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Floor Debate
January 30, 2009

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PRESIDENT SHEEHY PRESIDING []

PRESIDENT SHEEHY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the seventeenth day of the One Hundred First Legislature, First Session. Our chaplain for today is Pastor Muriel Kaufman Graber from the Beatrice Mennonite Church in Beatrice, Senator Wallman's district. Would you all please rise. []

PASTOR KAUFMAN GRABER: (Prayer offered.) []

PRESIDENT SHEEHY: Thank you, Pastor Kaufman Graber. I call to order the seventeenth day of the One Hundred First Legislature, First Session. Senators, please record your presence. Please record, Mr. Clerk. []

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

PRESIDENT SHEEHY: Are there corrections for the Journal? []

CLERK: I have no corrections, Mr. President. []

PRESIDENT SHEEHY: Messages, reports, or announcements? []

CLERK: Mr. President, a communication from the Governor to the Clerk, engrossed LB1, LB2, LB3, and LB61 received in my office on January 28. These bills were signed and delivered to the Secretary of State on January 29, 2009. Enrollment and Review reports LB123, LB75, LB80, LB192 to Select File, some of those having Enrollment and Review amendments attached. I have notice of hearings from the Transportation Committee and from the General Affairs Committee signed by their respective chairs. Your Committee on Government, Military and Veterans Affairs chaired by Senator Avery reports LB52 to General File with amendments attached. And, Mr. President, new resolution, LR14 by Senator Giese. That will be laid over. And finally, a report of registered lobbyists to be inserted in the Journal as required by statute. That's all that I have at this time, Mr. President. (Legislative Journal pages 329-333.) [LB1 LB2 LB3 LR14 LB52 LB61 LB75 LB80 LB123 LB192]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. We will move to the first item on the agenda under legislative confirmation report. []

CLERK: Mr. President, Senator Lathrop as chair of Business and Labor reports on the

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series of appointments of the Boiler Safety Advisory Board. (Legislative Journal page 308.) []

PRESIDENT SHEEHY: Senator Lathrop, you're recognized to open on your confirmation report from Business and Labor Committee. []

SENATOR LATHROP: Thank you, Mr. President and colleagues. As chair of Business and Labor I'm here today to urge the approval of four appointments that we've taken up in Business and Labor. They all relate to the Boiler Safety Code Advisory Board. And before I talk about each of those individuals, I might share with you what that board does. The Boiler Safety Code Advisory Board was created in 1988. It holds hearings and advises the labor commissioner on rules and regulations for testing, constructing, installing, and installing equipment covered by the Boiler Inspection Act. The board has seven governor-appointed members approved by the Legislature for four-year terms. Members represent owners and users of boilers, boiler cellars, craftsmen involved in boiler construction, repair or operation. They're also members from the insurance industry, licensed professional engineers with boiler experience, public safety interests, and the public. We held hearings on four appointments, appointees. The first was Martin Kasl, that's K-a-s-l. He is a mechanical engineer who lives in Lincoln. He has worked for Engineering Technologies, Inc. in Lincoln since 1997 and has a Bachelor of Science degree in mechanical engineering from the University of Nebraska. He's a registered professional mechanical engineer in Nebraska, Kansas, and South Dakota, and has extensive experience in boiler design and replacement. You want to take these up one at a time? Yes? All four? Okay. The second one was Tom DeMartino who appeared before us. He lives in Gretna, has over 34 years of experience with boilers, including owning and operating a boiler repair company and teaching boiler classes at the community college in Columbus. His experiences have been in New Jersey and Nebraska, and he's also a veteran of the United States Air Force. Our third appointee is Charles Cole. He is from Omaha, and has been the owner and sales engineer of Control Temp, Inc. since 1998, which is actually in the business of boiler-related sales and service. And Mr. Cole is a veteran of the United States Navy and is a 1987 graduate of Southwest Community College (sic). And our fourth appointee by the Governor and approved by the committee is Ken Stewart. Ken resides in Omaha and works for American Boiler Company and has since 1994. He's currently their general manager and his responsibilities include overseeing project installation and code and compliance enforcement. He is also the quality control manager for their "R" Stamp program. Mr. Stewart is also a graduate of Southeast Community College. Your Business and Labor Committee has approved unanimously all of these gubernatorial appointments and we would encourage you to do likewise. Thank you. []

PRESIDENT SHEEHY: Thank you, Senator Lathrop. You have heard the confirmation report from the Business and Labor Committee. Members requesting to speak are Senator Carlson. []

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SENATOR CARLSON: Mr. President and members of the Legislature, I want to make a comment about the process of appointments and I would ask particularly the people that are in their first session to listen if they would. We all have things that take our attention away, but I think it's pretty important when you're on a committee and you consider appointments that you look into them and be critical and question. And then have a comfortable feeling that when it comes time to actually vote for this appointment that you can do it in good conscience. And if we don't do that as a body, we run the risk of getting people into positions that can cause problems later on, and those can be eliminated if we pay attention to what our duties are. Having said that and being my first experience on the Committee of Business and Labor, this was new to look at these candidates in a little different light than what I had been used to, but in doing that I would ask for your support on these confirmations. Thank you. []

PRESIDENT SHEEHY: Thank you, Senator Carlson. Are there additional members requesting to speak? Seeing none, Senator Lathrop, you're recognized to close. Senator Lathrop waives closing. The question before the body is on the adoption of the confirmation report from Business and Labor Committee. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. []

CLERK: (Record vote, Legislative Journal pages 333-334.) 38 ayes, 0 nays, Mr. President, on adoption of the report. []

PRESIDENT SHEEHY: The confirmation report is adopted. (Visitors and doctor of the day introduced.) We will now move to the first item under General File, Mr. Clerk. []

CLERK: Mr. President, LB105 introduced by Natural Resources relates to Game and Parks. The bill has been discussed on two separate occasions. When the Legislature left the issue yesterday, Senator Langemeier had pending committee amendments to LB105. (AM6, Legislative Journal page 303.) [LB105]

PRESIDENT SHEEHY: Senator Langemeier, you are recognized to give us a recap on LB105. [LB105]

SENATOR LANGEMEIER: Mr. President and members of the body, thank you. LB105, as we've talked about it a couple days now, is the Game and Parks...was introduced on behalf of the Game and Parks Commission. It deals with fees and penalties involving actions that they take on a daily basis. AM6 is merely a technical amendment, and I have offered another amendment to address some issues that have been brought up on the floor. So I would ask the body that we adopt AM6 and then I'll open on the floor amendment, and then we can continue discussion on that floor amendment as well as LB105, the bill itself. Thank you. [LB105]

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PRESIDENT SHEEHY: Thank you, Senator Langemeier. The floor is now open on AM6 to LB105. Are there members requesting to speak? Seeing none, Senator Langemeier, you're recognized to close on AM6. [LB105]

