

THIRTIETH DAY - FEBRUARY 21, 2014**LEGISLATIVE JOURNAL****ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION****THIRTIETH DAY**

Legislative Chamber, Lincoln, Nebraska
Friday, February 21, 2014

PRAYER

The prayer was offered by Father Mike McDermott, Resurrection Catholic Church, Grand Island.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., Speaker Adams presiding.

The roll was called and all members were present except Senators Larson and Lautenbaugh who were excused; and Senators K. Haar and Kolowski who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the twenty-ninth day was approved.

COMMITTEE REPORTS
Business and Labor

LEGISLATIVE BILL 932. Placed on General File.

LEGISLATIVE BILL 559. Placed on General File with amendment.
AM1581

- 1 1. On page 13, line 12, after the period insert
- 2 "Notwithstanding this section, any short-time compensation paid
- 3 which is eligible for federal reimbursement shall not be chargeable
- 4 to employer accounts and employers liable for payments in lieu
- 5 of contributions shall not be responsible for reimbursing the
- 6 Unemployment Compensation Fund for any benefits paid to their
- 7 employees that are reimbursed by the federal government.".

LEGISLATIVE BILL 560. Placed on General File with amendment.
AM1958

- 1 1. Strike the original sections and insert the following
- 2 new sections:
- 3 Section 1. Section 48-1228, Reissue Revised Statutes of
- 4 Nebraska, is amended to read:
- 5 48-1228 Sections 48-1228 to 48-1232 and sections 2 and 3
- 6 of this act shall be known and may be cited as the Nebraska Wage
- 7 Payment and Collection Act.

8 Sec. 2. The Commissioner of Labor shall have the
9 authority to subpoena records and witnesses related to the
10 enforcement of the Nebraska Wage Payment and Collection Act. The
11 commissioner or his or her agent may inspect all related records
12 and gather testimony on any matter relative to the enforcement
13 of the act when the information sought is relevant to a lawful
14 investigative purpose and is reasonable in scope.

15 Sec. 3. (1) The Commissioner of Labor shall issue a
16 citation to an employer when an investigation reveals that the
17 employer may have violated the Nebraska Wage Payment and Collection
18 Act, other than a violation of subsection (2) of section 48-1230.

19 (2) When a citation is issued, the commissioner shall
20 notify the employer of the proposed administrative penalty, if
21 any, by certified mail or any other manner of delivery by
22 which the United States Postal Service can verify delivery. The
23 administrative penalty shall be not more than five hundred dollars
1 in the case of a first violation and not more than five thousand
2 dollars in the case of a second or subsequent violation.

3 (3) The employer has fifteen working days after the date
4 of the citation or penalty to contest such citation or penalty.
5 Notice of contest shall be sent to the commissioner who shall
6 provide a hearing in accordance with the Administrative Procedure
7 Act.

8 Sec. 4. Section 48-1230, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 48-1230 (1) Except as otherwise provided in this section,
11 each employer shall pay all wages due its employees on regular
12 days designated by the employer or agreed upon by the employer and
13 employee. Thirty days' written notice shall be given to an employee
14 before regular paydays are altered by an employer. An employer
15 may deduct, withhold, or divert a portion of an employee's wages
16 only when the employer is required to or may do so by state or
17 federal law or by order of a court of competent jurisdiction or
18 the employer has written agreement with the employee to deduct,
19 withhold, or divert.

20 (2) Within ten working days after a written request is
21 made by an employee, an employer shall furnish such employee with
22 an itemized statement listing the wages earned and the deductions
23 made from the employee's wages under subsection (1) of this section
24 for each pay period that earnings and deductions were made. The
25 statement may be in print or electronic format.

26 (2) On each regular payday, the employer shall deliver
27 or make available to each employee, by mail or electronically, or
1 shall provide at the employee's normal place of employment during
2 employment hours for all shifts a wage statement showing, at a
3 minimum, the identity of the employer, the hours the employee
4 worked, the wages earned by the employee, and deductions made for
5 the employee. However, the employer need not provide information
6 on hours worked for employees who are exempt from overtime under

7 the federal Fair Labor Standards Act of 1938, under 29 C.F.R. part
8 541, unless the employer has established a policy or practice of
9 paying to or on behalf of exempt employees overtime, a bonus, or a
10 payment based on hours worked, whereupon the employer shall send or
11 otherwise provide a statement to the exempt employees showing the
12 hours the employee worked or the payments made to the employee by
13 the employer, as applicable.

