his concerns. There may be other

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issues brought forward to us on Select File. I certainly would work with Senator Beutler or any members of the committee. It's interesting working with the people in the Republican River basin. There are individuals down there who are very defiant, and say that we should do nothing. But I think the majority of them recognize that we're in a serious situation here with this lawsuit with Kansas, and that something needs to be done. And this is what they were willing to support. It's...it was a concept that I brought to them. Been a lot of gnashing of teeth on this issue, however. But I think it's something we need to do, considering that the lawsuit is proceeding. And I did remind the body that we're spending, I believe...is it \$14 million over the next two years...in defense of our position concerning irrigation in the Republican River basin. Certainly I hope the outcome is favorable to the state of Nebraska. I would like to think we have a strong position. But whenever you enter into litigation, you never know what the outcome is going to be. So I think LB 667 is a prudent step for us to take. It's a measured step. And with that, I would thank the body for their concerns and patience, and hope that you will vote to advance LB 667.

PRESIDENT MAURSTAD: Thank you, Senator Schrock. The question is the advancement of LB 667 to E & R initial. Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

CLERK: 30 ayes, 0 nays, Mr. President, on the advancement of LB 667.

PRESIDENT MAURSTAD: The bill is advanced. Mr. Clerk.

CLERK: Mr. President, LB 142, introduced by Senator Schimek and others. (Read title.) Bill was introduced on January 4, referred to the Government Committee, advanced to General File. Bill was discussed on March 22nd on the floor, Mr. President. At that time, the bill, as were the committee amendments, were presented. An amendment to the committee amendments was adopted. There was an amendment, Mr. President, by Senator Thompson to the committee amendments, AM1110, that was offered, divided, a portion of which was adopted. Therefore, Mr. President, the first amendment I have this morning pending

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is Senator Thompson's FA118 as an amendment to the committee amendments. (FA118, Legislative Journal page 1476.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Thompson, would you like to take a moment to briefly discuss your amendment that was divided?

SENATOR THOMPSON: Thank you, Mr. Lieutenant Governor. The first...the whole amendment was brought by a number of smaller cities to me that...including those that I represent, but also others in Douglas and Sarpy Counties, and it had two parts. The first was to enhance the representation on the study commission and that part was adopted. This part allows for a partial merger of government services. Mr. Lieutenant Governor, do you want me to go beyond that or start running my time on it or...

PRESIDENT MAURSTAD: No, thank you for that brief...

SENATOR THOMPSON: Okay. Thank you.

PRESIDENT MAURSTAD: For debate on the Thompson amendment to the committee amendment, Senator Schimek.

SENATOR SCHIMEK: Yes, thank you. Mr. President and members, I rise in opposition to this part of the Thompson amendment. If you recall, I was supportive or I...I said I really didn't have a strong feeling about the first part of that amendment, but the second part of this amendment is another story altogether. And I know what...I know what Senator Thompson and proponents are trying to do, but the part that I have a problem with is the part where it talks about the interlocal agreements being subject to an actual vote of the people which, as you all know, there are a number of interlocal agreements that are done today and none of those are subject to a vote of the people. I don't think we want to go down that road. In addition, my own county board, which has been monitoring this bill and has...has not been for or against it, have indicated that they will be opposed to the bill if this particular amendment is added. I don't think that we need it. I would encourage that you vote against the second half of the Thompson amendment.

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PRESIDENT MAURSTAD: Thank you, Senator Schimek. Senator Brown, on the Thompson amendment.

SENATOR BROWN: Mr. President, members, I would echo what Senator Schimek has said. The last thing that we want to do with LB 142 is to have it make more complex what procedures we already have in place for local subdivisions to share services and to provide services at the lowest cost, and so I would urge you to be very careful in moving forward with this provision because I think it complicates an already complicated system that we have for sharing of services and that is the last thing that we want to do. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Brown. Senator Thompson, on your amendment.

SENATOR THOMPSON: Thank you, Mr. Lieutenant Governor. Members of the body, I just will take this time to explain to you why this amendment is being brought and what its result could be. I passed out kind of a little one-pager that goes over it, but the difference between this and a regular interlocal agreement come to would be that if the process, the study commission, has looked at the entire issue and could look to ways that perhaps, if they don't agree to a total merger, there could be a partial merger. And because this is brought by some of the smaller cities and their names are listed there, I'll tell you what their thinking is. Their thinking is that with the time and effort being put into this commission there may be ideas that could be recommended that could go to an interlocal agreement and, to get to Senator Schimek's objection, this amendment allows either the commission to recommend the interlocal agreement process or a vote of the people, which goes to the original intent of the...the constitutional amendment that was passed, to not necessarily come to a total merger recommendation but also to be able to use a partial merger recommendation. And I give you some examples that could work fairly well, have been talked about over the years, and that an independent commission could bring that could provide taxpayer savings and a great level of efficiency between cities and counties. Examples include: consolidation of planning and planning services; street maintenance; library programming and library systems; parks and

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recreation programming; or public safety. To some extent, there are some efforts that bring together some of these things. Some have never been able to come together, but the cities that I've met with on this feel that if this study commission goes forward that the intent when this was discussed by the voters was to provide efficiencies in government and these efficiencies could also be recommended by the commission, not necessarily a total merger. As the one-pager shows, there will be no authority to recommend some of these partial measures if this amendment doesn't pass, and a lot of people do have concerns that maybe the city-county merger idea will be difficult to pull together, but a partial merger of some of these areas as listed here could provide those efficiencies that the voters were interested in seeing us accomplish through our legislation. And if this amendment passes then the people listed, the cities that brought this amendment, will support the entire bill. They feel this is a very critical part and so I urge your support of this amendment. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Thompson. Senator Chambers, on the Thompson amendment.

SENATOR CHAMBERS: Mr. President, members of the Legislature, I do not like this bill and I will do anything I can to see that it is not enacted into law. I was going to vote for Senator Thompson's amendment because Senator Schimek is against it; however, Senator Thompson said if her amendment is not adopted then these cities will not support the bill. So when I weigh the equities of this matter I have got to vote against Senator Thompson's amendment so that those cities will be against the bill. I seek allies wherever I can and my enemy's enemy is my friend. So anybody who's going to be against this bill will have my support provided what they are doing is something that will hurt the bill. I'm going to support Senator Schimek on this amendment. I'm going to vote against it, and I'm not going to be an aginner on all of the amendments because I think Senator Janssen may be contemplating one which I shall support because I'm pretty sure Senator Schimek will oppose it. I have an amendment of my own that I'm drafting which is designed to make sure that if this bill, in some form, stumbles, struggles, crawls its way into the statute books there will be an equitable

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manner of electing people to a council, and my amendment will deal only with consolidations that occur involving a city of the metropolitan class, and since that's what I'm going to do I will not try to amend a portion of the bill which tells how many people are going to be on these councils and how they shall be elected. Mine is going to be a freestanding section in the bill related to a consolidation that will involve a city of the metropolitan class. I'm drafting it as carefully and accurately as I can so that if the bill comes into being and is a part of the statute, as I've said in other situations, people will be reading this legislation and it will be like an optical obstacle course. They will say, now, wait a minute, I'm reading line 1, uh-huh, if you have to ask the senator what to do when you and your supporters didn't have to ask a senator what to do, don't ask it. They'll say, wait a minute. It seemed like it was going somewhere, but as I get to the end, it doesn't make sense. That's the way the whole bill is going to read. Here a little is in; over there the... I think we took out the... I'd like to ask Senator Wickersham a question so that I won't make a mistake about what we've taken out.

PRESIDENT MAURSTAD: Senator Wickersham, would you respond to a question from Senator Chambers?

SENATOR CHAMBERS: Senator Wickersham, what entities did we allow to opt out of the operation of this monstrosity?

SENATOR WICKERSHAM: Well, there are votes that are taken that would determine whether or not a merger would take place or not. If a...if there are multiple municipalities that are participating in the vote, one or more of them could opt out, except that no merger at all would take place...

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: ...unless one municipality remained in. There are opt out provisions for SIDs that are akin to the municipal provisions, although if no SIDs chose to participate a merger between a municipality and a county could still go forward.

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SENATOR CHAMBERS: And would it then include all of the SIDs, or none of them?

SENATOR WICKERSHAM: If all of them...if all of the SIDs in a county opted out, it would include none of them.

SENATOR CHAMBERS: Thank you. Thank you, Mr. President.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Senator Dwite Pedersen, on the Thompson amendment.

SENATOR Dw. PEDERSEN: Thank you, Mr. Lieutenant Governor and members of the Legislature. I'm here basically just to state that I represent two small towns, I don't know where this is going to put Senator Chambers, but towns that support this amendment. And I know there's a couple other towns that are not in my district but they're represented by Senator Hudkins. Mine is Elkhorn and Bennington, and Senator Hudkins has Waterloo and Valley, which is very close there, but them are small towns that have been working together and working very hard on this bill and they are very supportive of this amendment. In fact, they've made the statement if this amendment gets on they'd take away all their opposition to this bill, so maybe that doesn't help Senator Chambers. But I wanted to make sure that was on the record, that this...it...my people, the constituents who don't make up the biggest number of my constituency but are the people from them small towns, are very supportive of this amendment for the same reasons that Senator Thompson has...has already articulated. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Pedersen. Senator Schimek.

SENATOR SCHIMEK: Yes, thank you, Mr. President, members. Senator Chambers, I'm glad to have your support for whatever reason. (Laugh) I will take it. I would like to stand again in opposition to this amendment and I would like to tell you that this has been a very lengthy process and that the cities, the smaller towns in Douglas County have...did come into the committee hearing. We did listen to them. We did adopt amendments that met some of their objections. In fact, we have

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met some of their objections throughout this whole process. We've revised some to...to maybe say it in a little bit different way, but we have met a lot of their objections. I don't see the need for this particular amendment because, if you recall, in AM1103, which we adopted during the last stage of debate, it says that their recommendations regarding interlocal agreements, agreements to provide for joint delivery of services or any other such recommendations could be made by the planning commission. There is already language now in the bill with the adoption of AM1103 so that it was always the intent and the supposition that this particular planning commission, the IPC, could make those kinds of recommendations. Of course, they can. But then the logical place is to go back to the elected bodies and have them work on those interlocal agreements and those partial mergers. This bill is about mergers and, as Senator Brown said, you don't want to make that process even more complicated than it is. And, Senator Chambers, it is complicated. I've gone over the bill and the amendments again this morning and I think that they...they hang together. I think it's a good process. I think that it's not perfect. We may be back here in another year or two after somebody has contemplated mergers and we may have to make some adjustments but, by and large, I think this is a good bill. It's been worked on for three years. A lot of people have had a lot of input into it and I think it will work. Now, I don't know how well it will work in Douglas County or Sarpy County because I find the politics there to be pretty contentious sometimes, and it may be that we never have a merger or even a proposal in those counties. But, at the same time, there's some other counties and villages and towns and cities out there that may be able to use this bill to effect a merger and I think that we need to provide those tools so that they can have that opportunity should they so desire. I am certainly not against partial mergers. Lincoln-Lancaster County has been, I guess you would say, partially merged for a long time. A lot of our services have been merged and they have all been done through interlocal agreements and I think that's healthy. Maybe at some point in time they will get to the total merger picture, but I...I really think, for a lot of these counties, they'll go the way of partial mergers first. They'll do some interlocal agreements. They'll learn to work together and then, at some

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point down the road, they will...

PRESIDENT MAURSTAD: One minute.

SENATOR SCHIMEK: ...say, well, yes, probably we should consider a total merger, and at that point then they will begin studying it. I don't believe this process is going to be easy and I don't believe that it's going to take a small amount of time. I think it's going to be a process that's going to take at least a couple of years for most entities to contemplate and plan and present to their voters. I would encourage you to vote against the Thompson amendment. I think that we have accommodated the villages and towns in Douglas County who have had multiple concerns and I think that we have gone out of our way maybe to accommodate some of those concerns. Thank you very much.

PRESIDENT MAURSTAD: Thank you, Senator Schimek. Senator Bromm, on the Thompson amendment.

SENATOR BROMM: (Microphone malfunction) Thank you very much. Is my microphone...there we go. Thank you. Thank you very much, Mr. President. I rise to support the Thompson amendment and I've had a little trouble, for some reason, getting my bearings on this amendment and the bill this morning. My machine and the paperwork I've got don't seem to mesh, so I've just now figured out how this amendment fits in, but I don't see...I'm failing to see a downside to this amendment other than Senator Chambers' rationale, which I understand, and I can say I rise in support of the amendment because Senator Chambers is against the amendment I guess. (Laugh) But other...for other rationale, I think Senator Thompson's amendment is in...is really in the spirit of this entire legislative proposal and the reason I say that is that it opens a door if, as I understand it, if a merger is being considered and there is a recommendation from the commission on what the result should be and if the commission finds that a merger is not in the public interest then, as part of their findings, it would...it would encourage or it would give that commission, I guess, but doesn't encourage them, it gives them the authority to recommend a partial consolidation of services using interlocal agreements. And to take that down to the level of my community, I have often

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thought that our law enforcement ought to look at some interlocal agreements or coordination to avoid some unnecessary duplication or overlap between the city and the county and the other cities that are in my county, and that never...that never happens. But if this kind of proposal were on the table, but it were not...not deemed to be acceptable in terms of the merger, this commission could then say we don't think it's in the public interest to have a merger but, by the way, it would appear that you might be able to achieve some efficiencies in public safety by looking at your city police department, your county sheriff, and your other village police departments to see if you could have a coordinated effort on public safety, and I don't...I don't really see a downside to that. Someone is going to have to tell me, other than Senator Schimek, as I understand it, has said that concessions have been made; we're not going to go any further than what we have gone, if I'm reading between the lines, so therefore we're not going to accept this amendment, but I don't think that...I...that is not convincing to me as to why you shouldn't allow this amendment. This amendment just encourages the further use of this process to look at possible benefits or efficiencies that could be achieved. If a total consolidation is not the way to go, then this might provide some benefit. So I stand to support the Thompson amendment. Unless someone can explain to me what's bad about it other than it might bring some support for the bill. I will vote for the amendment. Thank you.