SENATOR LANGEMEIER: AM6 is a technical amendment dealing with elk permits and landowner ratios. I would ask that we adopt AM6, and then we're going to go to my next amendment and we can continue the floor discussion that we've all had on LB105. Thank you. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Langemeier. You have heard the closing of AM6 to LB105. The question before the body is on the adoption of AM6. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB105]

CLERK: 41 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB105]

PRESIDENT SHEEHY: AM6 is adopted. Mr. Clerk, we'll move to the floor amendment. [LB105]

CLERK: Mr. President, Senator Langemeier would move to amend with FA4. (Legislative Journal page 334.) [LB105]

PRESIDENT SHEEHY: Senator Langemeier, you're recognized to open on FA4. [LB105]

SENATOR LANGEMEIER: Thank you, Mr. President and members of the body. You can see this amendment on your computer, but I'm going to explain...first, I'll tell you exactly what it does, and then I'll explain what that actually means. If you go to your bill on page 6, line 5, we're going to strike out the word "in any one" and put in there "per." So it would be 6 percent per year. And then on line 6, we're going to take out the word "a" and insert "the immediate." And then on line 9, we're going to take out a subsequent year. We're just going to take out "a subsequent," we're going to put in "the following." So now, what does that mean? What that is, is there's some confusion between Game and Parks, Fiscal, and we've had some confusion out there that says, if I haven't raised my permit fee for the past five years, there was some confusion that you could then take five years times 6 percent--30 percent. You could raise this fee tomorrow 30 percent because you hadn't in the previous years. This amendment would limit them to have 6 percent this year, plus what they did the one previous year. So if last year they hadn't raised it at all, yes, this year they could raise it 12 percent. If last year they had only raised it 2 percent, this year you could raise it the 6 percent, plus the 4 you didn't use the last year. So it'd make it very clear that this would allow us to only go back one year, and this will keep Game and Parks moving forward on their raises. I'm going to go through...Game and Parks...actually Fiscal gave me a little sheet here and I'm going to

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give you some history here in fees. This is just the major game permit since 1970. Their fee in 1970 was \$4.50. They waited until '77 to raise it to \$6.50. They waited until '82 to raise it to \$8.50. Then in 1996, big jump, they raised it to \$9.50. In 2002, they raised it to \$11. And then in 2008, they raised it to \$13. So they have taken some big jumps, and the percentages that goes with those is 44, 31, 12, 16, and 18. This would make Game and Parks have public hearings and have to raise their rates on a little more timely manner, and to keep these rates gradually adjusting and not such big jumps. And with that, we'll continue discussion on LB105 and FA4 and, Mr. President, thank you. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Langemeier. Speaker Flood, you are recognized for an announcement. [LB105]

SPEAKER FLOOD: Thank you, Mr. President and members. Good morning. I want to give you a heads up that LB158, Senator White's bill to adopt the police officer discipline procedure act, will be on Monday's agenda and will be the first bill taken up on General File unless we are in the middle of debating a bill when we adjourn today. In that case, we will finish debate of the bill currently under consideration and then go to LB158. For those members new to the process, bills are basically scheduled in worksheet order during the early part of the session. If a bill is not immediately scheduled for floor debate when I do schedule the bill for debate, it appears on the agenda in its worksheet order. Please note, however, this does not apply when we are debating priority bills which are scheduled in an order determined by myself based on a list of criteria that I will share with you next week. LB158 appears on the worksheet prior to the other bills currently listed on today's agenda, and that is why it will be up first on Monday. Thank you, members. Good morning. [LB105]

PRESIDENT SHEEHY: Thank you, Speaker Flood. Mr. Clerk, you have an announcement. [LB105]

CLERK: Mr. President, Senator Cornett would like to have a meeting with the Revenue Committee now underneath the north balcony, Revenue Committee now. [LB105]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. You have heard the opening of FA4 to LB105. Members requesting to speak, Senator Friend, you're recognized. [LB105]

SENATOR FRIEND: Thank you, Mr. President and members of the Legislature. I think at the very least this will give everybody a chance to analyze a little bit. I mean, first of all, there's a lot of things going on. I'm missing an executive session right now, but I think this is important too. I talked to Senator Langemeier this morning, and I understand exactly, I think, what he's doing with FA4. And I like that. And not that you all are looking to me for approval. I just...I've spent a lot of time in the last couple of days going through this and I've felt like I, you know, at the very least owed it to Chris but also

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owed it to the body to try to sum up some of this stuff, and I don't know if I can do it in five minutes. But I told Chris all I'll need is about ten, so maybe then we'll be done, I don't know, It's up to you guys. Members of the Legislature, FA4...and if you go through the analysis like I have from a very high level, I think is a definite move in the right direction. But one of the problems that we have is that I went through...now, one of the problems that I have I should say is I went through this bill again last night, and I'm saying, you know what my friend Chris Langemeier does not need me dancing around out here like a jerk without trying to provide some solutions. I don't know that I can. I went through the bill last night and I found myself jotting down 12 potential amendments that I can make to make this thing more amenable. That is not fair to the Natural Resources Committee. I don't think it is. Now, I could step back and say, well, I don't really care about being fair to the Natural Resources Committee, doesn't matter to me. But I do care about being fair because I think that they understand what's in this bill, they read it, they know what we're trying to accomplish. FA4 adds some, as far as I'm concerned, Neosporin to the wound that's in the side of my leg over this bill. That's it. I think it's unfair. Senator Langemeier addresses the fiscal note. That is a problem. The A bill is a problem as far as I'm concerned. That's addressed, but I don't even know if I had the authority to go ahead and say, you know what, they don't need the fiscal note, or I should change the A bill. I'm almost out of my league. I don't even know if I should deal with that aspect of it. The other thing that came up last night, I'm thinking, well, maybe I should just kill this bill. (Laugh) I hadn't talked to Chris about it. I hadn't talked to Mike Flood about it. I hadn't talked to any of you guys about it. Well, I don't think that's appropriate either. I don't think...it's definitely not fair to the Natural Resources Committee. This thing came out pretty clean. There's nothing functionally wrong with the bill, and I would just be out here trying to be what I'm not. The option D, if you will, is to simply vote against it, to make a case and simply vote against it. I'll probably choose D in the long run here, and I'll choose D because of a few reasons. One is timing. We all know whether it's totally real or somewhat perceived, we've got economic issues all over this state and all over the country that we're dealing with, and now this falls on our lap. I think it's a timing issue, I really do. It doesn't have to be this way. And the 12 amendments I had last night that I was going through in my mind told me that it didn't have to be this way. There's no market data that I can tell or that I can see despite Senator Schilz, and I appreciate his points of view on this because he knows, despite some of that information about the guys from Colorado... [LB105]

PRESIDENT SHEEHY: One minute. [LB105]