14 (3) Except as otherwise provided in section 48-1230.01:

15 (a) Whenever an employer, other than a political
16 subdivision, separates an employee from the payroll, the unpaid
17 wages shall become due on the next regular payday or within two
18 weeks of the date of termination, whichever is sooner; and

19 (b) Whenever a political subdivision separates an
20 employee from the payroll, the unpaid wages shall become due within
21 two weeks of the next regularly scheduled meeting of the governing
22 body of the political subdivision if such employee is separated
23 from the payroll at least one week prior to such meeting, or if an
24 employee of a political subdivision is separated from the payroll
25 less than one week prior to the next regularly scheduled meeting of
26 the governing body of the political subdivision, the unpaid wages
27 shall be due within two weeks of the following regularly scheduled
1 meeting of the governing body of the political subdivision.

2 Sec. 5. Section 48-1231, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 48-1231 (1) An employee having a claim for wages which
5 are not paid within thirty days of the regular payday designated or
6 agreed upon may institute suit for such unpaid wages in the proper
7 court. If an employee establishes a claim and secures judgment
8 on the claim, such employee shall be entitled to recover (a) the
9 full amount of the judgment and all costs of such suit and (b)
10 if such employee has employed an attorney in the case, an amount
11 for attorney's fees assessed by the court, which fees shall not be
12 less than twenty-five percent of the unpaid wages. If the cause is
13 taken to an appellate court and the plaintiff recovers a judgment,
14 the appellate court shall tax as costs in the action, to be paid
15 to the plaintiff, an additional amount for attorney's fees in such
16 appellate court, which fees shall not be less than twenty-five
17 percent of the unpaid wages. If the employee fails to recover a
18 judgment in excess of the amount that may have been tendered within
19 thirty days of the regular payday by an employer, such employee
20 shall not recover the attorney's fees provided by this section. If
21 the court finds that no reasonable dispute existed as to the fact
22 that wages were owed or as to the amount of such wages, the court
23 may order the employee to pay the employer's attorney's fees and
24 costs of the action as assessed by the court.

25 (2) An employer who fails to furnish ~~an itemized~~
26 ~~statement requested by an employee~~ a wage statement under
27 subsection (2) of section 48-1230 shall be guilty of an infraction
1 as defined in section 29-431 and shall be subject to a fine

- 2 pursuant to section 29-436.
 3 Sec. 6. Original sections 48-1228, 48-1230, and 48-1231,
 4 Reissue Revised Statutes of Nebraska, are repealed.

LEGISLATIVE BILL 765. Placed on General File with amendment.
 AM1759

- 1 1. On page 5, strike beginning with "requirements" in
 2 line 5 through the period in line 7 and insert "compulsory use
 3 requirements prescribed in 15 U.S.C. 1693k.".

LEGISLATIVE BILL 800. Placed on General File with amendment.
 AM1891

- 1 1. Strike original section 6.
 2 2. On page 14, line 1, strike "13-2112, and 77-5905" and
 3 insert "and 13-2112".
 4 3. Renumber the remaining sections accordingly.

LEGISLATIVE BILL 943. Placed on General File with amendment.
 AM1922

- 1 1. Strike the original sections and insert the following
 2 new sections:
 3 Section 1. Section 48-1203, Reissue Revised Statutes of
 4 Nebraska, is amended to read:
 5 48-1203 (1) Except as otherwise provided in this section
 6 and section 48-1203.01, every employer shall pay to each of his or
 7 her employees a minimum wage of:
 8 ~~(a) Five dollars and fifteen cents per hour through July~~
 9 ~~23, 2007;~~
 10 ~~(b) Five dollars and eighty five cents per hour on and~~
 11 ~~after July 24, 2007, through July 23, 2008;~~
 12 ~~(c) Six dollars and fifty five cents per hour on and~~
 13 ~~after July 24, 2008, through July 23, 2009; and~~
 14 ~~(d) Seven dollars and twenty five cents per hour on and~~
 15 ~~after July 24, 2009.~~
 16 (a) Seven dollars and twenty-five cents per hour through
 17 December 31, 2014;
 18 (b) Seven dollars and sixty-five cents per hour on and
 19 after January 1, 2015, through December 31, 2015;
 20 (c) Eight dollars and thirty-five cents per hour on and
 21 after January 1, 2016, through December 31, 2016; and
 22 (d) Nine dollars per hour on and after January 1, 2017.
 23 (2) For persons compensated by way of gratuities such
 1 as waitresses, waiters, hotel bellhops, porters, and shoeshine
 2 persons, the employer shall pay cash wages at the minimum rate
 3 ~~of two dollars and thirteen cents per hour, calculated in this~~
 4 ~~subsection plus all gratuities given to them for services rendered.~~
 5 For the one-year period beginning on the effective date
 6 of this act, the minimum cash wage per hour shall be three dollars.
 7 For each succeeding one-year period until the minimum cash wage