SPEAKER KRISTENSEN PRESIDING

SPEAKER KRISTENSEN: One minute. Sorry, Senator Bromm. Senator Thompson.

SENATOR THOMPSON: Thank you, Mr. Speaker. Members of the body, this is a fairly straightforward choice for you. What the amendment allows, and Senator Schimek is right, you could recommend interlocal agreements from the commission in which the process ends and it goes back to the communities to put something together, or you can use the whole process to take it back to the people and say we have studied this; we don't think a total merger is the most effective thing to do, but with the time, the investment that's been put into the process, the

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cities and the private sector people that are on the commission could...and the county's representatives could say we have some very good suggestions and we think these should be taken to the people. This is kind of one of those if it's good for the goose it's good for the gander thing. It's just reversing the process to allow the...it not to be just an all or nothing process, but that if the commission feels there are efficiencies and consolidations that could work well not only for the community but also for the taxpayers that those could also be used through the same process to be recommended, and that would be using the mechanism that's set up in the original bill. And, just to repeat, there are a number of areas that if the total consolidation couldn't be proposed that there could be efficiencies possibly examined in the areas of planning, maintenance, services for libraries, parks, recreation, and also, as Senator Bromm mentioned, a number of public safety types of mergers that could be recommended and taken to a vote of the people. And this just, at this point in our history, whether this works for Douglas County or Sarpy County or anywhere else in the state, would allow those processes to be put in place so that this effort that was supported by the people could go forward and be also used for partial mergers which also have the same efficiencies that they were seeking when I believe they passed the amendment. So, with that, I urge you to support the amendment. It's, I think, one of those ideas that's being brought not from our largest cities but from probably what you'd call the medium-size cities of the state, but also would...could benefit all municipal governments within a county and could bring efficiencies to the voters which they were seeking in passing this amendment. And I urge you to support the amendment. Thank you.

SPEAKER KRISTENSEN: Senator Wickersham.

SENATOR WICKERSHAM: Mr. Speaker, members of the body, I rise in opposition to Senator Thompson's amendment. I'm not sure quite why this is necessary. We have, as I've understood the discussions around this bill, we have taken pains not to force people to do something, not to put issues on the table that didn't have to be on the table, not to force people to do something. It looks like this is a step in that direction

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because I'm...as I would understand the bill as drafted, there isn't anything that gives people protections that are in the other processes for the interlocal agreements or what they're characterizing as consolidation of services. Remember, the structure in the rest of the bill is designed to protect people. All or most of the provisions in the bill are designed to protect people, to protect people from overzealous majorities, to protect people from majorities that don't have the same interests. Most of the provisions in the bill as it stands are to protect people, protect people. Are we taking away some protections? This says that you're going to have to submit interlocal agreements or you're going to have to submit recommendations for partial consolidation to an election. You may say to yourself, what is he complaining about? People will be protected. They get to have an election. But is it the same kind of an election process that's contemplated as is contemplated for a merger of the whole? Are people protected in this election process that this seems to contemplate? Are people protected? And why would we want a commission, whose real purpose isn't to put something on the ballot, to suddenly require or be able to require that something be put on the ballot that is ill formed? How are you going to know what an interlocal agreement might be that would provide for the consolidation of services? Is the whole interlocal agreement supposed to be on the ballot? Is the issue on the ballot supposed to be something that compels local elected officials to develop an interlocal agreement? We have provisions similar to that in the law that concern the potential consolidation of services between counties and, in fact, there's a great deal of flexibility if counties want to make agreements...now I'm not talking about cities and counties, but counties...there's a great deal of flexibility in the law concerning counties and it allows people to petition. It allows the electorate, in the first instance, to petition that that kind of an issue be taken up. Maybe that's something that Senator Thompson and others who are interested in changing the processes here would want to examine because then you're sure that you have something that came from the electorate and is not coming from some commission that was formed really for a different purpose rather than to put that kind of a topic on the ballot.

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SPEAKER KRISTENSEN: One minute.

SENATOR WICKERSHAM: I am...I am not confident that this adds anything to the processes and I am not confident that it would allow the same kind of protection of people's interests that the bill, in its current form, does.

SPEAKER KRISTENSEN: (Visitors introduced.) Further debate, Senator Chambers.

SENATOR CHAMBERS: Mr. President and members of the Legislature, not only is this bill increasingly complicated, but determining whether or not to support an amendment becomes increasingly complicated. Senator Wickersham brought in some elements that I had not considered because I have not thoroughly analyzed the bill and its implications. What I'm trying to figure is the best way to weaken the bill, but Senator Wickersham had raised the serious issue of making sure that a majority cannot exercise tyranny over a less than a majority, and that is something I am always concerned about. So I would like to ask Senator Wickersham a question, if I may.

SPEAKER KRISTENSEN: Senator Wickersham.

SENATOR WICKERSHAM: Yes.

SENATOR CHAMBERS: Senator Wickersham, as you read Senator Thompson's amendment, precisely how might that give a majority the power to impress a majority into a type of service that is not of the minorities wish?

SENATOR WICKERSHAM: Well, I'm not sure, and perhaps Senator Thompson can embellish on the language. What she...what it suggests is that it...and I'm just going to read here because I'm having trouble understanding it, quite frankly, Senator, and it says: shall recommend the consolidation of services through the use of interlocal agreements or, and this is the alternative, or through the election process as set forth in Section 9 of this act. Now, I think Section 9 is the complicated election process where you have votes inside a municipality, outside a municipality, et cetera. Now, if she's

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intending to incorporate the provisions that says that if it fails, if the vote fails in any one of those segments that are set out in Section 9, then there is a protection for the minority. But it just says the...through the election process.

SENATOR CHAMBERS: Okay. As complicated as it grows, maybe I shouldn't support it after all,...

SENATOR WICKERSHAM: Well,...

SENATOR CHAMBERS: ...but I'm not certain...oh, that's all I need, Senator Wickersham, unless you had something you wanted to add to what you've already said. I'm going to then listen to additional debate, if there is any, but right now I am not interested in bringing support to this bill. I would like to ask Senator Thompson...well, let me ask Senator Pedersen this question, because Senator Thompson is right here and I can talk to her off the mike. Senator Pedersen, Dwite Pedersen that is, when you say that these towns in your area would support the bill if this amendment were to be adopted, are you talking about the elected officials or there has been some survey and the people in those towns agree with this amendment?

SENATOR Dw. PEDERSEN: I think it's mostly elected officials, but it's not just elected officials because I'm getting phone calls and letters from all kinds of people and even have a vote here for the dear Mrs. on this bill. But I did, if I can take just one little second and add the part...

SENATOR CHAMBERS: For...I didn't understand that. The letter is addressed to you as "Dear Mrs."? (Laughter)

SENATOR Dw. PEDERSEN: No, my dear Mrs.,...

SENATOR CHAMBERS: Oh. (Laugh)

SENATOR Dw. PEDERSEN: ...also being a constituent, so...

SENATOR CHAMBERS: Okay. (Laugh) Okay. But the people at large probably don't understand this any better than some of us on the floor, would you agree?

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SENATOR Dw. PEDERSEN: I would agree with that, and...but I did want to add that little piece about when you talk about the minority having the...some influence...or the majority having influence. Elkhorn, Bennington, Waterloo, and Valley are definitely not the majority in that...

SPEAKER KRISTENSEN: One minute.

SENATOR Dw. PEDERSEN: ...in this picture here when we're looking at a place like Omaha.

SENATOR CHAMBERS: I understand. And what I'm looking at though is what these entities that are involved in Senator Thompson's amendment, I'm looking at them and what they might be able to do that would damage a minority. So, again, I'm going to listen to the debate, but my inclination is to oppose the amendment because I don't want Senator Pedersen drawing support to this bill and I don't want Senator Thompson drawing support to this bill. Thank you, Mr. President.

SPEAKER KRISTENSEN: Thank you, Senator. This morning is a special morning. Today is Senator Cudaback's birthday and the treats are courtesy of Senator Cudaback and I'm sure we'll be getting those soon. So happy birthday, Senator Cudaback. Senator Brown.

SENATOR BROWN: Mr. President, members, I am...I am rising in opposition to this amendment and specifically to address some of the issues that Senator Bromm raised in his...in his comments earlier. We have already the process to do this. The only thing that is absent in our current system is the IPC, the interlocal planning commission, and after the IPC does their work and if their conclusion is that a merger is not justified then that information is going to be very obviously out in the public and it will be...I believe that it will be heeded by elected officials if it's not a good idea to do a full merger but that there are aspects that have been examined by the IPC as being things that should be merged, that local elected officials will need to respond to those...to that information, to the compelling information about the advantages of...of

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these...these partial mergers. The problem with the amendment as it stands is that it requires partial mergers, i.e., interlocal agreements, which we already have, to go through the same hearing and vote process that a full merger requires. And that is a step that we do not want to put in place for local elected officials or for the current process that we have for interlocal agreements. We do not want to complicate the process that we have in place for entities to share services, to provide services in the most efficient manner possible. And so what...what the element of trying to get the information from the IPC to have bearing on local elected officials I think will happen just by virtue of the recommendations of the IPC. It is going to be too visible to the electorate for local elected officials to ignore compelling instances where interlocal agreements should be being used and should...would...would result in more efficient and lower cost and effective services. And so I believe that not only is this amendment not what we want but it further complicates the system that we have in place to allow for shared services that exists currently. Thank you.

SPEAKER KRISTENSEN: Senator Schimek.

SENATOR SCHIMEK: Yes, thank you, Mr. President and members. Again, I rise in opposition to the amendment and I need to clarify perhaps what I said earlier. I don't want to be misunderstood. This is not a line beyond which we will go no further. I...I just mentioned that we have tried to be very accommodating to those smaller counties in Douglas County. At the hearing, for instance, Don Eikmeier came in representing a number of those communities and he mentioned a number of issues which we did accommodate in the Standing Committee amendments. Since that time, there has been some additional work on amendments, on AM1103, which also accommodated. I'm not trying to draw any line in the sand here. In fact, you may hear later that we will...we're willing to work with NACO on an amendment that they are very interested in. But I think what you need to consider here is right now county boards and cities have the ability to do partial mergers or interlocal agreements and they do not have to be, necessarily, subjected to a vote of the people. What you're asking for, what Senator Thompson is asking for in this amendment is a very complicated process and it will

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be expensive, and I don't think you want to go down that road. Why would you...why would you tack that on to this bill? It has nothing to do with merger. We've already adopted the amendment that says, okay, and it was always the intent that there would...there could be recommendations back to the local boards and councils that a merger isn't practical; that, in fact, we see some possibilities for working on some issues together. We see some areas in which maybe we can have interlocal agreements. That's always been the attempt, but we clarified it in LB...or in AM1103. I think we've done what needs to be done on this and that's why I'm standing in opposition to this amendment; not because it's a line in the sand. We've certainly tried to be accommodating and I think a lot of the opposition to this bill has gone away. So, with that, I would just encourage you to vote against the Thompson amendment. Thank you very much.

SPEAKER KRISTENSEN: Thank you. The Chair was in error. There is not any treats from Senator Cudaback. I was wrong when I made that announcement. Senator Hudkins. (Laughter)

SENATOR HUDKINS: Thank you, Mr. President and members of the body. Happy birthday, Senator Cudaback, and it's okay if you don't provide treats. None of us need the extra calories anyway. I would like to address a comment that I think I heard Senator Schimek say, and if you just want to nod your head or shake your head if I heard correctly. You had said that Lancaster County was in a neutral position, but if this amendment were passed that they would oppose the bill? And she is nodding, yes, on both of those occasions. I just happened to talk to one of the county board members, a particular one who shall remain nameless, and I asked him about this amendment. He reported to me that at their staff meeting this morning they are discussing it or have discussed it as well, but are this morning, and he said that as the bill currently stands, the green copy, the board this morning is 4 to 0 in opposition in its current form. Now, they will consider any of the amendments that have been filed, but as of 8:45 this morning they had not seen this particular amendment. But they are not opposed to the concept of merger, but they do not like the bill in its current form. It is the county board's position that interlocal agreements that Lancaster County and Lincoln have put together

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have served them well. They have addressed the efficiencies that we all say that we want from our governments. They were concerned about if mergers take place how do you get out of them if it doesn't work out the way it was supposed to. They felt that this was not clearly and specifically spelled out. We should probably be learning from what happened with the state takeover of the county assessors and how to get out of those agreements. Right now, that can't happen. In Saunders County, with which I am somewhat familiar, the state did take over the assessment duties of the county. It has increased their costs by up to 150 percent. There has been an increase of staff; there has been an increase of budget. So we need to look at what happens if you're not happy with the agreement. If you do interlocal agreements, there is a way for either party to withdraw from that agreement. Lancaster County has, over the years, entered into a number of interlocal agreements. In fact, there's over 20 of them. Probably the most longstanding is that of the city-county health department. That's been in effect since 1947. The emergency services is probably the most recent, and the weed control is now a joint agency, as is the property management. So I would just like to repeat that the Lancaster County Board, as of this time, is opposed to the bill. They have not seen the amendment. They will be sending a letter to each one of us in the next day or so listing out their...their reasons for the opposition and their position on the amendments as they come forward, but as of this time they are opposed to the bill and they have not seen the amendment. I just heard Senator Schimek saying I'm wrong. I would welcome her comments. I'm just going by what I was told, that they have voted 4-0 to oppose the bill.