SENATOR FRIEND: ...and Wyoming that are going to come over here and use it because it's still a better bargain. Well, when does it not become a better bargain for people to come from out of state to hunt or to fish or to do things in Nebraska? Are we encroaching upon that? If a Wyoming or Colorado resident pays X for a hunting license, and in Nebraska they would pay Y, and Y was a lot more preferable in the years past, what if Y encroaches on X? Where's the market data? We don't have any really. I'd kind

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of like to know. We could lose money, Game and Parks could lose money on a bill like this. In two or three years, what if somebody decides, you know, this is just not worth it to me anymore. I've hunted my whole life and I'm not going to mess with it anymore. I've trapped my whole life, there's better ways to make... [LB105]

PRESIDENT SHEEHY: Time, Senator. [LB105]

SENATOR FRIEND: Thank you, Mr. President. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Friend. Senator Stuthman, followed by Senator Friend. Senator Stuthman. [LB105]

SENATOR STUTHMAN: Thank you, Mr. Lieutenant Governor and members of the body. You know, I've been involved in the discussion, the debate in this bill for a little while, and I think we have reached a point now where I am satisfied with the amendment that Senator Langemeier has put forward. I think this is the right thing to do. I think this bill puts a cap on it as to what they can go up to. And I was never aware of that the fact that we were against the cap right at the present time of the \$13 for the hunting permit. So I am supportive of this, and I'm not going to belabor the discussion. I'm not going to be involved in any more of the discussion this morning so, and I do support the amendment. So thank you, Mr. Lieutenant Governor. [LB105]

PRESIDENT SHEEHY: Excuse me, Senator. [LB105]

SENATOR STUTHMAN: Thank you. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Stuthman. Senator Friend, followed by Senator Hansen. Senator Friend. [LB105]

SENATOR FRIEND: All right. Mr. President and members of the Legislature, I don't know what the right thing to do is. I'm not going to vote for this bill. I'm going to vote for FA4. I think Senator Langemeier has had a really good idea here. I don't know that great minds think alike, but I was looking at the same stuff last night. And by the way, I don't have a great mind, I'm just saying like minds think alike. I think that's a better term. I already said...I don't have it in me to talk...in a way, I'd like to throw a bracket motion up here and see where the votes are. I know what other people would have done in the past. They tried to figure out exactly if this is, exactly, geometrically, figure out if this is the right thing to do, at this point in time if this is the right thing to do. I'm getting the gut feeling that this Legislature thinks that it is. Maybe Senator Stuthman is right, but I think that there are still plenty of questions unanswered. And I'm not reaching for things to say here. It's just like I'm almost...it's a defeatist attitude. And I try to think back on what would happen last year at the end of the session when I really didn't care if anybody really liked what I did or didn't like what I did. And I think Lavon Heidemann and Deb

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Fischer and some of those...my friends saw how that could be, and I don't think they liked it and I don't think they liked me over the whole situation. Let me say one more thing. I've said this every year. I don't care, and I think Senator Langemeier feels the same way, I don't have a bill, I've never had a bill ever that I said I will sacrifice or I will do something in order...yeah, hey, I'll be nice because I want that bill to pass--never. And I could think the good thing about Senator Langemeier is that I think he understands that and I think he feels the same way. If I really truly hated this thing, Mike Flood would know about it, Chris Langemeier would know about it already, and I'd be kicking it so hard because I kind of learned from the master. I can't do what the master can do, but I saw him do it. I could have written all those 12 amendments up last night. I'm not threatening, I'm just saying I could have done it. I'm like, why can't I be like Ernie? I can't. I'm not Ernie. He didn't care. Evidently I do. Let me sum it up, this is a bad idea folks. We have layoffs going around all over the state and we're saying, notwithstanding the amendment that Senator Langemeier by the way makes this a heck of a lot more palatable as far as I'm concerned, notwithstanding that amendment it's still a bad idea at this time. Timing is everything politically. Is it not? We're going to raise fees all session long, that's what we do. I'm just saying we ought to think about it a little bit. And I think frankly while there's nothing functionally wrong with this bill, I just think it's a bad idea because we've got a bad time to do it and I think we're going to hear that more. [LB105]

PRESIDENT SHEEHY: One minute. [LB105]

SENATOR FRIEND: Members, I'm going to vote no. I'm going to vote yes on FA4, I'm going to vote no on advancement, and I'm going to do it because you have to put yourself on a Final Reading position here. If this thing doesn't significantly change, where are we going to end up? Mr. President, that's all I have. Thanks. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Friend. Senator Hansen. [LB105]

SENATOR HANSEN: Thank you, Mr. President and members of the Legislature. I rise to address LB105, and I will be voting for the amendment and I will be voting for the underlying bill. But I did want to make a few more remarks today about the bill. The fines are okay. I think it's a great idea to raise the fines because those people that are caught and fined are doing something illegal, let's fine them. We need to carry out the law. We don't need more laws about illegal trapping, hunting, fishing, but enforce the laws. And I think that part of the bill is great. And another part of the bill that's great is the encouraging of youth hunters. I think we need to be working on the next generation of young folks that love to hunt and fish. I think that's very important too. I'm not excited at all about increasing the price of the permits. I think this is about the worst time in the history of Game and Parks to be raising a 6 percent increase in the price of permits. There's so many people laid off, so many people furloughed in my district that this is what they do, this is their hobby, this is their recreation, this is their release for the

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tension from family situations or from job-related stress. I don't think we need to be raising this 6 percent when we're trying hold government at 2.5 percent. This is part of the government. I did want to stress some of the things I said yesterday about a constituent that has damages from wildlife. You can't point...you know, if this gentleman had 150 cows cross a fence and get into his hay pile, into his bale yard, he could sue that neighbor for damages. Well, he doesn't want to do that to Game and Parks, probably wouldn't ever win the case anyway. But I think the Game and Parks does need to address damages by landowners of the wildlife that's out there, and there are damages that occur every year and every month, probably every month of the year. I will vote for the amendment and I will vote for the bill and encourage everyone to do that too. Thank you, Mr. President. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Hansen. Senator Pirsch, you are recognized for FA4. [LB105]

SENATOR PIRSCH: Thank you, Mr. President and members of the body. I wonder if Senator Langemeier might yield for a question. [LB105]

PRESIDENT SHEEHY: Senator Langemeier, would you yield? [LB105]

SENATOR LANGEMEIER: Yes. [LB105]

SENATOR PIRSCH: Thank you. Could you just briefly state...it's a very short amendment that you have on this FA4, is that right? [LB105]

SENATOR LANGEMEIER: Yes. [LB105]

SENATOR PIRSCH: And in substance, what does it do to change the outer bill? [LB105]

SENATOR LANGEMEIER: It limits the Game and Parks ability to go back previous years that they have not raised and grab that percent of allowable increase and bring it forward. [LB105]