8 under this subsection equals seventy percent of the minimum wage
 9 in effect under subsection (1) of this section, the minimum cash
 10 wage shall be equal to the amount for the preceding year increased
 11 by the lesser of ninety-five cents or the amount necessary for the
 12 wage to equal seventy percent of the minimum wage in effect under
 13 subsection (1) of this section, rounded to the nearest multiple
 14 of five cents. For each succeeding one-year period after the year
 15 in which the minimum cash wage under this subsection first equals
 16 seventy percent of the minimum wage in effect under subsection (1)
 17 of this section, the minimum cash wage shall be equal to the amount
 18 for the preceding year increased by the amount necessary to ensure
 19 that the minimum cash wage in effect under this subsection remains
 20 equal to seventy percent of the minimum wage in effect under
 21 subsection (1) of this section, rounded to the nearest multiple of
 22 five cents.

23 The sum of cash wages and gratuities received by each
 24 person compensated by way of gratuities shall equal or exceed the
 25 minimum wage rate provided in subsection (1) of this section. In
 26 determining whether or not the individual is compensated by way of
 27 gratuities, the burden of proof shall be upon the employer.

1 (3) Any employer employing student-learners as part
 2 of a bona fide vocational training program shall pay such
 3 student-learners' wages at a rate of at least seventy-five percent
 4 of the minimum wage rate which would otherwise be applicable.

5 Sec. 2. Section 48-1205, Reissue Revised Statutes of
 6 Nebraska, is amended to read:

7 48-1205 (1) Every employer subject to the provisions
 8 of sections 48-1201 to 48-1209 Wage and Hour Act shall keep a
 9 summary of sections 48-1201 to 48-1209, the act, furnished by
 10 the Commissioner of Labor without charge, posted in a conspicuous
 11 place on or about the premises wherein any person subject to the
 12 provisions of sections 48-1201 to 48-1209 act is employed. Minimum
 13 wage amounts in effect shall also be posted and shall be furnished
 14 by the commissioner without charge.

15 (2) The Commissioner of Labor shall calculate the minimum
 16 wage amounts as provided in sections 48-1203 and 48-1203.01,
 17 recalculate such amounts whenever there is a change, and provide
 18 notice of such amounts and the date the amounts become effective to
 19 employers subject to the Wage and Hour Act.

20 Sec. 3. Original sections 48-1203 and 48-1205, Reissue
 21 Revised Statutes of Nebraska, are repealed.

(Signed) Steve Lathrop, Chairperson

Revenue

LEGISLATIVE BILL 850. Placed on General File.

LEGISLATIVE BILL 1087. Placed on General File.

(Signed) Galen Hadley, Chairperson

COMMITTEE REPORT
Natural Resources

The Natural Resources Committee desires to report favorably upon the appointment(s) listed below. The Committee suggests the appointments(s) be confirmed by the Legislature and suggests a record vote.

Mark Spurgin - Game and Parks Commission

Aye: 7 Brasch, Carlson, Dubas, K. Haar, Johnson, Schilz, Smith. Nay: 0.
Absent: 1 Kolowski. Present and not voting: 0.

(Signed) Tom Carlson, Chairperson

REPORT OF REGISTERED LOBBYISTS

Following is a list of all lobbyists who have registered as of February 20, 2014, in accordance with Section 49-1481, Revised Statutes of Nebraska. Additional lobbyists who have registered will be filed weekly.

(Signed) Patrick J. O'Donnell
Clerk of the Legislature

Brown, Marty
Nebraska Taxpayers for Freedom
Brown, Michael V.
ABATE of Nebraska, Inc.
Bruckner, Traci
Center for Rural Affairs
Cutshall & Nowka
National Utility Contractors Association of Nebraska

REPORTS

Agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website at:
<http://www.nebraskalegislature.gov/agencies/view.php>

BILL ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 838. With Emergency Clause.