SPEAKER KRISTENSEN: One minute.

SENATOR HUDKINS: They will look at the amendments but, as of 8:45, they had not seen this particular amendment. Thank you, Mr. President.

SPEAKER KRISTENSEN: Senator Janssen.

SENATOR JANSSEN: Thank you, Mr. Speaker. Members of the Legislature, visiting with Senator Coordsen, he said this is a

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bill that doesn't do anything, can't go anywhere, has no beginning, has no end, and it will never work. He said it's perfect legislation, we should hurry up and go pass it because there...it's not going to work in any matter in which it is...which it ends up, and I seem to tend to agree with that. But mergers are something that...that a lot of counties have already...have already taken care of in the areas that they've deemed that is necessary and can work. They do not try to merge in areas where they can see there's going to be problems. So it seems to me that we've already got something in place that will work. If we start messing with that and try to drag everyone to the center and get merged, you're going to have the entities, any entity that can have an election now is going to have to agree to become part of this merger, and that is simply not going to happen because you're going to end up with fringes all over the county. You're going to have this little segment that is not in the merger and their neighbor may be. They may be in and then they may decide not to be in, and out they go again. It looks to me like you can get out of this if you get into it, so why not leave it alone and allow the mergers that you want to happen? Let those happen. The county I live in have merged some of their police protection, law enforcement and so on, and it's worked in some cases and in some cases it hasn't. But in those areas that it does work everyone is paying their fair share and...and are happy with it, but it is not set in stone. They sign a contract for so many years. At the end of that contract then they can come back, reexamine how...how the merger has worked. If it...if everyone is satisfied, both sides are satisfied, they keep right on going. So I don't...I just cannot see that anyone is going to take advantage, if you might want to say, of this proposition. And I realize what's happened. We...we have to set something before the people, but I don't know what form it's going to be. I have an amendment that...that's coming up, try to identify or get on the record that some fire protection districts are...are to be dealt with because they are separate entities under our state statutes. With that, I think this is probably the only time I'm going to speak on this bill until my amendments do come up, which I am...I promised Senator Schimek that I would refile them on Select File when they do come up so that she could get a better look at them too. So, with that, I think that's all I have to

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say right now on this...on this subject, but it just seems to me like we're...we're going down a river that there is no end to and it's just going to keep circulating. I...I can't, for the life of me, see why anyone...

PRESIDENT MAURSTAD PRESIDING

PRESIDENT MAURSTAD: One minute.

SENATOR JANSSEN: ...or any county or any city would want to...would want to merge under this plan when they can do so now. So, for what it's worth, that's...that's my feelings on this bill. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Janssen. Senator Hartnett, followed by Senators Thompson, Dwite Pedersen, Bromm, Chambers, and Quandahl.

SENATOR HARTNETT: Mr. President, members of the body, I simply rise to support Senator Thompson's amendment. I think that we are really, when we're trying to do this merger of these entities, it's a big, big step, and I think...and I think what she's proposing in her amendment is that it allows some consolidation rather than a whole consolidation, and so it let's us kind of see, okay, that does work, that does work. And I really see that it doesn't have to be the election process, but, to me, it gives the...it gives some flexibility to the...to this commission. So I really see this as a good step, kind of an intermediate step that can be used by...by this commission as they look at what services may be advantages to the citizens of a county or of an area that will benefit them. So I simply rise to support. I think it's a good intermediate step. With that, I'll return my time to the Chair.

PRESIDENT MAURSTAD: Thank you, Senator Hartnett. Senator Thompson.

SENATOR THOMPSON: Thank you very much, Mr. Lieutenant Governor. Let me just restate what I'm going...what I'm attempting to do with this amendment, and then I'm going to withdraw the amendment and refile it with some corrections. But,

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essentially, what I was hoping to get to and which we'll get to when I refile this amendment, and there's some other amendments that are under discussion that we can talk about today and I'll...I'll put a new one back up, is to get to the point where the commission can recommend, through interlocal agreements or through the same process for a total merger, a partial merger. And I've had some very good suggestions made to me about ways I can improve this amendment and, rather than attempt to get that done hurriedly at this point, I will withdraw this amendment and there will be a new one filed. Thank you. Yes, I want to refile this amendment to the bill. Sorry. Thank you.

PRESIDENT MAURSTAD: Senator Thompson, since this...a part of the divided question has been adopted, we'll need a unanimous consent request to...

SENATOR THOMPSON: Oh.

PRESIDENT MAURSTAD: ...withdraw this part of the amendment and refile. Is that the...

SENATOR THOMPSON: I would...I would request unanimous consent.

PRESIDENT MAURSTAD: Is there objection? No. It is ordered.

SENATOR THOMPSON: Thank you.

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

CLERK: Mr. President, the next amendment to the committee amendments, Senator Schimek, AM0924, but I have a note...oh, I'm sorry, I don't have a note. AM0924, Senator.

SENATOR SCHIMEK: (Microphone malfunction) ...please.

PRESIDENT MAURSTAD: The amendment is withdrawn.

CLERK: Mr. President, the next amendment I have, Senator Schimek, AM0925.

SENATOR SCHIMEK: Withdraw.

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PRESIDENT MAURSTAD: The amendment is withdrawn.

CLERK: Mr. President, the next amendment, Senator Brown, I understand, Senator, you want to withdraw AM0949 and offer as a substitute AM1225? (Legislative Journal page 1313.)

SENATOR BROWN: Yes, Mr. Clerk.

PRESIDENT MAURSTAD: AM0949 is withdrawn. Without objection, we will substitute AM1225. There being no objection, Senator Brown, you're recognized to open.

SENATOR BROWN: Thank you, Mr. President and members. LB (sic--AM) 1225 is a methodology for a municipality within the boundaries of a municipal county to annex territory within the municipal county if the municipal county consents, and it provides that consent shall be granted if the services provided by the municipality will cost less than similar services provided by...that services provided by the municipality would cost less than similar services provided by the municipal county. So this is a process by which we have...in the legislation we have limited annexation by municipalities within the municipal county. This provides a mechanism for annexation if a case can be made that the annexation will provide services at a reduced cost to...and...and so there is a method for that annexation to take place even in light of the creation of the municipal county. Now, there is a similar amendment that is filed to the bill that...by Senator Pedersen, but the structure of his amendment is a little bit more cumbersome than this and what would be allowed is that after the...the...the case has been made that the services can be provided by the municipality at a reduced amount, the consent should be given by the municipal county. If that does not happen, then it can be taken to court and challenged and the evidence would have to be presented. It's a fairly straightforward amendment. It addresses some of the issues that have been raised by the...the cities that are concerned about the flexibility of this legislation, and I would urge its adoption. I would...I would yield the rest of my time to Senator Wickersham, if...if he is around, if he would like to make any comments.

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PRESIDENT MAURSTAD: Senator Wickersham.

SENATOR BROWN: You don't? Okay. Senator Wickersham, does not want to make comments. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Brown. (Visitors introduced.) There were some lights on from the previous amendment. I will check and see if you wish to speak on the Brown amendment. Senator Bromm, on the Brown amendment?

SENATOR BROMM: Thank you, Mr. President. Been talking with Senator Thompson about her amendment, and I think she is...she is working on some language which might clarify some things or at least eliminate some questions. But as I understand...as I understand that amendment, it's being worked on. And so I will not comment on that until the work is done. On the Brown amendment, I think at this point I'm going to simply listen and wait and see what...what...what she has to say about the amendment, and I'll put my light on later, after I have a chance to digest that. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Bromm. On the Brown amendment to the committee amendment, Senator Chambers.

SENATOR CHAMBERS: Mr. President, members of the Legislature, I need to ask Senator Brown a question or two so that I can be clear on this amendment.

PRESIDENT MAURSTAD: Senator Brown, would you yield to a question?

SENATOR BROWN: Yes, Mr. President.

SENATOR CHAMBERS: Senator Brown, will there be incorporated adjacent territory, which could be annexed by a city under your amendment?

SENATOR BROWN: Yes.

SENATOR CHAMBERS: So, one city could gobble up another city or

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a village or a town?

SENATOR BROWN: This provides a mechanism for a city to annex land that is within the municipal county, if they can show that they can provide the services at a cost less than what the municipal county is providing the services at.

SENATOR CHAMBERS: And if that is shown, then the bill becomes mandatory and consent shall be granted. Now how can a municipal county give consent to annex an area, when the people in the area may not choose to be annexed? Let me make a comment, because maybe I'm confusing people. This municipal county comprises the territory within its boundaries. Some territory within its boundaries will be adjacent to a city which is within those boundaries also. The city may greedily be eyeing an area adjacent to itself and want to annex. The decision, based on this language, is going to be up to the municipal county, the governing board, I presume. And the only thing that has to be shown in order to mandate approval of this annexation is that the city can provide services in that area to be annexed more cheaply than the municipal county could.

SENATOR BROWN: Senator, the...the land...you're talking about a municipality that did not choose to become a part of the municipal county, in the first place, and you're talking about a piece of...of...a...an area that did choose to become part of the municipal county, but at the...at this point the municipality has prevailed on them to...to show that they can provide the services at a...at a...a less cost. And so it is...it is the municipal county allowing it to happen, not forcing anyone to have...to have it happen.

SENATOR CHAMBERS: But, Senator Brown, isn't this municipal county an entity that has geographical boundaries?

SENATOR BROWN: Yes.

SENATOR CHAMBERS: And isn't it true that within those boundaries there can be SIDs which chose not to be a part of the merger?

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SENATOR BROWN: Well, SIDs are not a part of the merger because they exist separately.

SENATOR CHAMBERS: But they can be within the geographical boundaries of this municipal county.

SENATOR BROWN: Yes.

SENATOR CHAMBERS: And if one of these SIDs is adjacent to the city, the city could take that SID, couldn't it, couldn't it annex it,...

SENATOR BROWN: It could...it could...

SENATOR CHAMBERS: ...under this language?

SENATOR BROWN: ...currently. I mean, SIDs are eligible for annexation at any point in time and under any circumstance if the municipal...if they meet the...the adjacency rules, and if they...if their bond...bonded indebtedness makes them attractive to annexation, they are currently eligible for...for annexation.

SENATOR CHAMBERS: But I believe...

SENATOR BROWN: This doesn't...this doesn't change anything in that regard.

SENATOR CHAMBERS: ...I believe this language would override those particular provisions because we are dealing with a comprehensive piece of legislation that establishes the status of SIDs relative to this merger.

SENATOR BROWN: But the...but the...

SENATOR CHAMBERS: They have chosen not to be a part...oh, and that's all I have to ask you...

SENATOR BROWN: Okay.

SENATOR CHAMBERS: ...now, because my time will run out. They have chosen...let's say the SID has chosen not to be a part of

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the merger. If you adopt this language, you erase their having opted out, because once they are annexed by this city, they are now merged.

PRESIDENT MAURSTAD: Time.

SENATOR CHAMBERS: And more...oh, thank you, Mr. President.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Senator Schimek, on the Brown amendment.

SENATOR SCHIMEK: Yes, thank you, Mr. President and members. I rise in support of the amendment. And I didn't hear all of the discussion between Senator Chambers and Senator Brown, so I'm going to give some time to Senator Brown to respond and try to catch up on the conversation and the concerns that you have, Senator Chambers.

PRESIDENT MAURSTAD: Senator Brown.

SENATOR BROWN: Thank you. Mr. President, members, the...this amendment is in addition to any current legislation, any current statutes that we have about SIDs. It does not change anything about our current SID statutes and what...what constitutes the...the eligibility for an SID to be annexed. This just talks about in those instances where a municipality might be able to annex land. In our current circumstances, in the circumstance of a municipal county, the municipal county would agree to that in...in the situation that the municipality can show that they can provide the services at a reduced cost. It does not change...it is in addition to our current statutes about SIDs; it is not...it is not...does not take away anything from our current statutes about SIDs; it does not change anything in terms of what must be in place in order for an SID to be eligible to be annexed. And I would yield the rest of the time back to Senator Schimek, thank you.

PRESIDENT MAURSTAD: Senator Schimek. Senator Schimek, thank you. Mr. Clerk, I understand you have an announcement.

CLERK: Mr. President, thank you. Appropriations Committee will

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have an Executive Session, in 2022, at eleven o'clock; Appropriations, Room 2022 at eleven o'clock.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Further debate on the Brown amendment? Senator Dwite Pedersen.

SENATOR Dw. PEDERSEN: Thank you, Mr. Speaker and members of the Legislature. When it comes to this amendment, I need to thank Senator Schimek, Senator Brown and Senator Wickersham for taking my original amendment, that was brought to me by the small towns in my area, and doing exactly what this amendment does. We are very much in support of this amendment. It's the idea we had from the beginning and find that it's very, very good for the bill, and so I'm asking you to vote for it. And when it gets to the point where my amendment is, which is basically the same, I will be withdrawing that. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Pedersen. Senator Chambers, on the Brown amendment.