SENATOR PIRSCH: And how far could they in the past...I thought that the... [LB105]

SENATOR LANGEMEIER: Clear back to whenever they raised it last, so you know like they've done big jumps. They raised it in 2008, so they can't go back to '08 anymore, but if we step back in time in 2008 before they did that rate change, they could have went back and grabbed 6 percent clear back to 2002. But in 2008 they did raise it to \$13. So for '09 they could have only raised it 6 percent. [LB105]

SENATOR PIRSCH: So a maximum they could have...6 percent per year, is that

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correct? [LB105]

SENATOR LANGEMEIER: In all essence, this amendment would only allow them to go 12 percent every two years would be the max they could do. If they did nothing the year before, so they could have that 6 percent, plus the 6 percent for this year, so the max they could do is if Game and Parks wanted to do it, would be 12 percent every two years. [LB105]

SENATOR PIRSCH: Okay. Thank you for that explanation. One final question which is kind of a follow up of our question on the floor yesterday. Is the impetus or the catalyst of this bill a situation in which the Game and Parks...well, there's two scenarios, is it as a percentage of costs the administration of these type of activities are just pretty much exceeding...the costs are exceeding the administration of the program...the costs of administration rather are exceeding the revenues that the intake since this is cash funded, or is this based on Game and Parks' desire to create a surplus of pool of funds, if you will, that while not necessarily needed in the short term will help to ensure growth in the future, perhaps be used for promotional advertising in other states, that kind of thing. If you know at this point in time. [LB105]

SENATOR LANGEMEIER: Two things, the number of hunters is declining, people taking out permits. We've talked about that. Senator Harms and I talked about that yesterday. And the Game and Parks has come to ask for this and they came and we raised the caps in 1992. They came and they asked to raise the caps in 2000. Now they're here in 2009, and they're hoping if all goes well, they would have to come back in 2020. So this isn't something they just come every year saying, hey, we need more caps because we're raising fees. But decline and as you saw with each of us as we drove a car this year as our costs went, their costs go up. [LB105]

SENATOR PIRSCH: Okay. So that seems to suggest that since they're cash funded, their expenditures are going up and so that this proposed increase is to cover the actual costs so that they're breaking even, not to create a pool of funds for future use or to engage in new programs or whatnot. [LB105]

SENATOR LANGEMEIER: Yes. [LB105]

SENATOR PIRSCH: Okay. Thank you. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Pirsch. Senator Sullivan. [LB105]

SENATOR SULLIVAN: Thank you, Lieutenant Governor and members of the body. I'm struggling with this legislation along with Senator Friend. I don't know if it's the right thing to do in light of the current economic situation. Perhaps timing is everything, but by the same token, life does go on and businesses do go on, and the Game and Parks

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Commission has business to take care of in managing our parks and the recreational facilities that we have. And I suspect, without having any hard data available, that life would go on in terms of recreational activities in spite of an economic downturn. In fact, I also suspect that even if people are feeling economically pinched, they may save enough to take advantage of the recreational facilities in spite of the fact that they may be paying higher fees because that's a nice release away from the toils of dealing with the economy. I have a son-in-law who's an avid hunter, and he lives in Omaha, goes out to rural Nebraska quite frequently and enjoys the great outdoors and has no problem with the spending higher fees, in fact, thinks that they should be increased. One of the concerns that I feel...and I have to admit, I don't know that much about how all the funds are used at the Game and Parks Commission, but particularly in District 41 we have had recently one game warden retire and another one that had retired earlier, neither one of those positions have been filled. So we are losing services out there, I suspect because of the budget constraints with the Game and Parks. So as I said at the beginning, I'm struggling with this, but I think there are legitimate concerns to consider it. Thank you. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Sullivan. Senator Dierks. [LB105]

SENATOR DIERKS: Thank you, Mr. President. I wonder if I could speak with Senator Langemeier for a moment. [LB105]

PRESIDENT SHEEHY: Senator Langemeier, would you yield? [LB105]

SENATOR LANGEMEIER: Yes. [LB105]

SENATOR DIERKS: Senator Langemeier, I have an interest in the part of the bill that deals with fines for using drugs. Can you clarify that a little bit for me? [LB105]

SENATOR LANGEMEIER: In which, in particular, did you have? [LB105]

SENATOR DIERKS: Somewhere there it says something about the use of drugs, that they have to have prescriptions for, or that they can't...it's some kind of, I think, restricted product, and I wondered what that was all about. [LB105]

SENATOR LANGEMEIER: Let me get to that section and maybe I can come over and go through that with you. [LB105]

SENATOR DIERKS: Okay. That will be fine. Thank you. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Dierks. Are there additional members wishing to speak on FA4? Seeing none, Senator Langemeier, you're recognized to close. [LB105]

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SENATOR LANGEMEIER: Members of the body, I think one advantage we have is Game and Parks has to have public hearings when they do these fees. And with this amendment, I think it would make them have these fee raises or potential for them on a more frequent basis, giving the hunters across the state of Nebraska and those that pay the fees more opportunity to come before the board and express their concerns. I think it'll be a little more timely with this amendment, and I'd ask that you support FA4. Thanks. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Langemeier. You have heard the closing of FA4 to LB105. The question before the body in on the adoption. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. Just a moment, Mr. Clerk. [LB105]

ASSISTANT CLERK: 40 ayes, 0 nays on the adoption of Senator Langemeier's amendment, Mr. President. [LB105]

PRESIDENT SHEEHY: FA4 is adopted. We will now return to floor debate on LB105. Are there members requesting to speak? Seeing none, Senator Langemeier, you're recognized to close. [LB105]

SENATOR LANGEMEIER: I would ask that the body advance LB105 and if there are more issues, we'll take them up on Select File. Thank you. [LB105]

PRESIDENT SHEEHY: Thank you, Senator Langemeier. You have heard the closing to LB105. The question before the body is on the advancement of LB105. All those in favor vote yea; opposed, nay. Senator Langemeier, you're recognized. [LB105]

SENATOR LANGEMEIER: Well, never mind. [LB105]

PRESIDENT SHEEHY: Please record, Mr. Clerk. [LB105]

CLERK: 28 ayes, 14 nays, Mr. President, on the advancement of LB105. [LB105]

PRESIDENT SHEEHY: LB105 advances. Next item under General File. [LB105]

CLERK: Mr. President, LB105A is a bill by Senator Langemeier. (Read title.) [LB105A]

PRESIDENT SHEEHY: Senator Langemeier, you're recognized to open on LB105A. [LB105A]

SENATOR LANGEMEIER: This A bill would allow us to...the Game and Parks to pay out the funds we just talked about. It may change due to the amendment, but I would ask for the advancement of LB105A. And that amendment should make it lower, so we