A BILL FOR AN ACT relating to the Tax Equity and Educational Opportunities Support Act; to amend sections 79-1022, 79-1023, 79-1027, and 79-1031.01, Revised Statutes Supplement, 2013; to change dates

relating to distribution of aid, certification of certain budget limitations as prescribed, and duties of the Appropriations Committee of the Legislature; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?' "

Voting in the affirmative, 45:

Adams	Christensen	Hadley	Krist	Scheer
Ashford	Coash	Hansen	Lathrop	Schilz
Avery	Conrad	Harms	McCoy	Schumacher
Bloomfield	Cook	Harr, B.	McGill	Seiler
Bolz	Crawford	Howard	Mello	Smith
Brasch	Davis	Janssen	Murante	Sullivan
Campbell	Dubas	Johnson	Nelson	Wallman
Carlson	Garrett	Karpisek	Nordquist	Watermeier
Chambers	Gloor	Kintner	Pirsch	Wightman

Voting in the negative, 0.

Excused and not voting, 4:

Haar, K. Kolowski Larson Lautenbaugh

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LB838.

SENATOR COASH PRESIDING

GENERAL FILE

LEGISLATIVE BILL 474. Title read. Considered.

Senator Krist withdrew his motion, MO51, found on page 1059, First Session, 2013, to recommit to the Revenue Committee.

Committee AM652, found on page 766, First Session, 2013, lost with 1 aye, 23 nays, 22 present and not voting, and 3 excused and not voting.

Senator Hadley withdrew his amendment, AM1609, found on page 191.

Senator Hadley offered his amendment, AM1815, found on page 448.

The Hadley amendment was adopted with 33 ayes, 0 nays, 13 present and not voting, and 3 excused and not voting.

Advanced to Enrollment and Review Initial with 34 ayes, 0 nays, 12 present and not voting, and 3 excused and not voting.

LEGISLATIVE BILL 671. Title read. Considered.

Committee AM1637, found on page 539, was adopted with 36 ayes, 0 nays, 9 present and not voting, and 4 excused and not voting.

SENATOR GLOOR PRESIDING

Senator Chambers moved for a call of the house. The motion prevailed with 37 ayes, 0 nays, and 12 not voting.

Advanced to Enrollment and Review Initial with 31 ayes, 5 nays, 8 present and not voting, and 5 excused and not voting.

The Chair declared the call raised.

PRESENTED TO THE GOVERNOR

Presented to the Governor on February 21, 2014, at 9:20 a.m. was the following: LB838e.

(Signed) Jamie Kruse
Clerk of the Legislature's Office

COMMITTEE REPORTS

Transportation and Telecommunications

LEGISLATIVE BILL 795. Placed on General File.

(Signed) Annette Dubas, Chairperson

Nebraska Retirement Systems

LEGISLATIVE BILL 713. Placed on General File.

(Signed) Jeremy Nordquist, Chairperson

Revenue

LEGISLATIVE BILL 159. Placed on General File with amendment.
AM1579

- 1 1. Strike the original sections and insert the following
 2 new sections:
 3 Section 1. Section 77-2701, Revised Statutes Cumulative
 4 Supplement, 2012, is amended to read:
 5 77-2701 Sections 77-2701 to 77-27,135.01 and 77-27,228 to
 6 77-27,236 and section 3 of this act shall be known and may be cited
 7 as the Nebraska Revenue Act of 1967.
 8 Sec. 2. Section 77-2701.04, Revised Statutes Cumulative
 9 Supplement, 2012, is amended to read:
 10 77-2701.04 For purposes of sections 77-2701.04 to 77-2713
 11 and section 3 of this act, unless the context otherwise requires,
 12 the definitions found in sections 77-2701.05 to 77-2701.55 shall be
 13 used.
 14 Sec. 3. (1) Sales and use taxes shall not be imposed
 15 on the gross receipts from the sale, lease, or rental of and the
 16 storage, use, or other consumption in this state of currency or
 17 bullion.
 18 (2) For purposes of this section:
 19 (a) Bullion means bars, ingots, or commemorative
 20 medallions of gold, silver, platinum, or palladium, or a
 21 combination of these, for which the value of the metal depends on
 22 its content and not the form; and
 23 (b) Currency means a coin or currency made of gold,
 1 silver, or other metal or paper which is or has been used as legal
 2 tender.
 3 Sec. 4. This act becomes operative on October 1, 2014.
 4 Sec. 5. Original sections 77-2701 and 77-2701.04, Revised
 5 Statutes Cumulative Supplement, 2012, are repealed.