SENATOR CHAMBERS: Mr. President, members of the Legislature, I would like to ask Senator Wickersham a question, if he is in the Chamber or available.

PRESIDENT MAURSTAD: Senator Wickersham.

SENATOR CHAMBERS: Oh, I see Senator Brown is back; I will ask her.

PRESIDENT MAURSTAD: Senator Brown, would you yield?

SENATOR BROWN: Yes, Mr. President.

SENATOR CHAMBERS: Senator Brown, I heard you responding to some of what was being discussed on Senator Schimek's time. Would you mind elaborating on what this amendment is going to do. Based on what I thought it might do,...here, let me ask it this way, under the bill as it exists now an SID can opt out and not be merged.

SENATOR BROWN: It...it...it's...that's not quite accurate. An

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SID exists as it does right now, sort of...it...it's its own thing. (Laugh)

SENATOR CHAMBERS: Oh, then what...

SENATOR BROWN: But it...but it is still susceptible to annexation at any point.

SENATOR CHAMBERS: But Senator Wickersham had an amendment that we adopted which allowed them to opt out of this merger. So, if we adopted that amendment, the amendment would be law, wouldn't it?

SENATOR BROWN: It's not quite...

SENATOR CHAMBERS: If this bill becomes law...

SENATOR BROWN: It's not quite accurate to say that it allowed SIDs to opt out. It allows SIDs to continue to exist as SIDs exist currently.

SENATOR CHAMBERS: So that means that if a merger occurs, they are not merged.

SENATOR BROWN: Correct.

SENATOR CHAMBERS: If they...because they're allowed to vote,...

SENATOR BROWN: Correct.

SENATOR CHAMBERS: ...under that amendment, as to whether or not they're going to be a part of the merger.

SENATOR BROWN: Right.

SENATOR CHAMBERS: Well, let's say they vote to be a part of a merger, they still re...

SENATOR BROWN: Then they are not...then they are...then they are no longer an...they are no longer an SID, they are a part of the municipal county. They would not be eligible for

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annexation; they are no longer an SID.

SENATOR CHAMBERS: They would then just be an entity sitting out there that retained its...

SENATOR BROWN: They would then be a part of the municipal county.

SENATOR CHAMBERS: But they would not be a part of the city, they would not be a party of the governing board of the county; they would just be out there somewhere in limbo, is that right?

SENATOR BROWN: If they...if they...if they were a part of the merger, then they are a part of the municipal county, they are a part of the governing board, they are...they are a part of the municipal county. If they remain as an SID, they are just the same as they are right now, which is an island that exists for purposes of bonded indebtedness.

SENATOR CHAMBERS: And, if they agree to the merger, what is different in their status, if they agree to the merger?

SENATOR BROWN: They are a part of the municipal county.

SENATOR CHAMBERS: But they still exist as an SID, don't they?

SENATOR BROWN: No.

SENATOR CHAMBERS: What are they?

SENATOR BROWN: Because they...they're...because they're bonded indebtedness has...has been taken over by the municipal county and they are a part of the municipal county.

SENATOR CHAMBERS: And, in effect, they disappear.

SENATOR BROWN: Yes.

SENATOR CHAMBERS: They...and would they be considered...when we have...let me start again. If we have a merger, under this bill, between a city and the county, there are entities within

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the county which could decide not to be a part of the municipal...the county municipality. Isn't that true, if you...

SENATOR BROWN: Other municipalities, yes.

SENATOR CHAMBERS: Okay. Those municipalities would retain their distinct nature; they would elect their own council members, or however they are governed; they would write their ordinances and continue to do everything they do right now.

SENATOR BROWN: Right.

SENATOR CHAMBERS: Let's say there is an SID between city A,...

PRESIDENT MAURSTAD: One minute.

SENATOR CHAMBERS: ...which remains outside the merger, city B, which is a part of the merger;...

SENATOR BROWN: But the only...

SENATOR CHAMBERS: ...the SID allows the merger to occur. Does the SID then become a part of city B?

SENATOR BROWN: No, SIDs exist, not for purposes of governance, they exist for purposes of bonded indebtedness. If at any point in time this SID met the qualifications for being annexed by...currently by either city, then they could be...they could be annexed. And this just allows, because in the legislation we are not allowing them to be annexed, this allows them to be annexed by the municipal...the opt-out municipality, if that opt-out municipality can provide services the same as the municipal county at a lesser cost.

SENATOR CHAMBERS: So...

PRESIDENT MAURSTAD: Time. Thank you, Senator Brown. (Visitors introduced.) Senator Janssen, on the Brown amendment.

SENATOR JANSSEN: Thank you, Mr. Speaker. Senator...Senator Brown, I...

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PRESIDENT MAURSTAD: Senator Brown, would you yield to a question?

SENATOR BROWN: Yes, Mr. President.

SENATOR JANSSEN: Could we carry on a little conversation here. It's just something that just...has just come to me, that it may not have a lot to do with your...what your amendment is, but I need to...I need to ask you if you're familiar with Cook County in Illinois? Right, you understand that Cook County is Chicago?

SENATOR BROWN: Yes.

SENATOR JANSSEN: All right. I believe that they still have a county government in Cook County, and they also have the city of Chicago's government. Now I don't know exactly how that thing functions, but there you have a situation where the whole county is surrounded or is encompassed by the city, and they still have two forms of government.

SENATOR BROWN: And that...that is the reason for LB 142, in my estimation. In its most elemental sense, if you wake up one day and the...the entire way that the community that you live in has changed by virtue of growth and development, would you design the way...the...the structure and the way that services are delivered in the way that they are right...currently?

SENATOR JANSSEN: Um-hum.

SENATOR BROWN: And I don't believe that you would. I think that you would look at how you...how everything is composed in a way that's going to guarantee the best representation and the best service provision. And so that's why...why I believe LB 142 is important. But the...the most important piece of LB 142, in my estimation, is the IPC, the intergovernmental planning commission, because that is where individuals from the community, who understand the community, define what that new structure and service provision is going to look like. And I have tried as best I can in the work that I've done on LB 142, to say I can't know, as a state elected official, what the

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issues are in every community.

SENATOR JANSSEN: Um-hum.

SENATOR BROWN: And so let's develop a structure that allows that community to...to...to restructure themselves, as best it can.

SENATOR JANSSEN: Now, do you think...I don't believe that you would ever see our two largest cities in this state merge. I don't think that would ever happen.

SENATOR BROWN: I...

SENATOR JANSSEN: You may see a county the size of my county that it would probably...it would probably happen there before it would happen in Lincoln or Omaha or Douglas or Lancaster County.

SENATOR BROWN: I've said that...I've said that on the record before. And I, yes, I agree with that. I think that...I think that the places that it is most likely to be used are those places that have a history and a culture of working together. And I...and I don't believe that the county that I live in has much of that culture. And so I don't think that that...that those are the ripest places for it. Nor do I know whether the...the conclusion would be that you could get service provision at a reduced cost. I can't presume that for those communities,...

PRESIDENT MAURSTAD: One minute.

SENATOR BROWN: ...but I think that you need to have in place a system that allows the communities and counties and local individuals to be able to investigate that. And that's what I believe LB 142 does.

SENATOR JANSSEN: And I believe that in a smaller county like that. we're talking a county of 35,000, 36,000 people. You...it would be very important to get some type of a cohesion between those small towns, otherwise this is not...this is never

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going to work because they are going to feel as though that they have one large city who is probably three-fourths of the population of that county, they are going to feel that that city is going to overwhelm the smaller towns. But that...the only way that could be corrected would be through the planning...the IPP or (inaudible).

SENATOR BROWN: No, the only way that that is corrected...

PRESIDENT MAURSTAD: Time.

SENATOR BROWN: ...is that they have total control over whether they're apart.

SENATOR JANSSEN: Thank you.

SENATOR BROWN: Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Janssen. Senator Brown, your light is on next.

SENATOR BROWN: Mr. President, members, I would yield some time to Senator Chambers, to continue the conversation that we were having, if he would like that.

PRESIDENT MAURSTAD: Senator Chambers, would you yield?

SENATOR CHAMBERS: Thank you, Mr. President; thank you, Senator Brown. Members of the Legislature, Senators Wickersham, Brown, Raikes and Schimek combined in the discussion that made it clear to me exactly what is being done by her amendment. First of all, it would relate to a nonmerged municipality, because once the merger occurs, the only municipalities that continue to exist as municipalities would be the nonmerged. So, the questions that I had asked earlier no longer have any significance. The only thing now is whether or not one of these cities, with the adjacent territory could show that it is able to provide services more cheaply than this merged entity called the municipal county, if I'm right. And Senator Brown is nodding in the affirmative. With that having been established, I'm not going to oppose this amendment. I don't know what city

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out there that is small is going to be able to do anything along this line. However, I'd like to ask Senator Brown a question. Would it be possible, if she'll yield.

PRESIDENT MAURSTAD: You're on her time, so...

SENATOR CHAMBERS: Oh, that's...then, okay, we can just converse.

PRESIDENT MAURSTAD: Correct.

SENATOR CHAMBERS: Than, Senator Brown, it would be possible in Douglas County for Douglas County to merge with one of the smaller cities and Omaha remain unmerged.

SENATOR BROWN: Correct.

SENATOR CHAMBERS: And then Omaha could show perhaps that it provides these services cheaper and the county...the municipal county could not stop Omaha from gobbling up all of these SIDs, even if in doing so it took some territory away from that municipal county.

SENATOR BROWN: Correct, if the SIDs met the qualifications for annexation that they currently do.

SENATOR CHAMBERS: Right. Okay, that clears everything for me and I'm through with your time. Thank you.

SENATOR BROWN: Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Brown. Senator Schimek.

SENATOR SCHIMEK: Call the question.

PRESIDENT MAURSTAD: No need to, your light is the last one on, Senator Schimek. Senator Brown, you're recognized to close.

SENATOR BROWN: Hopefully, we...we've provided the information that you need to understand that this is just a mechanism that would allow, in the future, for...for those opt-out cities a

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growth, if they can show that it is in the best interest of...of the...the area that...that is going to be annexed. And I would urge the adoption of the amendment. Thank you.

PRESIDENT MAURSTAD: Question is the adoption of the AM1225 to the committee amendments to LB 142. Those in favor vote aye; those opposed vote nay. Voting on AM1225.

SENATOR BROWN: Mr. President, I would ask for a call of the house, please.

PRESIDENT MAURSTAD: Question is, shall the house go under call? Those in favor vote aye, those opposed nay. Mr. Clerk, please record.

CLERK: 17 ayes, 0 nays, Mr. President, to place the house under call.

PRESIDENT MAURSTAD: Senator Brown.

SENATOR BROWN: (Inaudible) call-in votes.

PRESIDENT MAURSTAD: The house is under call. Would unauthorized personnel please leave floor. Members not in the Chamber please report to the Chamber and record your presence. The house is under call. Call-in votes have been authorized on AM1225 to the committee amendments to LB 142.

CLERK: Senator Hilgert voting yes. Senator Maxwell voting yes. Senators Cudaback and Erdman voting yes.

PRESIDENT MAURSTAD: Mr. Clerk, please record.

CLERK: 26 ayes, 2 nays, Mr. President, on the adoption of Senator Brown's amendment.

PRESIDENT MAURSTAD: The amendment is agreed to. Call is raised. Mr. Clerk.

CLERK: Mr. President, the next amendment I have, Senator Quandahl has AM1073, but I have a note, Senator, you'd like to

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withdraw and offer as a substitute AM1107. (Legislative Journal page 1160.)

PRESIDENT MAURSTAD: Senator Quandahl.

SENATOR QUANDAHL: That is correct, I do wish to take up...

PRESIDENT MAURSTAD: AM1073 is withdrawn without...without objection. We'll take up AM1107. Senator Quandahl, you're recognized to open.

SENATOR QUANDAHL: Thank you. Just to give you a short explanation of what AM1107 is intended to do, it's intended to maintain the status quo for all contracts, which would include keno lotteries. If a city and a county vote to merge under LB 142 there's somewhat of an open question as to what would happen with the existing keno lotteries. For example, if a city does have an existing keno lottery but the county doesn't, what would be done with that? AM1107 is meant to clarify that. And specifically what it does is it allows the lottery, it allows the keno to keep on operating within the specific geographic boundaries that it operated before. Specifically on page 2, lines 18 through 27, and also continuing on in page 3, "the lottery shall not be expanded to any new location". And so, just in short, I'd urge you to adopt this amendment as it just maintains the status quo in the event of an emer...in the event of a merger. So that...

PRESIDENT MAURSTAD: Thank you, Senator Quandahl. (Visitors introduced.) Debate on the Quandahl amendment to the committee amendments to LB 142? Senator Cudaback, followed by Senators Janssen and Schimek. Senator Cudaback, on the Quandahl amendment.

SENATOR CUDABACK: Mr. President, members, I'd like to ask Senator Schimek a question, if she would yield.

PRESIDENT MAURSTAD: Senator Schimek, would you respond to a question?

SENATOR SCHIMEK: Yes, thank you.

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SENATOR CUDABACK: Senator Schimek, in the bill, I'll make this a short question, but appears to be a few ambiguous...ambiguities in the language. I was wondering, can we make this somehow more clear on what the commission will...if they have a choice in which offices they want to retain or don't retain? It seems to me maybe a little bit of confliction there in the two paragraphs. Could you allude to that?