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would deal with an amendment to this on Select File. Thank you. [LB105A]

PRESIDENT SHEEHY: Thank you, Senator Langemeier. You've heard the opening to LB105A. Are there members requesting to speak? Seeing none, Senator Langemeier, you're recognized to close. Senator Langemeier waives closing. The question before the body is on the advancement of LB105A. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB105A]

CLERK: 31 ayes, 7 nays, Mr. President, on the advancement of LB105A. [LB105A]

PRESIDENT SHEEHY: LB105A advances. Mr. Clerk, you have announcements on your desk. [LB105A]

CLERK: Mr. President, Judiciary Committee gives notice of hearing, as does the Executive Board, and the Revenue Committee, all signed by the respective chairpersons. I have an amendment to be printed to LB85 by Senator McGill. The Committee on Judiciary chaired by Senator Ashford reports LB151 to General File with committee amendments attached. And I have a new resolution, Mr. President, LR15 introduced by Senator Gloor. That will be laid over. That's all that I have, Mr. President. (Legislative Journal pages 334-336.) [LR15 LB85 LB151]

PRESIDENT SHEEHY: We'll move to next item under General File. []

CLERK: LB189, Senator Pankonin. (Read title.) The bill was introduced on January 12 of this year, at that time referred to the General Affairs Committee, advanced to General File. I have no amendments pending at this time, Mr. President. [LB189]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Senator Pankonin, you're recognized to open on LB189. [LB189]

SENATOR PANKONIN: Good morning, Mr. President and members of the body. LB189 would change terminology relating to problem gambling services. For the sake of the new members of the body, I would like to offer a bit of history. In 1992, the Nebraska Lottery was created by popular vote and legislative action. The citizens who voted to have a lottery did so in part because they were assured that a portion of the lottery's profits would be used to provide treatment for individuals for whom gambling is an addictive disorder. The Compulsive Gamblers Assistance Fund was created to hold the treatment monies, and the Nebraska Advisory Commission on Compulsive Gambling was established to direct the use of the treatment funds. In 2004, the Legislature passed LB1083, the Behavioral Health Reform Act. The act changed the name of the commission to the State Advisory Committee on Problem Gambling and Addictive Services. The reason for the name change was not explained in that bill. LB551 was passed in 2005 and required that at least 3 of the 12 members of the advisory

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committee be consumers of problem gambling services. LB1058 was passed last year to change the name of the advisory committee to the State Committee on Problem Gambling, and redefine the committee's roles and responsibilities. The words "Addiction Services" were removed from the committee's name because Section 71-817 states that monies in the Compulsive Gamblers Assistance Fund, which the committee oversees, can only be used to provide services related to problem gambling. Since other addictive disorders can co-occur with problem gambling, references to other addiction services may be misleading as they relate to the responsibilities of the committee, the appointment of committee members, especially those who are consumers, and to the use of monies in the Compulsive Gamblers Assistance Fund. When the words "Addiction Services" were eliminated from the committee's name, other references to addiction services should have been stricken in Section 71-816 and 71-817. LB189 would eliminate this obsolete language. LB189 would also replace "compulsive" with "problem" when the word is used to define gambling. The term "problem" is now preferred by most research and treatment professionals. It has a broader meaning because it applies to a range of gambling behavior that includes but is not limited to compulsive or pathological gambling. An exception is made with regard to the Compulsive Gamblers Assistance Fund because the fund is named in the Nebraska State Constitution. Thank you, Mr. President. [LB189]

PRESIDENT SHEEHY: Thank you, Senator Pankonin. You have heard the opening to LB189. Are there members requesting to speak? Seeing none, Senator Pankonin, you're recognized to close. Senator Pankonin waives closing. The question before the body is on the advancement of LB189. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB189]

CLERK: 45 ayes, 0 nays, Mr. President, on the advancement of LB189. [LB189]

PRESIDENT SHEEHY: LB189 advances. Next item under General File. [LB189]

CLERK: LB74, introduced by Senator Pirsch. (Read title.) The bill was introduced on January 8 of this year, at that time referred to Banking, Commerce and Insurance Committee. The bill was advanced to General File. At this time, Mr. President, I have no amendments to the bill. [LB74]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Senator Pirsch, you're recognized to open on LB74. [LB74]

SENATOR PIRSCH: Thank you, Mr. President and members of the body. LB74 amends Nebraska law to authorize a bank or any officer, director, stockholder, any other employee of the bank to provide depositors with irrevocable and nontransferable unconditional standby letter of credit issued by the Federal Home Loan Bank of Topeka as security for private deposits. This bill, I don't think it's grand in scale, came out of

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committee with an 8 to 0 vote. There was no votes against it. And so I'd urge you to pass it along. Thank you. [LB74]

PRESIDENT SHEEHY: Thank you, Senator Pirsch. You have heard the opening of LB74. Are there members requesting to speak? Senator Lathrop. [LB74]

SENATOR LATHROP: Thank you, Mr. President. I'm wondering if Senator Pirsch will yield to some questions, please. [LB74]

PRESIDENT SHEEHY: Senator Pirsch, would you yield? [LB74]

SENATOR PIRSCH: Be happy to, be happy to. [LB74]

SENATOR LATHROP: I have to tell you, I've practiced law for 28 years and none of it in the banking field, so I'm going to ask you to explain this with a little more detail. I don't understand what this does, why we're letting somebody issue a letter of credit on a Federal Home Loan Bank of Topeka. Maybe a little more detail would be helpful and help me understand what we're authorizing with this bill, not that I'm opposed to it. I just... [LB74]

SENATOR PIRSCH: Sure. [LB74]

SENATOR LATHROP: You gave us an explanation, said everybody voted for it and here it is, and I don't know what it does. So with that, I'll yield the balance of my time to Senator Pirsch. [LB74]

PRESIDENT SHEEHY: Senator Pirsch, just over 4 minutes. [LB74]

SENATOR PIRSCH: Sure. And I appreciate that opportunity to give a little bit of depth, because if you have a question, perhaps others on the floor do as well. Essentially, Federal Deposit Insurance Corporation, FDIC, a governmental entity ensures depositors, private depositors of funds in banks up to a certain level. I think it used to be the first \$100,000. So if there was ever a problem or run on the bank, whatnot, and you could have an assurance with respect to at least that amounts that were guaranteed. There's an interest in those depositors, who people have bank accounts for amounts with amounts that are over the amount that is insured by the FDIC. And they want to have knowledge and security that in rough financial times that those funds over and above that, which is insured by the FDIC, have some sort of guarantee in case some sort of problems hit the bank. And so this is...in past times certain companies that were in the market of making those guarantees, given the recent events, several private companies have left the marketplace, did not find that attractive. And so there still is that need by private depositors for assurance and guarantees. And so the Federal Home Loan Bank of Topeka, which is a member of the 12 Federal Home Loan Banks of the