LEGISLATIVE BILL 829. Placed on General File with amendment.
 AM2003

- 1 1. Strike the original sections and insert the following
 2 new sections:
 3 Section 1. Section 77-2701.11, Reissue Revised Statutes
 4 of Nebraska, is amended to read:
 5 77-2701.11 Delivery charges means charges by the seller
 6 of personal property or services for preparation and delivery to
 7 a location designated by the purchaser of personal property or
 8 services, including, but not limited to, transportation, shipping,
 9 postage, handling, crating, and packing. Delivery charges does not
 10 include United States postage charges on direct mail that are
 11 separately stated on the invoice, bill of sale, or similar document
 12 given to the purchaser.
 13 Sec. 2. Section 77-2701.35, Reissue Revised Statutes of
 14 Nebraska, is amended to read:
 15 77-2701.35 (1) Sales price applies to the measure subject
 16 to sales tax and means the total amount of consideration, including
 17 cash, credit, property, and services, for which personal property
 18 or services are sold, leased, or rented, valued in money, whether

19 received in money or otherwise, without any deduction for the
20 following:

- 21 (a) The seller's cost of the property sold;
- 22 (b) The cost of materials used, the cost of labor or
23 service, interest, losses, all costs of transportation to the
1 seller, all taxes imposed on the seller, and any other expense of
2 the seller;
- 3 (c) Charges by the seller for any services necessary to
4 complete the sale;
- 5 (d) Delivery charges; and
- 6 (e) Installation charges.

7 (2) Sales price includes consideration received by the
8 seller from third parties if:

- 9 (a) The seller actually receives consideration from a
10 party other than the purchaser and the consideration is directly
11 related to a price reduction or discount on the sale;
- 12 (b) The seller has an obligation to pass the price
13 reduction or discount through to the purchaser;
- 14 (c) The amount of the consideration attributable to the
15 sale is fixed and determinable by the seller at the time of the
16 sale of the item to the purchaser; and
- 17 (d) One of the following criteria is met:
 - 18 (i) The purchaser presents a coupon, certificate, or
19 other documentation to the seller to claim a price reduction
20 or discount when the coupon, certificate, or documentation is
21 authorized, distributed, or granted by a third party with the
22 understanding that the third party will reimburse any seller to
23 whom the coupon, certificate, or documentation is presented;
 - 24 (ii) The purchaser identifies himself or herself to the
25 seller as a member of a group or organization entitled to a price
26 reduction or discount. A preferred customer card that is available
27 to any patron does not constitute membership in such a group; or
 - 1 (iii) The price reduction or discount is identified as a
2 third-party price reduction or discount on the invoice received by
3 the purchaser or on a coupon, certificate, or other documentation
4 presented by the purchaser.

5 (3) Sales price does not include:

- 6 (a) Any discounts, including cash, terms, or coupons that
7 are not reimbursed by a third party that are allowed by a seller
8 and taken by a purchaser on a sale;
- 9 (b) Interest, financing, and carrying charges from credit
10 extended on the sale of personal property or services, if the
11 amount is separately stated on the invoice, bill of sale, or
12 similar document given to the purchaser;
- 13 (c) Any taxes legally imposed directly on the consumer
14 that are separately stated on the invoice, bill of sale, or similar
15 document given to the purchaser; ~~and~~
- 16 (d) United States postage charges on direct mail that are
17 separately stated on the invoice, bill of sale, or similar document

- 18 given to the purchaser; and
 19 ~~(d)~~(e) Credit for any trade-in as follows:
 20 (i) The value of property taken by a seller in trade as
 21 all or a part of the consideration for a sale of property of any
 22 kind or nature; or
 23 (ii) The value of a motor vehicle or motorboat taken by
 24 any person in trade as all or a part of the consideration for a
 25 sale of another motor vehicle or motorboat.
 26 Sec. 3. This act becomes operative on October 1, 2014.
 27 Sec. 4. Original sections 77-2701.11 and 77-2701.35,
 1 Reissue Revised Statutes of Nebraska, are repealed.

LEGISLATIVE BILL 986. Placed on General File with amendment.
 AM2041 is available in the Bill Room.

(Signed) Galen Hadley, Chairperson

Appropriations

LEGISLATIVE BILL 1114. Placed on General File.