SENATOR SCHIMEK: Yes, thank you, Senator Cudaback, and you're not referring to this particular amendment,...

SENATOR CUDABACK: No, no,...

SENATOR SCHIMEK: ...you're really referring back to the bill.

SENATOR CUDABACK: ...I'm not. Thank you.

SENATOR SCHIMEK: And I've had some discussions with NACO on this, and they don't feel that it's clear enough in the bill. I think the intent of the bill is that it's up to the interjurisdictional planning commission to decide which offices are recommended to be kept and which offices are recommended to go. And it...it probably isn't as crystal clear as it could be, so I have told NACO that we'll be willing to work on some language for Select File. And I know that is of concern to some people. So it always was the intent of the bill that that was how it would work, but it probably didn't say it clearly enough.

SENATOR CUDABACK: Okay. But you would be willing, on Select File, to work on the so-called problem.

SENATOR SCHIMEK: That is right.

SENATOR CUDABACK: Okay, thank you, Senator Schimek. That will be all, Senator...or President.

PRESIDENT MAURSTAD: Thank you, Senator Cudaback. Senator Janssen, on the Quandahl amendment.

SENATOR JANSSEN: Thank you, Mr. President, members. Senator

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Quandahl, the way I look at this, you are...are you...ere you saying that that...that keno operation, say if it's in...in the...let's say the city of Elkhorn, and any of those...the way that works now, any of those proceeds that are earmarked for that city will go to that city, or will it...will they now go to the city/county merger? Because, if they all merge together, there will not be a city government or a county government, there will be one government. Where will those proceeds go? Now they have to go to some infrastructure of some kind. So, explain that to me.

PRESIDENT MAURSTAD: Senator Quandahl, would you yield?

SENATOR QUANDAHL: Yes, I will. The proceeds from the keno lotteries would go to the greater municipal county. All that this amendment does is that it makes sure that the keno operation does not expand beyond the specific geographic limitations of where it previously existed, but the proceeds would go to the municipal county.

SENATOR JANSSEN: Are you...it would not expand beyond those...the boundaries of the city as it now...as it now exists, right?

SENATOR QUANDAHL: That is correct.

SENATOR JANSSEN: So you would not...you...you could go put a keno parlor right at the edge of the old...the old city limits, but not into the next jurisdiction. Or would there be any city limits anymore?

SENATOR QUANDAHL: Well, there...there...the way that the amendment reads is on...if you look, "except such lottery shall not be expanded to any new location in any area of the municipal county where such lottery was not previously authorized before the consolidation". It goes on then to say that that is unless there is a vote of the people, which is how that the keno lottery is now established. So, no, it could stay just within the geographical boundaries of that city, I mean, we used Elkhorn as an example, but not any further.

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SENATOR JANSSEN: But there wouldn't be any boundaries anymore.

SENATOR QUANDAHL: That's correct, that's correct,...

SENATOR JANSSEN: Um-hum.

SENATOR QUANDAHL: ...as they previously existed.

SENATOR JANSSEN: As they previously existed, okay, all right. I think I can go along with that.

SENATOR QUANDAHL: Thank you.

SENATOR JANSSEN: Thank you, Senator Quandahl.

PRESIDENT MAURSTAD: Thank you, Senator Janssen. Senator Schimek, on the Quandahl amendment.

SENATOR SCHIMEK: Yes, thank you, Mr. President. I rise to support the amendment. I think that we need to make clear that if that lottery is going to expand into areas in which it was not...is not presently, then we need to ask for a vote of the people. And this could be done on the ballot at the same time that you are discussing the city/county merger, at the same time you have that ballot issue on there, because it is also probable that you will have a ballot issue on sales tax and how that will work at the same time. So to me it would be logical that you would just put the lottery question then on the ballot and let people decide whether they wanted to expand it into the rest of the county, the municipal county at that time. So I think it's something that we probably needed to clarify and make certain that there were some kind of rules in place for it. So, with that, I would urge your support.

PRESIDENT MAURSTAD: Thank you, Senator Schimek. Senator Quandahl, you're recognized to close.

SENATOR QUANDAHL: Yes, I guess, I would just urge the body to adopt AM1107 for the simple reason that it just maintains the status quo for the keno lotteries in the case of a merger. So, I would urge you to vote green.

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PRESIDENT MAURSTAD: Thank you, Senator Quandahl. The question is the adoption of AM1107 to the committee amendments to LB 142. Those in favor vote aye; those opposed vote nay. Senator Janssen, you turned your light on; did you wish to be recognized? Senator Janssen, you turned your light on, did you wish...voting on AM1107. Voting on AM1107 to the committee amendments to LB 142. Please record.

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

PRESIDENT MAURSTAD: The amendment is adopted. Mr. Clerk, items for the record?

CLERK: Thank you, Mr. President. Your Committee on Education reports LB 744, LB 749, LB 793 as indefinitely postponed. Judiciary Committee reports LB 642, LB 824 to General File; those reports signed by the respective chairs. Amendments to be printed, Mr. President. Senator Suttle, amendment to LB 468; Senator Stuhr, to LB 667; Senator Baker, to LB 667. That's all that I have, Mr. President. (Legislative Journal pages 1478-1480.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Next item.

CLERK: Mr. President, Senator Schimek, I now have AM1062.

PRESIDENT MAURSTAD: Senator Schimek.

SENATOR SCHIMEK: Excuse me. I'd like to withdraw that amendment, please.

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

CLERK: Mr. President, Senator Chambers has the next amendment, FA116. (Legislative Journal page 1164.)

PRESIDENT MAURSTAD: Senator Chambers. Senator Chambers.

CLERK: Senator, this is the floor amendment you'd given me

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earlier; not today's amendment, okay?

PRESIDENT MAURSTAD: Senator Chambers, you're recognized to open on Fall 16.

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I had to travel a great distance in a short period of time. As a matter of fact, the definition of jet propulsion is long distance times short time to get there, and you get jet propulsion. Senator Schimek may want to pay attention to this amendment. Every place in the bill where you see "municipality" you would strike it. Every place that you see "municipal county" you would strike it. I think because of the number of times these two terms are found in the bill, if we strike "municipality" and we strike "municipal county", we will considerably lighten the weight of this bill. We will go a long way in removing complications and I think the bill will be a lot easier to understand. So what I'm asking my colleagues to do is to think about all that we've been discussing thus far, what will be left for us to discuss, if my amendment is not adopted. There are many roads that lead to Rome. As I've pointed out before, if you go to Florida where that version of Walt Disney's enterprise is located, all of the roads lead you right back there. You can start out and drive down a road and it's covered over with these trees that create a canopy. You'll come to areas that look like you might be about to enter the Okefenokee Swamp or something similar, you might become worried that around the next bend you may see an alligator in the road or a water moccasin, but that does not happen. Be of good cheer, press on and you'll wind right back up, right back at Walt Disney's activity. I don't know if they call it Disneyland or Disney World. I believe that this bill is destined to be killed or either to die a slow, unnatural death. My amendment is simply another road that would get us there, and it would get us there more quickly. If you want to continue the discussion of the bill, if there are other amendments that you want to try to add to the bill, you will not vote for my amendment. Technically speaking, even if you adopt my amendment, the bill still is before us. So you could continue to tug at it and worry it. If you don't adopt my amendment, you are left with a proposal so complex that I don't believe any governing body in

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this state will understand all that is in it. So it will provide money for attorneys who also may not understand it, but they can make some money. Under the requirements laid out in this bill we all know that practically speaking it is highly unlikely that any merger will occur under this bill. The constitutional amendment that was adopted was opposed by myself and the "Wizard" of Wickersham. As a result, that constitutional amendment said that the Legislature may enact legislation to implement that constitutional amendment. There is no mandate on us. If we do nothing, we have not violated either the constitutional amendment, the sense of it or the spirit of it, nothing about that amendment was done quietly. There was a lot of opposition on the floor, even if not from a majority of the members, and that's proved by the fact that the thing did get out there on the ballot. But the opposition was very sincere. It is not necessary that we enact legislation. What is being proposed in LB 142 is not good, well-written legislation; it cannot be. There are too many diverging interests affected by this bill to permit of well-crafted legislation; that's because you have to add a bump here, add a finger there, add an ankle bone someplace else, maybe an ear, as we've described it in the past. Anybody who would go to the Bill Room and ask for a copy of this bill and the amendments would be given the green copy and several versions of that lottery amendment and then the committee amendment. There are all kinds of papers circulating that are related directly to this bill. Very little, if anything, in any of those papers will make clear what the bill's ultimate goal is in terms of how to accomplish that goal. I'm offering you this amendment. It's very straightforward, it is easy to understand. Every place in the bill where the word "municipality" appears it will be stricken. Every place where the term "municipal county" appears, that also will be stricken. If you have any questions, I'm prepared to answer them.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Debate on the Chambers' amendment? Senator Schimek.

SENATOR SCHIMEK: Yes, thank you, Mr. President, members. Senator Chambers, I'm really pleased to see you breathless over this bill. (Laughter) And I would like to say that if we want

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to rename the municipal county blob, as we have affectionately called it on a number of occasions, it would make the bill lighter and I might be agreeable to that, but otherwise I have to oppose your amendment. I will support probably your amendment that you have listed further down the agenda; I think that's a good amendment. And I agree with you, Senator, that at this point there are...there is a lot of paper. I think it shows a willingness on the part of all of us to work on this and continue to work on it. And this certainly isn't the first bill that's ever gone through this kind of scrutiny and this kind of change. And what we do plan to do, as soon as we get through General File, is to have a white copy of the bill made to incorporate all of the different amendments. I agree with you, it is...it is difficult to keep track of all of this stuff and we need a white copy so that everybody will know where we are. I would just encourage you, Senator, if you would, to move on so that we can get to your more serious amendment. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Schimek. Senator Chambers, you're recognized to close.

SENATOR CHAMBERS: Mr. President, members of the Legislature, Senator Schimek presumed I was breathless about the bill. Couldn't it be that I thought about the bill's sponsor and was breathless? Don't be so presumptuous. But because Senator Schimek had mentioned that she has read a later amendment that I'm offering, I will not pursue this one. I had offered it on a day when we were moving, I thought, kind of rapidly and I wanted to slow us down. But as events turned out, there was a slowing down of the bill; we have had an opportunity, those of us with an interest in doing so, to read it through, understand as much as we could, decided whether we were going to support it or not and then proceed with the discussion. So I will not take anymore time on this amendment. I will withdraw it.

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

CLERK: Mr. President, the next amendment, Senator Dwite Pedersen. But I have a note, Senator, this is AM0724, you want to withdraw at this time, Senator?

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SENATOR DW. PEDERSEN: That's right.

PRESIDENT MAURSTAD: The amendment is withdrawn.

CLERK: Mr. President, Senator Janssen, Senator, AM1495, the first one.

SENATOR JANSSEN: Withdraw those and place them on Select; I'll reintroduce them on Select File, both of those amendments.

PRESIDENT MAURSTAD: The amendments are withdrawn and refiled on Select File.

CLERK: The next amendment to the committee amendments, Mr. President, Senator Chambers, AM1501. (Legislative Journal page 1481.)

PRESIDENT MAURSTAD: Senator Chambers, you're recognized to open on AM1501.

SENATOR CHAMBERS: Mr. President, members of the Legislature, this is a very serious amendment. The only reason I took enough time to write it is because there is a possibility, maybe remote, but there is a possibility this monstrosity will be enacted into law. That does make me breathless. There's a possibility that Douglas County and the city of Omaha may decide to consummate a merger. Now, when (laugh)...Pandora, over here, said, not during our lifetime. (Laughter) Well, maybe she's planning to croak soon, but I expect to be around here for a while, at least three or four more years. Senator Schimek had said earlier that there might be some entities that would contemplate a merger under this bill. If they really read it carefully, what they will wind up contemplating is suicide, Senator Schimek. But based on the possibility that a merger could occur, I think that requirements laid down in the bill should be well considered and designed to address the reality of a merger coming into being. So what I have done is to put together what I think should happen if Douglas County and the city of Omaha should merge. And my purpose in doing this is to set up the requirements for the governing board. And I'm going to go ahead and put it into the record, rather than paraphrase,

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because I can read it quicker than I can explain it. "A municipal county created under Section 1 of this act, in which is situated a city of the metropolitan class, shall be governed by a council of fifteen members who shall be elected by districts. The council members shall be elected on a nonpartisan ballot. The area involved in the "...of the con...it should be "consolidation shall be divided into fifteen council districts of compact and contiguous territory. Such districts shall be numbered consecutively from one to fifteen. One council member shall be elected from each district. The division shall be made by the county board members of each county involved, by January 31 of the year in which the council members are to be elected. Each council member shall be elected to a four-year term, except that at the first general election following the formation, the members elected from the even-numbered districts shall be elected to a four-year term and members elected from odd-numbered districts to a two-year term and to four-year terms thereafter. A majority of the council members shall constitute a quorum for the purpose of transacting business. The council shall annually elect a chairperson from among its members. The council shall be responsible for redrawing the council district boundaries pursuant to Section 32-553." To sum it all up, the council would have fifteen members, each one elected from district, the terms would be staggered. The even-numbered districts would send a member for a full four-year term the first election, the odd-numbered districts would send a member for a two-year term, then the odd-numbered districts would get a four-year term thereafter. So, that is what the amendment would do. And the part about redrawing its own boundaries I thought should be put into the bill since this is a new creation, a new creature, if you will, and the cross-reference is to the statutory scheme that determines that any political subdivision that elects by districts will have these compact, contiguous districts, as equal in population as possible, and they will redistrict based on the population figures provided by the most recent federal decennial census. If you have any questions, I will answer them.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Senator Hudkins, on the Chambers amendment. Senator Schimek, on the

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Chambers amendment.