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United States chartered by Congress, AAA rated, would be able to step into that void...can play that service in the void where they can assure depositors over and above the FDIC amounts for a certain amount of...in other words, play the role essentially of the FDIC for amounts over and above that which the FDIC currently allows for. So I don't...does that answer your question? [LB74]

SENATOR LATHROP: Maybe one follow-up, and that would be, it says the Federal Home Loan Bank of Topeka. Are we in Topeka's district? Is that why we're making that law in Nebraska? [LB74]

SENATOR PIRSCH: Yeah, and I'm sure...I'm sorry, I should have explained that. Yeah. It's kind of like the Federal Reserve system where we're in Kansas City's jurisdiction. When it comes to federal home loan jurisdictions, there is one in Des Moines, but we happen to be in the region that is governed by Topeka. So, yes, that is accurate. [LB74]

SENATOR LATHROP: So what we're doing with this bill is the FDIC will insure us up to...a federally insured account up to \$200,000, and this allows us to provide a guarantee to a depositor for amounts greater than \$250,000, and we'll do that with the home loan outfit of Topeka, and we're in their district and it all makes sense. [LB74]

SENATOR PIRSCH: Right. Now, I should clarify, this is... [LB74]

PRESIDENT SHEEHY: One minute. [LB74]

SENATOR PIRSCH: ...this is...yes, that is correct. That is essentially a correct statement that over and above the FDIC amount, this is a way the depositors can sleep well at night, not withdraw their money, put it in mattresses, and the people can have faith in the financial institutions. Again, the Federal Home Loan Bank of Topeka is AAA rated, I believe by Moody's, so. Very good. [LB74]

PRESIDENT SHEEHY: Thank you, Senator Pirsch. Senator Sullivan, followed by Senator White. Senator Sullivan. [LB74]

SENATOR SULLIVAN: Thank you, Mr. President and members of the body. And Senator Pirsch, correct me if I'm wrong, but just so you know that these letters of credit aren't issued indiscriminately by the Federal Home Loan Bank, that they work very closely with their member banks and do quarterly assessments of what they call them QCDs, quarterly collateral determinations. And so they know that the bank is good for that letter of credit, so to speak. [LB74]

SENATOR PIRSCH: Thank you for that, Senator Sullivan. These are well collateralized. I know there's a concern among looking at the financial strength. Certain institutions in past years have not fared well. There are quasi-governmental in nature--Fannie Mae,

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Freddie Mac--and that is not the case with the role this...the federal home loan program has been in effect...it was initiated in 1932, and I believe since that time not one dollar has been defaulted on or anything of that sort. These are...the nature of why they were created was to provide liquidity, and they are conservative in nature and heavily collateralized. And I appreciate that input, Senator Sullivan, that is correct, unlike Fannie Mae and Freddie Mac. And so in that way can be vastly distinguished. [LB74]

PRESIDENT SHEEHY: Thank you, Senators Sullivan and Pirsch. Senator White. [LB74]

SENATOR WHITE: Thank you, Mr. President. Would Senator Pirsch be kind enough to yield to a question? [LB74]

PRESIDENT SHEEHY: Senator Pirsch, would you yield? [LB74]

SENATOR PIRSCH: I will. [LB74]

SENATOR WHITE: Senator Pirsch, at this time under Nebraska law, is a bank allowed to offer other types of collateral to secure deposits in excess of that guaranteed and insured by the federal government? [LB74]

SENATOR PIRSCH: No, they're not allowed to. Currently, Nebraska law forbids you from inducing depositors with guarantees other than that which the FDIC, I believe, sets, which used to be \$100,000, now \$200,000 I believe deposited level. So this would allow for banks to be able to offer this assuredness to depositors then. [LB74]

SENATOR WHITE: Yeah. Is there any provision in this law that would provide that depositors who have funds in excess of the insured amount should be advised that the law has been changed and they may now ask for these, or is this going to be something that will only be offered at the discretion of the bank? [LB74]

SENATOR PIRSCH: I'm sorry, could you repeat that. I'm having... [LB74]

SENATOR WHITE: Well, right now the law provides that all depositors as you describe it, and I do not know, but as you describe it, the law provides all depositors are guaranteed the same level of insurance across the board and no one gets more under our law. Now this allows or appears to allow the banks to offer some levels of guarantee to some depositors. And so I'm concerned potentially, though I applaud giving any bank depositors more security, that's a wonderful idea, but are we going to be creating classes of favored depositors and depositors who are not so favored and the bank gets to decide that, especially if we have a troubled bank or a bank that may be under issue? Does it start going out to some of its friends and offering them these standby letter of credits, but other depositors who don't have those relationships but still have funds at

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risk because they're beyond the federal insurance, could they be left out in the cold?
[LB74]

SENATOR PIRSCH: Well, this won't be marketed or they don't have the ability to imbue that belief in people who are not covered by it. There are a few, I think, customers who do fit this exception category who would like, you know, have deposits in excess of that amount and would like to have assuredness that those are. And so those will be, my understanding is, specifically tailored to this. So representations won't be made on a generalized kind of disseminated via airway, you know, via television. So I don't think that there would be any way that the common individual who's only covered up to the FDIC amounts could come away with the belief that they are, in fact, covered over and above that FDIC amounts. [LB74]

SENATOR WHITE: Well, I appreciate that response, but I think it misses the point of the question. The point of the question, Senator, is, look, if a bank has...and contrary, there are a number of banks that hold deposits in excess of the insured amount. So let's say a bank does have that, is this bill allow it now the discretion to offer to some depositors additional security beyond that to the feds, but not even advise other depositors that that's possible? And do you think that that is a good policy that a bank can pick and choose which of its big depositors will get additional protection and which won't, especially in times where banks, given the financial stresses and given our bitter recent experience in Wall Street, is this a wise policy that we allow the bank to pick and choose among the ultra, let's call them the "jumbo depositors," which ones get additional insurance and even get told about the possibility? [LB74]

PRESIDENT SHEEHY: One minute. [LB74]

SENATOR PIRSCH: Well, I appreciate the question. I don't think it's appropriate for all individuals, individuals such as in my case where I might have less than the covered amount, \$200,000. So in that case, certainly I wouldn't have a need for it. So it's not appropriate in all cases, but I would assume the bank has a vested interest in making it aware. They view it as a way to attract customers to their bank. They view it as a very...that's why they're here. They're asking for this. They see it as a marketing tool, a way to attract customers, and to the extent that they can bring in anyone under this, you know, they have an incentive in doing that. So I don't think that they have an incentive in not disclosing to anybody that this additional service, which they see as a benefit to the bank, is available to everyone. Now, they...you know, obviously, that's why we're here today is because... [LB74]

PRESIDENT SHEEHY: Time, Senator. [LB74]

SENATOR PIRSCH: Yeah. [LB74]

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PRESIDENT SHEEHY: Thank you, Senator Pirsch. Thank you, Senator White. We have Senator Pankonin, followed by Senator Utter and Senator White. Senator Pankonin. [LB74]

SENATOR PANKONIN: Thank you, Mr. President. I want to try to answer some questions regarding this bill and answer some of Senator White's questions as well. Let me tell you a little bit about the background, and I know Senator Utter is coming after me and he's been a long-time community bank director like I have. The background behind this bill is that there were private companies that were doing this that were...banks could contact to have backup insurance over and above the \$100,000 limit. Probably the most notable company that was involved in this in Nebraska was the Kansas Surety Company that's part of the Berkshire family. Well, the Berkshire group decided to exit this business last fall when the economy turned obviously more iffy and financial institutions were under more stress nationally in our country. Well, banks have been using this service and most banks, many banks in Nebraska are members of the Federal Home Loan Bank of Topeka. So they have stepped in to be an insurer in regards to this. They do it for a fee, and they do evaluate the bank's financial condition, so if a bank is in troubled condition, they probably will not be able to offer this service. But I think there's another issue here, too, that we need to be aware of that is a little confusing, more than confusing to consumers. When the federal government raised the deposit limit from \$100,000 to \$250,000 this last year, there's obviously a cost to that as well that banks would have to absorb. And banks were allowed to either opt in and stay with the \$250,000 limit or opt out. And I was surprised by the number of Nebraska banks that did opt out, but that was a business decision they made based on the cost and what they feel about their customer base. And the other thing that is unique was that if you had a noninterest-bearing account, it had unlimited protection. So if you had a checking account with no interest, you could have several million dollars in there and be covered. So it has gotten more confusing than just the \$100,000. And as Senator White asked, it is true. These are individually negotiated arrangements. If a depositor who has more than the federal limits in a bank wants this protection, they ask. It's probably not offered to everyone because there is a cost, and that is negotiated. That might have something to do with the rate they receive on that deposit, that certificate of deposit. So it is more consumer-beware of the standards. Now, the federal law governs a lot of this, and we probably cannot put in this bill what the notice should be. And hopefully the banks are required to have these notices in their lobbies and to obviously inform their customers if a customer asks, do I have \$100,000 protection, do I have \$250,000, or is it unlimited. All this bill is doing is it will allow Nebraska banks to use the Federal Home Loan Bank for a service that used to be offered by private companies. And I think overall it's good for our system to have this because people that are concerned and have in excess of these federal limits can then ask their bank, what about having my deposit insured by the Federal Home Loan Bank. And I want to add to it, we already give the Federal Home Loan Bank permission to do this on public funds and it is being done, has been done for several years very successfully, so that small cities, large

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cities, school districts, their funds can be protected by this guarantee as well. Thank you. [LB74]

PRESIDENT SHEEHY: Thank you, Senator Pankonin. I do have a couple of announcements. (Visitors of the day introduced.) Continuing with floor discussion on LB74, we have Senator Utter, followed by Senator White and Senator Pirsch. Senator Utter. [LB74]

SENATOR UTTER: Thank you, Mr. President, and good morning, colleagues. Let me just address a couple of issues related to this bill. And I just want to emphasize to you in response to some of Senator White's questions that banks traditionally down through the years have had available private insurance coverage available to their customers that had excess deposits in the bank. It's kind of been a...something that's been available that helps banks attract business because it helps save local deposits in the banks, giving them the funds to loan money to create economic activity in the state. So it's been a very good thing to be able to do. The financial crisis as it approached us, the first thing that the FDIC did was raise FDIC insurance coverage on every account on a temporary basis until December 31 of this year unless they change it prior to that time, and I fully anticipate that there may be some changes. But they raised the FDIC insurance coverage on every account from \$100,000 to \$250,000. KBS, the Kansas Banker Surety Company, had insured a great number of private deposits in this state down through the years. They have pulled out the customers that were covered by that insurance, have all been properly notified, know that the insurance is ceasing. There are other private carriers in the market that are providing this coverage to banks that want to use it, and so that they can facilitate holding more of their customer's money in the banks. But yet the Federal Home Loan Bank coverage, frankly, just provides another option to the banks to issue the letter of credit that in essence guarantees those deposits. So it's an important thing not only for the banks, but I think it's an important thing for our state. And certainly the insurance coverage that is provided by the private carriers, the banks have to qualify for that, the carriers analyze the bank's financial statements, give them a close examination before they will underwrite those deposits. The Federal Home Loan Bank also comes in and examines the banks that are utilizing the Federal Home Loan Bank services, such as letters of credit. So I think it becomes a very important tool for Nebraska banks, all banks in Nebraska, certainly particularly the banks that are in the smaller communities of the state. So I would urge the body's support of LB74. [LB74]

PRESIDENT SHEEHY: Thank you, Senator Utter. Senator White. [LB74]

SENATOR WHITE: Thank you, Mr. President. I would like to raise just a couple of points, and I want to thank Senator Utter, Senator Pankonin, Senator Pirsch for their comments. A number of things have changed in this industry, and personal disclosure, I was the attorney in charge of doing the NCUA's cleanup of the Franklin Credit Union

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failure. So I have bitter memories of, for example, of order of nuns who lost their entire retirement for the entire order because they trusted Larry King's statement that he was helping the poor. And so misunderstanding of what we have in federal insurance is something that can be devastating, especially to people who trust that the government is watching out for them. I am very sympathetic to the idea that banks need the option of adding additional insurance to attract and retain high dollar depositors, no problem with that whatsoever. I do have concerns that given the changes in the federal law, especially as so ably articulated by Senator Pankonin, that in fact some banks in Nebraska have only \$100,000 insurance, but other banks have \$250,000 insurance. I'm a reasonably sophisticated person and my bank has \$250,000, but I was under the impression that all banks had it, and yet that's not the case. And if that's the situation, I think it's incumbent on us both because of what happened in the Franklin, what happened in the Commonwealth, what's happening in the country, to make sure the public understands what is the extent of protection and what is the extent of protection that may be available. Senator Pankonin has indicated and I think Senator Pahls, if you would yield to a question, I'd like to ask whether the committee would be willing to look at this problem, get good public information out so that the depositors on equal footing and we can make sure people who trust Nebraska institutions know what they're getting into. [LB74]

PRESIDENT SHEEHY: Senator Pahls, would you yield? [LB74]

SENATOR PAHLS: Yes I would. Just let me comment, Senator White. I do think you've brought up some issues that we may not have covered in depth in our committee hearing, and I can assure you that I am going to be talking to the Banking Department and seeing what the issues are, because there are, like you say, the banks that have opted in and opted out, and we are talking about significant amounts of money, whether you have a lot, you know, \$100,000 plus is a significant amount of money. And I am also concerned on what is happening at the federal level because it is amazing what some institutions are getting away with. Not implying that in the state of Nebraska because I think we're a pretty good group of people, and same way with our banks. But I will talk to the Banking Department about this issue. Thank you. [LB74]