SENATOR SCHIMEK: I rise in support of the Chambers amendment. Thank you.

PRESIDENT MAURSTAD: Senator Chambers, you're recognized to close.

SENATOR CHAMBERS: No closing, Mr. President. Thank you.

PRESIDENT MAURSTAD: Closing is waived. The question is the adoption of AM1501 to the committee amendments to LB 142. Those in favor vote aye; those opposed vote nay. Voting on the Chambers' amendment to the committee amendments to LB 142. Mr. Clerk, please record.

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

PRESIDENT MAURSTAD: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Thompson would move to amend the committee amendments, AM1502. (Legislative Journal page 1482.)

PRESIDENT MAURSTAD: Senator Thompson, you're recognized to open on AM1502.

SENATOR THOMPSON: Thank you, Mr. Speaker. This is the amendment we discussed earlier with some clean-up language. And I will also, for the record, try to clarify one aspect of this that has been drawn to my attention. I'd like to thank Senator Wickersham and Senator Bromm for helping me with this. Essentially, it's the same amendment with about three changes. The first says the report before said "shall identify the governmental services", it now says it "may". It also changes the language to clarify that what they're recommending is a partial merger plan and that the hearings would be held on that plan. In discussing one other issue, it would be my view, in terms of the intent of this was...is not to take this commission beyond any statutorily authorized functions for cities and counties. So this would not authorize anything further to be

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recommended in terms of consolidation of services, other than those that are already permitted in statute. That would be my understanding of that. So this amendment is a cleanup of the previous amendment, the topic is the same; it's just whether or not you would authorize the commission to not only recommend total merger, but also to recommend partial merger of services through the same process that is allowed for a total merger. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Thompson. Senator Hudkins, on the Thompson amendment.

SENATOR HUDKINS: Thank you...thank you, Mr. President and members. If I could ask the bodies indulgence, I would like to go back to my previous remarks when Senator Thompson had introduced this similar amendment. There could be seem to be some confusion between Senator Schimek and myself as according to what the Lancaster County Board's position is on this. She has a copy of this letter and I would just like to share it with the rest of the body, so that we'll clear up any confusion, if there was any. This is addressed, from the Lancaster County Board of Commissioners to Senator Schimek, and I quote, "The Lancaster County Board of Commissioners has followed the debate of LB 142 with great interest. The county board has remained neutral on the bill, however, the board does have several concerns. Unless these problems can be adequately addressed, the board will take the position against LB 142. Although a majority of the citizens in each entity being consolidated must vote for the merger, a municipal county can only be dissolved by a majority vote of all citizens of the municipal county. Thus a political entity which voluntarily decided to consolidate loses its individual power to withdraw from the consolidation. For example, the residents of a small political entity may find a municipal county is unresponsive to their needs. At the same time, residents of a larger political subdivision, such as a city, may find the municipal county does meet their needs. However, the municipal county could not be dissolved without a vote of both city and county residents. Under this situation the county would lose the ability to independently remove itself from an unfavorable political consolidation. Another concern involves political entities which choose to not join the

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municipal county. In this situation, the formation of a municipal county would totally landlock independent cities and villages, thereby eliminating the potential for future growth. In turn, this could lead to the involuntary incorporation of these entities into the municipal county. The county board respectfully requests these serious concerns be taken into consideration during the debate of LB 142. Also, we would be happy to discuss these concerns with you at any time." This letter was signed by four members of the County Board, with one member being absent. And again, I would reiterate that they said that the county board has, up to this time, retained...remained neutral but, unless their concerns are addressed, they will take a position against LB 142. So, Senator Schimek, if you have comments, you may have the rest of my time.

PRESIDENT MAURSTAD: Senator Schimek.

SENATOR SCHIMEK: Thank you, Mr. President. And Senator "Hudson" or Hudkins, thank you for the time. And I believe that's what I said earlier today, that they have been monitoring this bill, they've been neutral on the bill. To the best of my knowledge, they were still neutral on it, but that they did have a concern over certain provisions in the bill. Now I would like to say that the two issues that they talk about here in this letter, I believe, have already been addressed. And the first one was addressed in AM1103, on page 19, if you would like to look that up. And then the other one I think we just addressed in the Brown amendment. But if we haven't addressed them, I'm certainly willing to sit down and talk with them. I have been in contact with the county board only through...mainly through, I guess, their lobbyist. And I have always assured them that I would be happy to work with them. But I've never really had anything like this come to me before. So if anything else develops, I will be definitely willing to try to meet their objections. So thank you very much for that explanation.

PRESIDENT MAURSTAD: Thank you, Senator Schimek and Senator Hudkins. Senator Wickersham, on the Thompson amendment. Senator Wickersham waives off. Senator Schimek, on the Thompson amendment. Senator Schimek, you're recognized on the Thompson

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amendment.

SENATOR SCHIMEK: Mr. President and members of the body, I need somebody to talk so I can visit with Senator Thompson about this particular amendment. As it's written I don't think I want to support it. But I want to...I just really saw this language. I just saw it and I haven't had time to digest it yet and I don't know if I can support it or not. So, Mr. President, are there any other lights on?

PRESIDENT MAURSTAD: Yes, there are.

SENATOR SCHIMEK: I would yield the rest of my time back to the Chair. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Schimek. Senator Brown.

SENATOR BROWN: Thank you, Mr. President. I would engage with Senator Janssen, if he would...would like to, in the conversation that we were having previously about some of the underlying reasons for this bill.

PRESIDENT MAURSTAD: Senator Janssen, would you yield to a question?

SENATOR JANSSEN: Certainly.

SENATOR BROWN: Thank you, Senator Janssen. Would you like to further talk about the...the instance you were talking about in terms of Cook County and what...how...the relationship between that and...and what would happen in...in Nebraska.

SENATOR JANSSEN: Well, I...yes, Senator Brown. But, you know, I'm kind of flying by the seat of my pants here on that, because I really don't exactly know how Cook County and Chicago, what kind of government they...they really do have. I am presuming that they have a county government and a city government, because you keep hearing about Cook County commissioners and the city of Chicago, the...how they have their...their government is structured, so I would imagine it is to...now, maybe the state of Illinois does not have a provision where they can merge, and

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I don't know this, you know. It...it...it could be that there is no way that...that they could merge their governments.

SENATOR BROWN: Probably the largest community that I'm aware of that has a merged government is Indianapolis, which has what they call "unigov", a merger of their...their...the city of Indianapolis and the county, and I'm not sure the name of the county right now. But they have a...a...a unified government that has been held up in some regard, I think, in terms of...of not only the efficiency, but also the ability to hold down cost. It was initiated by the mayor and it was a community that had...that encompassed much of the county and had something of a history of joint services and an ability to work together. They had done a lot in terms of economic development, especially around sports activities that had kind of brought the community together and allowed them to...to...to have the sense of working together that I talked about in terms of the culture that might facilitate this being successful.

SENATOR JANSSEN: Do you...are you aware of any other, if the...the state of Indiana allows this, are you aware of any other cities in Indiana that have that type of a municipal county government?

SENATOR BROWN: No, I'm not.

SENATOR JANSSEN: Of course there...

SENATOR BROWN: But...but there are other communities, Kansas City, Kansas has...has a unified system, it's fairly recent. Dade County, Florida has a merged system. It's a little bit more long-term. And...and I think that when...when it happens, when there is a...an acceptance by the voters that this is a way to manage their government, it's pretty successful. There is some question as to whether the projected financial benefits have been as great as...as people had hoped for in terms of being able to control cost.

PRESIDENT MAURSTAD: One minute.

SENATOR BROWN: But there is some belief that, at least

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anecdotally, the service delivery is a little bit more efficient, and maybe they're able to provide better services by virtue of not having the overlap that...that we often have in...in areas where you have duplications of...of individuals who are doing the similar kinds of activities.

SENATOR JANSSEN: If...I can understand in a city like Indianapolis, and apparently that...that county is a small enough county where they are pretty well grouped together. Now Douglas County, geographically, is a pretty good size county. You know, there is quite a ways from say Valley to the police station,...

PRESIDENT MAURSTAD: Time.

SENATOR JANSSEN: ...downtown.

PRESIDENT MAURSTAD: Senator Janssen, your light is on next, if you'd like to continue...

SENATOR JANSSEN: Yeah, yeah, we'll...I plan...

PRESIDENT MAURSTAD: ...your discussion. You might speak in the microphone, if you'd like the record to pick up your comments this morning.

SENATOR JANSSEN: Well, I don't know whether they're really worth picking up or not anyway, Mr. Lieutenant Governor. (Laughter) But I'll try to...I'll try to...it's kind of hard to carry on a conversation when I'm not looking at someone; that's just like trying to sell someone a T-bone steak without looking at them. But anyway, we...in Douglas County it is...geographically that is a good size county. Now would someone in, we'll get off on something else here. Someone in Valley, if you had a municipal let's say...let's say fire, you would have...the fire department would all be connected with one...with one fire department, would be the multicounty fire district. Now would they be able to provide that much service? Now we...in our statutes, our statutes call for a rural fire protection districts. Now we would be able to separate those rural fire protection districts out, I understand. We could

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have...we could leave those intact and still have the merger. That would not be one of the entities that would have to...that would have to agree on a merger. Am I right there on that?

SENATOR BROWN: You...are you asking...

SENATOR JANSSEN: Yeah, I'm asking you if that...if...if your assumption...

PRESIDENT MAURSTAD: Senator Brown, would you yield?

SENATOR BROWN: Yes, Mr. President.

SENATOR JANSSEN: ...assumption the bill (inaudible)...

SENATOR BROWN: Yes, but every...pretty much everything about what the merger will look like or could look like would be determined by the IPC. But there are...there are entities that can opt in or can opt out. There are voting entities.

SENATOR JANSSEN: Um-hum.

SENATOR BROWN: It is clear that we are going to need to have fire provis...fire provisions for all parts of the county. And so they will determine how best to go about making sure that that fire provision...fire protection provision is best done.

SENATOR JANSSEN: Um-hum, yeah. There...and...and I am sure that they would stay...they would stay in that merger. The rural fire protection districts would...would be part of that. Now that brings me to another problem we would have with that is that you would be paying the municipal levy, the municipal levy, which would be the county, the old county and the old cities, because there would be no more counties, would be no more cities. But you would be paying that fire protection district levy and you would also be paying the...the levy, which would be including the fire service from that multiple, multicounty and city merger, unless you could be...unless you could be exempted, the people in that...

SENATOR BROWN: Yeah.

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SENATOR JANSSEN: ...and I don't think that...that's possible, the way...the way the provision is now. I think you would still end up paying both of those.

SENATOR BROWN: Not necessarily. The requirement...

PRESIDENT MAURSTAD: One minute.

SENATOR BROWN: ...for...for the services that are provided that...it depends on if you're in or out of the municipal county, if you're opted in or opted out. But the services that are required to be provided to the opt-out communities are those services that you can't provide other ways, countywide services, like election services and things like that. The IPC would need to determine how to coordinate the fire protection services in a way that is going to continue to provide the services and not...not duplicate, because obviously you do not want to have a situation where you have a duplication. That's what you're trying to put in place to avoid. And so there...

PRESIDENT MAURSTAD: Time.

SENATOR BROWN: Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Janssen, Senator Brown. Senator Thompson, on AM1502. Senator Thompson waives.

SENATOR THOMPSON: From here.

PRESIDENT MAURSTAD: Oh, I guess I misunderstood this. (Laughter) Senator Thompson.

SENATOR THOMPSON: Mr. Lieutenant Governor, I would withdraw the amendment at this time.

PRESIDENT MAURSTAD: The amendment is withdrawn. Debate on the advance...debate on...further debate on the adoption of the committee amendments? Senator Schimek, you're recognized to close on the committee amendments.

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SENATOR SCHIMEK: Yes, thank you, Mr. President and members. To take you back to the committee amendments, which it has been a long road and some time since we discussed the committee amendments, let me just briefly tell you again what the committee amendments do. Number one, that no plan would be created by the IPC if the IPC did not think that a merger was in the best interest of the counties and cities involved. Number two, the IPC will specify in their plan which form of government will operate the executive functions of the municipal county, i.e., elected executive officer, professional municipal county manager, or administrator appointed by the commission. Number three, the IPC will hold at least one public hearing in each respective jurisdiction after the plan has been completed and before submission to the voters. The amendment also requires that information on the merger include tax issues and the cost and quality of services. Number four, the ordinances of the municipal county do not supersede the ordinances of municipalities, which choose not to be in the municipal county. Number five, the municipality, which is not part of the consolidation, retains its authority to levy taxes and retains all other powers and duties of a municipality its size. Number six, the amendment clarifies that the vote of registered voters in each municipality is considered separately. Number seven, when a nonmerged municipality wants to merge with an existing municipal county, a vote of the council of the municipal county to approve that merger is required; in other words, after all that consolidation has taken place. Number eight, a municipality that is not merged into the municipal county will pay for services previously provided by the county which are not ordinarily provided by a municipality; and number nine, receipts from the 3 percent administrative fee for collecting sales taxes will be deposited into the Municipal Equalization Fund. With that, Mr. President, I would say that I appreciate everybody sticking with the discussion here and paying attention to the debate. And I think that the committee amendments, as amended, definitely improve the bill, and I would ask for your support.