SENATOR WHITE: I would urge the floor that if Senator Pahls and his committee are going to look at this and will look at an amendment to not stop getting additional insurance, but to make sure that the public, the consuming public in Nebraska, have adequate information about what insurance is available in the bank, what might be available if they have amounts in excess of that deposit. Perhaps, for example, an amendment that say, if a bank chooses to offer this to any depositor with amounts in excess of their coverage, they must quietly notify all depositors with amounts in excess of what's on deposit of the possibility that they could get this. Just so people are on equal footing. The real tragedies occur not when so much when people lose money, but when they lose money because some folks had more information than others. [LB74]

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PRESIDENT SHEEHY: One minute. [LB74]

SENATOR WHITE: So if the Banking Committee would look at some of these issues, I will vote to advance this and hope to look for some refinement on Select. And may I yield the rest of the time to Senator Pahls. [LB74]

PRESIDENT SHEEHY: Forty-five seconds, Senator Pahls. [LB74]

SENATOR PAHLS: Thank you, Senator White. I agree with you. This is something I will talk to the committee about, and if we do not propose an amendment, I will make sure that you understand the reason why. But I am open to that idea. Before I say, yes, we're going to do it, let me talk to the people involved, you know, to make sure that this is part of the... [LB74]

SENATOR WHITE: With that understanding, I will vote to advance this bill. Thank you, Senator Pahls. Thank you. [LB74]

PRESIDENT SHEEHY: Thank you, Senator White. Thank you, Senator Pahls. Are there additional members requesting to speak? Seeing none, Senator Pirsch, you're recognized to close on LB74. [LB74]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I'd just appreciate all the discussion here today on the bill, and I appreciate Senator Pankonin and Senator Utter making more clear that which was probably an inexact statement of mine that there does not over and above FDIC, that there is...that none is allowed currently to induce customers. Currently private companies like Berkshire Hathaway and whatnot have the Kansas insurance company have been providing those services, those private companies. Either their prices are pricing the...are exorbitant, pricing out the market or withdrawing from the sector altogether. And that's why there's this void, this need really to benefit the people of Nebraska who have monies that are being deposited in banks. They need to have some assurance and that is who we're doing this for, is for the people of Nebraska. Just as the FDIC provides a service, too, it makes us sleep well at night and your constituents as well. And so we're hoping to have a process to extend that. And I'll certainly be interested in looking into any concerns that Senator White has. Now, I think we may be...when we talk about if certain types of services are offered by the bank, then everyone who's eligible for the services must be contacted, we might be getting off into, I think, perhaps a separate bill. But I think that's fine. I'd be happy to look into that possibility with respect to if individuals are led to believe that they have more insurance in the FDIC when in fact they don't, then we're talking about fraud statutes that may come to apply, and so. But look forward to working with all in the next rounds, and I'd just urge you to pass it through this round. Thank you. [LB74]

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PRESIDENT SHEEHY: Thank you, Senator Pirsch. You have heard the closing. The question before the body is on the advancement of LB74. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB74]

CLERK: 43 ayes, 0 nays, Mr. President, on the advancement of LB74. [LB74]

PRESIDENT SHEEHY: LB74 advances. Next item under General File. [LB74]

CLERK: LB87 by Senator Pahls. (Read title.) Introduced on January 8 of this year, referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. At this time, I have no amendments to the bill, Mr. President. [LB87]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Senator Pahls, you're recognized to open on LB87. [LB87]

SENATOR PAHLS: Thank you, Mr. President and members of the body. This bill would delay the implementation of amendments made last year in a section of the Uniform Commercial Code from September 2, 2009, to September 2, 2010. That is all this bill does. It changes a date. It strikes 2009 and inserts 2010. This bill would amend UCC Section 9-506, which governs the effects of errors and omissions in a financing statement. A little explanation of what a financing statement is, it is a statement...is what a lender called a "secured party" files with the Secretary of State to establish priority of the secure interest in personal property that serves as collateral for an obligation. UCC Section 9-506 was amended by the Nebraska Legislature in 2008 to provide that a financing statement with minor errors or omissions is not seriously misleading if a search of the debtor's correct last name in the records of the filing office would disclose the financial statement. The 2008 statement in this section are nonuniform and do not apply until September 2, 2009. The bill would provide that the nonuniform 2008 amendments would not apply until September 2, 2010. The nonuniform amendments in this section were first enacted as part of a comprehensive banking bill in the 2008 session. Later in that session, an unneeded A bill was gutted and amended with language that deferred the implementation of the earlier enacted nonuniform amendment in September of 2009. Commentators around the country were expressing concern that a number of states, with Nebraska among them, were enacting a mixed bag of provisions regarding the searching of a debtor's name. It was urged that the states put their efforts on hold and give the Uniform Law Commissioner some time to come up and to clear up in established uniform amendments regarding the matter for all the states to consider. LB87 would put the 2008 Nebraska nonuniform amendments on hold pending the completion by the Uniform Law Commissioner of their work. I urge you to advance LB87. Again, we're just changing the dates. Thank you. [LB87]

PRESIDENT SHEEHY: Thank you, Senator Pahls. You've heard the opening to LB87. Are there members requesting to speak? Seeing none, Senator Pahls, you're

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recognized to close. Senator Pahls waives closing. The question before the body is on the advancement of LB87. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB87]

CLERK: 42 ayes, 0 nays, Mr. President, on the advancement of LB87. [LB87]

PRESIDENT SHEEHY: LB87 advances. Mr. Clerk, do you have reports or announcements? [LB87]

CLERK: I do, Mr. President, thank you. Enrollment and Review reports LB11, LB29, LB30, LB49, LB49A, LB50 as correctly engrossed. Those reports signed by Senator Nordquist. Banking Committee chaired by Senator Pahls reports LB88 to General File. I have a notice of hearing from the Agriculture Committee. Those notices signed by Senator Carlson. Senator Carlson would like to print an amendment to LB99 in the Journal. Name adds: Senators Nordquist and Mello to LB158; Senator Pirsch to LB322; Senator Wallman to LB434; Senator Howard to LB610. (Legislative Journal pages 337-338.) [LB11 LB29 LB30 LB49 LB49A LB50 LB88 LB99 LB158 LB322 LB434 LB610]

Mr. President, a priority motion. Senator Gay would move to adjourn the body until Monday morning, February 2, at 10:00 a.m. []

PRESIDENT SHEEHY: You have heard the motion to adjourn until Monday, February 2, 2009, at 10:00 a.m. All those in favor say aye. Opposed nay. We are adjourned. []