PRESIDENT MAURSTAD: Thank you, Senator Schimek. The question is the adoption of the amended committee amendments to LB 142. Those in favor vote aye; those opposed vote nay. Voting on the adoption of the committee amendments as amended to LB 142.

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Mr. Clerk, please record.

ASSISTANT CLERK: 25 ayes, 0 nays on the adoption of committee amendments, Mr. President.

PRESIDENT MAURSTAD: Committee amendments are adopted. (Visitors introduced.) Senator Raikes, you turned your light on; did you wish to be recognized? Thank you, Senator. Mr. Clerk.

ASSISTANT CLERK: Mr. President, I have a priority motion. Senator Jones would move to bracket the bill until February 10, 2002.

PRESIDENT MAURSTAD: Senator Jones, you're recognized to open on your motion to bracket LB 142.

SENATOR JONES: Thank you, Mr. President, members of the body. This is a complicated and I think it's strung out a long time. I don't know if we're ever going to get it like we want, whether it does anything or not, I don't know how it's going to do it out in the counties. But I still think that they really need some time to go out to all the counties and explain exactly what this does. And, of course, I'm involved with a county that's got townships, and they got 33 townships in Custer County, and of course it speaks to them in this bill, too. So I think that we need a little time to look this over and try to get to explain to everybody just exactly what it does. So I think that we need to bracket it until next year to decide just exactly how we're going to come back and...and present it to the people, and also so the counties will understand what we're doing across this state. And I understand they want to go ahead and do it because of LR 45CA, but LR 45CA just says that they may do it and don't say "shall", and I think that's important to look at, too. So I think we should go ahead and bracket right now and come back then in January and February and look at it, and on February 10th we can have it back on the agenda and we can look at it then. And hopefully we get it worded so that we get it right, because it's something that don't have to pass this year. And I think that we need to do something about it. I realize there's been a lot of work done on it already and I probably,

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you know, upset some people by doing this, but I still think that this is the right way to do it so we can move on with the agenda. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Jones. Senator Cudaback, you wish to be recognized for a point of personal privilege?

SENATOR CUDABACK: Yes, Mr. President. Members, I'd like to announce that there are treats in the other room (laughter) for reasons...for reasons too painfully to announce but were alluded to earlier by our...Mr. Speaker. And we want to thank Senator Kristensen. He has graciously said to send the bill to him for any expenses that might be, so we thank him when you go have your little treat. Thank you much.

PRESIDENT MAURSTAD: Thank you, Senator Cudaback, and happy birthday. Senator Smith, on the motion to bracket LB 142.

SENATOR SMITH: Thank you, Mr. President. Members, I rise in opposition to the bracket motion. I believe that we've had some good discussion here this morning. We've modified the bill, not only this morning, but actually over the last three years. And I've only been around here a little over two years, but I know that the issue existed before I got here. The ballot asked voters if these entities may consolidate; the voters said, yes, we want these entities to consolidate as they wish. Current policy says they may not, so any inaction in terms of this issue, I believe, is in...in direct conflict to what the voters wanted. And I believe that there's been a lot of work on this. This is not Final Reading, this is General File, and I know that there will be more amendments on Select File. But I think that we can take advantage of the time given to this bill today. I think we have some momentum here to move along, and we can cast the vote now, deal with the issue now as it stands, and we can move further without just putting one more thing off until next year. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Smith. The motion to bracket LB 142. Senator Schimek.

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SENATOR SCHIMEK: Yes, thank you, Mr. President. Members of the body, naturally, I am standing to oppose the bracket amendment. And I want to say, Senator Jones, why didn't you do that earlier this morning, so if it passed we could have saved ourself all this time and trouble. (Laugh) I think that Senator Smith's points were well taken. There has been a lot of work on this. We...actually this bracket motion is taking time, Senator Jones, that we could be spending on the last amendment to be discussed today. Now, Senator Smith mentioned there will probably be several more amendments on Select File. I don't...I don't see the necessity for this bracket after we worked all the way through this, this morning. And I would strongly oppose the bracket motion. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Schimek. Further debate on the motion to bracket LB 142? Senator Jones, you're recognized to close.

SENATOR JONES: I'd like to have a call of the house first, then I'll go ahead and close.

PRESIDENT MAURSTAD: Question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Madam Clerk, please record.

ASSISTANT CLERK: 8 ayes, 0 nays to place the house under call, Mr. President.

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. Senator Jones.

SENATOR JONES: Yes, I realize that we've had a lot of work done on this and everything, but I still think that we need to look at it over the summer with the counties out across the state. That's what my biggest concern is. The counties that's got townships in them, I think they need to be explained exactly what's going to happen if they merge together. And I think that they need to work with them and come back with a plan next year that would really help across this state. So I'm going

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to...hopefully I can get enough votes to bracket it right now.
Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Jones. The house is under call. Members, please return to the Chamber and record your presence. Those members that are in the Chamber, please record your presence; the house is under call. Senator Dwite Pedersen, could you please check in. Senator Aguilar, the house is under call. Senator, welcome. Senator Landis, Senator Maxwell, the house is under call. Senator Vrtiska, the house is under call. Senator Chambers, Senator Landis, the house is under call. Senator Landis, Senator Vrtiska, the house is under call. Senator Jones, we're unable to locate Senator Vrtiska right now. We will wait. Senator Vrtiska, the house is under call. He's on his way. The motion is to bracket LB 142 until February 10, 2002. A roll call vote has been requested. Mr. Clerk, please call the roll.

ASSISTANT CLERK: (Roll call vote taken, Legislative Journal pages 1482-1483.) The vote is 10 ayes, 24 nays, Mr. President, on the motion to bracket the bill.

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

ASSISTANT CLERK: Mr. President, the next amendment I have is offered by Senator Tyson.

PRESIDENT MAURSTAD: Senator Tyson.

SENATOR TYSON: Mr. Lieutenant Governor, I would like to withdraw that amendment and refile it on Select.

PRESIDENT MAURSTAD: The amendment is withdrawn and refiled on Select File. Debate on the advancement of LB 142? Senator Pedersen, Dwite Pedersen.

SENATOR Dw. PEDERSEN: Thank you, Mr. Lieutenant Governor and members of the Legislature. Could I ask Senator Thompson a question, please?

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PRESIDENT MAURSTAD: Senator Thompson, would you yield?

SENATOR THOMPSON: Yes.

SENATOR Dw. PEDERSEN: Senator Thompson, is it my understanding that you are not going to have the amendment on this level of the debate?

SENATOR THOMPSON: It's at bill drafter, but I don't think we can get it done in time.

SENATOR Dw. PEDERSEN: Okay. Thank you. With that, I just need to declare my own intentions as I will not be voting to advance it from this...from General File to Select File. I'll be voting no because that's a...that is a very deciding point for my...for the people in my district, and in that area, that...that's just where I'm at with it. Thank you.

PRESIDENT MAURSTAD: Senator Chambers, on the motion to advance.

SENATOR CHAMBERS: Mr. President and members of the Legislature, I wonder just who Senator Dwite Pedersen thinks he is. Just because his constituents don't like this bill, he's going to vote against it? Well, he has somebody who is going to join him in voting against this bill, and it's not because of what my constituents say, think or feel. It's because I don't believe this is a good policy and I did not believe it was one when the constitutional amendment was foisted on the public. The bill as it exists now is complicated, I believe unworkable. It is unlikely that any merger or mergers will take place pursuant to the language in this bill. But simply because the bill itself is unworkable is not a reason for me to vote to advance it, so, Senator Pedersen, you will have at least one other person who is voting no.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Senator Schimek, you're recognized to close on the advancement of LB 142.

SENATOR SCHIMEK: Thank you, Mr. President and members. I will be brief. I believe that we have had a very healthy discussion

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of this bill. I know there's more discussion to come. As I told you earlier, this is a very...this is a very complicated issue and it is a very complicated bill. And neither Senator Wickersham nor myself, I'm sure, would tell you that we think this is a perfect bill. There may be further changes that need to be done to this bill, but remember this is an entirely new process and we are charting unknown waters here. I want to remind you this bill is not about whether your community could...should consider a merger with other cities and counties. It is about a process. I want to remind you that this bill has been worked on for three years. And it has two major components to it; one, a process for a merger, and, two, the tax questions and revenue questions that need to be addressed any time you consider a merger. This is a work in progress. I think that we have added some amendments which strengthen the bill, and I would thank everybody who has been involved, the committee, both committees actually. We've had several government committees work on this bill. Senator Brown has been particularly helpful, Senator Wickersham and the Revenue Committee, and I would be most gratified to see this go over to Select File at this time. Thank you very much.

PRESIDENT MAURSTAD: Thank you, Senator Schimek. The question is, shall LB 142 advance to E & R Initial? Those in favor vote aye; those opposed vote nay. Senator Schimek.

SENATOR SCHIMEK: I think we'd better have a call of the house, please.

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

ASSISTANT CLERK: 18 ayes, 0 nays, to go 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. Senator Beutler, could I ask you to check in? Senator Tyson, could I ask you to check in? The house is under call. Members, please return to the Chamber and record

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your presence. Senator Vrtiska, could I ask you to check in? Senator Hilgert, the house is under call. Senator Hilgert, the house is under call. Senator Hilgert, the house is under call. The question is, shall LB 142 advance to E & R Initial? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record. A record vote has been requested.

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1483.) The vote is 27 ayes, 14 nays, on the advancement of the bill, Mr. President.

PRESIDENT MAURSTAD: The bill does advance. Prior to going to Final Reading, we will have some items for the record. Mr. Clerk. The call is raised.

ASSISTANT CLERK: Thank you, Mr. President. Senator Janssen has amendments to be printed to LB 142. (Legislative Journal page 1484.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Mr. Speaker, for announcements.

SPEAKER KRISTENSEN: Thank you, Mr. President, members of the Legislature. As we move on to Final Reading this morning, I made a mistake in the agenda late yesterday afternoon, and I inadvertently listed LB 313 and LB 313A, that should have been LB 113 and LB 113A. The mistake, when I noticed that I'd made that, we corrected it last night, there was an e-mail sent out to all of you. We republished the agenda last night, and on your agendas today, everyone has had a hand written in LB 113 and LB 113A at the bottom. I just want to clarify, we will finally read that bill. I put it at the end, so if you were not prepared, at least you had a few minutes this morning to review that bill before you were asked to vote on it for Final Reading; and we will not take up LB 313 or LB 313A this morning for Final Reading. Thank you, Mr. President.

PRESIDENT MAURSTAD: Thank you, Mr. Speaker. Members, we will proceed to Final Reading. We are on Final Reading. The first vote is on LB 56. Pursuant to Rule 6, Section 8 the question is, shall LB 56 be considered for a vote without an at-large

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reading? Those in favor vote aye; those opposed vote nay.
Mr. Clerk, please record.

ASSISTANT CLERK: 36 ayes, 0 nays, on the motion to dispense
with the at-large reading, Mr. President.

PRESIDENT MAURSTAD: The question is agreed to. Mr. Clerk,
please read the title.

ASSISTANT CLERK: (Read title of LB 56.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure
having been complied with, the question is, shall the bill pass?
Those in favor vote aye; those opposed vote nay. Mr. Clerk,
please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal
page 1485.) The vote is 46 ayes, 0 nays, 3 excused and not
voting.

PRESIDENT MAURSTAD: The bill is passed. (Visitors
introduced.) Pursuant to Rule 6, Section 8, the question is,
shall LB 408E be considered for a vote without an at-large
reading? Those in favor vote aye; those opposed vote nay.
Please record.

ASSISTANT CLERK: 38 ayes, 2 nays, on the motion to dispense
with the at-large reading, Mr. President.

PRESIDENT MAURSTAD: Question is agreed to. Mr. Clerk, please
read the title.

ASSISTANT CLERK: (Read title of LB 408.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure
having been complied with, the question is, shall the bill pass
with the emergency clause attached? Those in favor vote aye;
those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal
page 1486.) The vote is 46 ayes, 0 nays, 3 excused and not

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voting.

PRESIDENT MAURSTAD: The bill passes. Mr. Clerk, LB 438. Pursuant to Rule 6, Section 8, the question is, shall LB 438 be considered for a vote without an at-large reading? Those in favor vote aye; those opposed vote nay. Please record.

ASSISTANT CLERK: 41 ayes, 1 nay, on the motion to dispense with the at-large reading, Mr. President.

PRESIDENT MAURSTAD: The question is agreed to. Mr. Clerk, please read the title.

ASSISTANT CLERK: (Read title of LB 438.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1487.) The vote is 45 ayes, 0 nays, 1 present and not voting, 3 excused and not voting, Mr. President.

PRESIDENT MAURSTAD: LB 438 is passed. Mr. Clerk, LB 444.

ASSISTANT CLERK: (Read LB 444 on Final Reading.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1487-1488.) The vote is 46 ayes, 0 nays, 3 excused and not voting, Mr. President.

PRESIDENT MAURSTAD: The bill passes. Mr. Clerk, LB 585E.

ASSISTANT CLERK: (Read LB 585E on Final Reading.)

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PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1488-1487.) The vote is 36 ayes, 6 nays, 5 present and not voting, 2 excused and not voting, Mr. President.

PRESIDENT MAURSTAD: The bill passes with the emergency clause attached. Mr. Clerk, LB 585A.

ASSISTANT CLERK: (Read LB 585A on Final Reading.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Read record vote, Legislative Journal page 1489.) The vote is 38 ayes, 6 nays, 3 present and not voting, 2 excused and not voting, Mr. President.

PRESIDENT MAURSTAD: The bill passes with the emergency clause attached. LB 706.

ASSISTANT CLERK: (Read LB 706 on Final Reading.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1490.) The vote is 47 ayes, 0 nays, 2 excused and not voting, Mr. President.

PRESIDENT MAURSTAD: The bill passes. Mr. Clerk, LB 750.

ASSISTANT CLERK: (Read LB 750 on Final Reading.)

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PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1490-1491.) The vote is 47 ayes, 0 nays, 2 excused and not voting.

PRESIDENT MAURSTAD: The bill passes with the emergency clause attached. Senator Thompson, did you wish to be recognized? Your light is on. Okay. Pursuant to Rule 6, Section 8, the question is, shall LB 768 be considered for a vote without an at-large reading? Those in favor vote aye; those opposed vote nay. Please record.

ASSISTANT CLERK: 40 ayes, 2 nays, on the motion to dispense with the at-large reading, Mr. President.

PRESIDENT MAURSTAD: The question is agreed to. Mr. Clerk, please read the title.

ASSISTANT CLERK: (Read title of LB 768.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1491.) The vote is 46 ayes, 0 nays, 3 excused and not voting.

PRESIDENT MAURSTAD: The bill passes. Pursuant to Rule 6, Section 8, the question is, shall LB 808 be considered for a vote without an at-large reading? Those in favor vote aye; those opposed vote nay. Please record.

ASSISTANT CLERK: 38 ayes, 3 nays, on the motion to dispense with the at-large reading, Mr. President.

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PRESIDENT MAURSTAD: The question is agreed to. Mr. Clerk, please read the title.

ASSISTANT CLERK: (Read title of LB 808.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall LB 808 be passed with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1492.) The vote is 46 ayes, 0 nays, 3 excused and not voting.

PRESIDENT MAURSTAD: The bill is passed with the emergency clause attached. Pursuant to Rule 6, Section 8, the question is, shall LB...Mr. Clerk, I understand you have an item on the desk..

ASSISTANT CLERK: Mr. President, Senator Brown would move to return LB 113 to Select File for a specific amendment, that being to strike the enacting clause.

PRESIDENT MAURSTAD: Senator Brown, you're recognized to open.

SENATOR BROWN: Thank you, Mr. President, members. I will be withdrawing this amendment in just a second. On Select File, we adopted some language, it was an amendment that was sponsored by Senator Jensen and Senator Byars and myself, and I wanted to clarify some things on the record, and I wondered if Senator Jensen would yield to a question.

PRESIDENT MAURSTAD: Senator Jensen, would you yield?

SENATOR JENSEN: Yes.

SENATOR BROWN: When we developed the language for this amendment, did you consider what we put in as a minimum warning? That at a minimum, they had to include at least the elements that were included in the amendment.

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SENATOR JENSEN: Yes.

SENATOR BROWN: And so if a company had a warning that was more inclusive than what...what we had, had other elements, that would be okay in your opinion?

SENATOR JENSEN: Certainly, it would probably be better.

SENATOR BROWN: Okay, thank you very much. I would withdraw the amendment.

PRESIDENT MAURSTAD: The amendment is withdrawn. Pursuant to Rule 6, Section 8, the question is, shall LB 113 be considered for a vote without an at-large reading? Those in favor vote aye; those opposed vote nay. Please record.

ASSISTANT CLERK: 39 ayes, 2 nays on the motion to dispense with Final Reading, Mr. President.

PRESIDENT MAURSTAD: The question is agreed to. Mr. Clerk, please read the title.

ASSISTANT CLERK: (Read title of LB 113.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1493-1494.) The vote is 40 ayes, 6 nays, 3 excused and not voting.

PRESIDENT MAURSTAD: The bill passes. Mr. Clerk, LB 113A

ASSISTANT CLERK: (Read LB 113A on Final Reading.)

PRESIDENT MAURSTAD: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

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ASSISTANT CLERK: (Record vote read, Legislative Journal page 1494.) 41 ayes, 5 nays, 3 excused and not voting.

PRESIDENT MAURSTAD: The bill passes. Mr. Clerk, LB 362.

ASSISTANT CLERK: Mr. President, I do have motions on LB 362. First of all, Senator Beutler would move to return the bill to Select File for a specific amendment. That amendment is AM0523, it's found in the Journal on page 688.

PRESIDENT MAURSTAD: Senator Beutler.

SENATOR BEUTLER: Mr. Clerk, that amendment has been included in a later amendment, and I would withdraw it.

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

ASSISTANT CLERK: Senator Landis would move to return the bill. Senator, I have before me AM0995, with a note that you want to withdraw this one?

SENATOR LANDIS: That's correct.

PRESIDENT MAURSTAD: Amendment is withdrawn.

SENATOR LANDIS: Mr. Brown, AM1219 is the one that I want to move, too. (Legislative Journal page 1300.)

ASSISTANT CLERK: Senator, I have that one before me now.

PRESIDENT MAURSTAD: Senator Landis, you're recognized to open on your motion to return to Select File LB 362 for a specific amendment.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature. My goal here is to reduce the number of times we have to bring this back. Senator Beutler had a suggestion for those political subdivisions who have deposits with a financial institution, and that institution is using a third-party to hold as the repository of those securities. Senator Beutler suggests

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that it be optional at the political subdivision's choice as to whether or not that's held by the bank or by, essentially, the federal reserve. And that seems legitimate, so I've incorporated his amendment, which he just passed over, into this amendment. This amendment's also occasioned because of a letter from a lawyer at Kutak Rock who said that we'd made references that the repurchase agreement consisted as securities, and he said, no, a repurchase agreement consists of paper, not securities; it's paper. And that our verb was wrong. Somebody was sitting in Kutak Rock, reading this bill, wondering if the verbs were right. Found that the verbs were wrong. Sent a little e-mail; and I said to myself, you're right, it doesn't consist of securities. The agreement consists of paper. So we'll rework the verb for you. So there's an amendment to get the right verb for the Kutak Rock lawyer. But at the same time, Larry Ruth reminded me of a bill that we'd had in the Banking Committee, that had been reported out unanimously, and also with the support of the bankers and the savings and loan companies. We have a constitutional principle that does not allow political subdivisions to have an ownership position in private companies. And when you have an account in a mutually organized institution, you have a portion of the ownership of that institution. So public entities have not been able to put their deposits in mutually organized institutions, and those normally happen to be savings and loans. Well, the savings and loans are now equally guaranteed, just like the banks are, by the FDIC, and so they are exactly the same as far as security is concerned. And the comptroller of the currency has allowed savings and loans to organize so that there is a class of accounts that do not give ownership to people who make a deposit. What this amendment does, it says to political subdivisions, you may put your money into a qualified financial institution, that can be a mutually organized institution; but it can only be in an account that does not bear any ownership, so that we can make sure that we are consistent with the constitution. No voting rights, no ownership. Understand that it still has to be guaranteed, it has to be FDIC standards utilized here. But both the banks and the savings and loans said it's fair under these circumstances, since we've met the constitutional burden, that the political subdivision have their choice. In fact, I believe Senator Aguilar's district has

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exactly this situation in which the city council wants to make utilization of such an institution. The institution is ready to accept, has done all the work that it needs to federally, but without this bill could not accept those deposits. And with that instance in mind, and the fact that all the savings and loans and banks agree that this is legitimate, we're asking the body to adopt that concept to LB 362. And I would ask for the adoption of that amendment. Thank you, Mr. Lieutenant Governor.

PRESIDENT MAURSTAD: Thank you, Senator Landis. Debate on the motion to return to Select File, LB 362. Senator Chambers.

SENATOR CHAMBERS: Mr. President, members of the Legislature. Senator Aguilar, I'd read through that first amendment that Senator Landis had that was about 1,000 pages, then he drops one on us that's about 2,000 pages, I don't have time to read it, but since he invoked your name in honor of your brother, whom I met, it was your brother or your cousin? In honor of your cousin whom I met, and your daughter whom I met, I'm going to place confidence in them, and I'll support this amendment.

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Senator Landis, you're recognized to close.

SENATOR LANDIS: Thank you. And the amendment is long because it uses the phrase "qualifying mutual financial institution", and because there are so many statutes that relate to this public deposit process, you have to use this phrase in every one of those sections. And so the amendment is actually two pages long, and then it recites this phrase for another 35 pages. Thank goodness Senator Aguilar's brother came to visit. I'd ask for the adoption of the amendment, and the advancement of the bill.

PRESIDENT MAURSTAD: Thank you, Senator Landis. The question is, shall LB 362 be returned to Select File for a specific amendment? Those in favor vote aye; those opposed vote nay. Mr. Clerk, please record.

ASSISTANT CLERK: 42 ayes, 0 nays on the motion to return the bill, Mr. President.

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PRESIDENT MAURSTAD: The bill is returned. Senator Landis, you're recognized to open on AM1219.

SENATOR LANDIS: Thank you, Mr. Lieutenant Governor. I move the amendment. All I can say is the remaining mystery that's left, and I got to tell you, I don't know...I don't know whether the Kutak Rock lawyer who was reading this bill, looking for grammatical inconsistencies, and who wrote me a letter about it, actually had billable hours for a client for the finding of that grammatical problem. But we can only be grateful that it's now at the state of utter perfection. And I would ask for the adoption of the amendment.

PRESIDENT MAURSTAD: Debate on AM1219 to LB 362. Senator Landis recognized to close.

SENATOR LANDIS: Yes, Senator Kristensen reminds me that Kutak Rock never uses one lawyer for anything; there were three lawyers, undoubtedly, who was on the project. I would ask for the advancement of the bill.

PRESIDENT MAURSTAD: Thank you, Senator Landis. The question is the adoption of AM1219 to LB 362. Those in favor vote aye; those opposed vote nay. Please record.

ASSISTANT CLERK: 40 ayes, 0 nays on the adoption of the amendment, Mr. President.

PRESIDENT MAURSTAD: The amendment is agreed to. Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. President. Move the advancement of LB 362 to E & R for engrossing.

PRESIDENT MAURSTAD: Question is the advancement of LB 362. Those in favor say aye. Opposed nay. The bill is advanced. Mr. Clerk. LB 668.

ASSISTANT CLERK: Mr. President, with respect to LB 668, Senator Hilgert would move to return the bill. (AM1375, Legislative

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PRESIDENT MAURSTAD: Senator Hilgert, you're recognized to open on your amendment to send LB 668 back to Select File.

SENATOR HILGERT: Thank you, Mr. President, members. It adds one word and strikes four. It's hardly 86 pages. It was an error that unfortunately, when our first draft did not pick up. And would ask you to return it. It changes a "3" to a "1" and then strikes "\$100". Just to refresh your memory, this was added to Senator Kremer's bill, it was LB 230 that changed the Lead-Based Paint Professions Certification Act. There was no opposition to the bill, and again I want to thank Senator Kremer for his willingness to not only let me amend this bill onto his, but his patience in letting me clean it up in this manner. Thank you, Mr. President.

PRESIDENT MAURSTAD: Thank you, Senator Hilgert. Debate on the motion to return LB 668 to Select File. Senator Hilgert, you're recognized to close. Senator Hilgert waives closing. The question is, shall LB 668 be returned to Select File for a specific amendment? Those in favor vote aye; those opposed nay. Mr. Clerk, please record.

ASSISTANT CLERK: 41 ayes, 0 nays, on the motion to return the bill, Mr. President.

PRESIDENT MAURSTAD: The bill is returned to Select File. Senator Hilgert, you're recognized to open on AM1375.

SENATOR HILGERT: I would ask the amendment that I described earlier be adopted so we can send it back to Kutak Rock...I mean...no, so we can adopt it, and then send it back to Final Reading. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Hilgert. Debate on AM1375. Senator Hilgert, you're recognized to close. Senator Hilgert waives closing. The question is the adoption of AM1375 to LB 668. Those in favor vote aye; those opposed vote nay. Please record.

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ASSISTANT CLERK: 40 ayes, 0 nays, on the adoption of Senator Hilgert's amendment, Mr. President.

PRESIDENT MAURSTAD: The amendment is adopted. Senator Erdman.

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. I move the readvancement of LB 668.

PRESIDENT MAURSTAD: The question is the advancement of LB 668 to E & R. Those in favor say aye. Those opposed nay. The bill is advanced. Members, while the Legislature is in session and capable of transacting business, I propose to sign, and do hereby sign LB 56, LB 408, LB 438, LB 444, LB 585, LB 585A, LB 706, LB 750, LB 768, LB 808, LB 113, and LB 113A. Mr. Clerk.

ASSISTANT CLERK: Mr. President, your Committee on Enrollment and Review reports LB 277, LB 277A, and LB 398 as correctly engrossed. And finally, Senator Thompson would like to add her name to LB 692. That's all that I have. (Legislative Journal pages 1496-1498.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Erdman, I'd entertain a motion.

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. I move we adjourn until Tuesday, April 17, 9:00 a.m.

PRESIDENT MAURSTAD: The question is, shall the Legislature adjourn? Those in favor say aye. Opposed nay. Legislature is adjourned.

Proofed by: LaVera Benischek