LEGISLATIVE BILL 974. Placed on General File with amendment.
 AM2025

- 1 1. Insert the following new sections:
 2 Section 1. Section 79-1145, Reissue Revised Statutes of
 3 Nebraska, is amended to read:
 4 79-1145 (1) For each fiscal year prior to fiscal
 5 year 2014-15, the aggregate amount of General Funds appropriated
 6 for special education programs and support services pursuant to
 7 sections 79-1129, 79-1132, and 79-1144 shall not exceed the
 8 aggregate amount of General Funds appropriated pursuant to such
 9 sections for the previous fiscal year, ~~multiplied by one plus a~~
 10 ~~rate of increased by~~ five percent.
 11 (2) For fiscal year 2014-15 and each fiscal year
 12 thereafter, the aggregate amount of General Funds appropriated
 13 for special education programs and support services pursuant to
 14 sections 79-1129, 79-1132, and 79-1144 shall not exceed the
 15 aggregate amount of General Funds appropriated pursuant to such
 16 sections for the previous fiscal year, increased by ten percent.
 17 Sec. 3. Section 81-1111.01, Reissue Revised Statutes of
 18 Nebraska, is amended to read:
 19 81-1111.01 For agencies with fewer than seven full-time
 20 employees, preaudits shall be conducted by the accounting bureau or
 21 by a state agency authorized by Director of Administrative Services
 22 to conduct its own preaudits. The Director of Administrative
 23 Services may authorize departments and agencies that have seven or
 1 more full-time employees to perform their own preaudits, subject
 2 to monitoring by the accounting bureau. The preaudits shall be
 3 performed in accordance with the provisions of subdivisions (3)(a)

4 through (f) of section 81-1111.

5 Sec. 5. Section 81-1125.01, Revised Statutes Cumulative
6 Supplement, 2012, is amended to read:

7 81-1125.01 It shall be the duty of the Director of
8 Administrative Services to digest, prepare, and report to the
9 Governor, the Tax Commissioner, ~~and~~ the Clerk of the Legislature,
10 and the Legislative Fiscal Analyst, at least twenty days before the
11 commencement of each regular session of the Legislature:

12 (1) ~~A full and detailed statement of The Annual Budgetary~~
13 Report showing the condition of the treasury, and the amount of the
14 expenditures for the last fiscal year;

15 (2) ~~A full and detailed statement of the public debt, The~~
16 Comprehensive Annual Financial Report showing fully all liabilities
17 and resources of the state; and

18 (3) Such plans as he or she may deem expedient for (a)
19 the support of public credit, (b) lessening the public expenses,
20 (c) using the public money to the best advantage, (d) promoting
21 frugality and economy in public offices, and generally for the
22 better management and more perfect understanding of the fiscal
23 affairs of the state, and (e) securing uniformity and efficiency in
24 the levying and collecting of taxes, systematizing the work to be
25 done by officers having duties to perform under the revenue law.

26 ~~The report reports~~ submitted to the ~~Clerk of the~~
27 Legislature shall be submitted electronically. Each member of
1 the Legislature shall receive an electronic copy of the ~~report~~
2 reports required by this section by making a request for it to the
3 director.

4 Sec. 12. Since an emergency exists, this act takes effect
5 when passed and approved according to law.

6 2. On page 9, line 24, strike "section" and insert
7 "sections 79-1145, 81-1111.01, and"; and in line 25 strike "and"
8 and insert a comma and after "81-1113," insert "and 81-1125.01,".

9 3. Renumber the remaining sections and correct internal
10 references accordingly.

(Signed) Heath Mello, Chairperson

Nebraska Retirement Systems

The Nebraska Retirement Systems Committee desires to report favorably upon the appointment(s) listed below. The Committee suggests the appointments(s) be confirmed by the Legislature and suggests a record vote.

Dennis W. Leonard - Public Employees Retirement Board

Aye: 6 Conrad, Davis, Karpisek, Kolowski, Mello, Nordquist. Nay: 0.
Absent: 0. Present and not voting: 0.

The Nebraska Retirement Systems Committee desires to report favorably upon the appointment(s) listed below. The Committee suggests the appointments(s) be confirmed by the Legislature and suggests a record vote.

Gail Werner-Robertson - Nebraska Investment Council

Aye: 6 Conrad, Davis, Karpisek, Kolowski, Mello, Nordquist. Nay: 0.
Absent: 0. Present and not voting: 0.

(Signed) Jeremy Nordquist, Chairperson

RESOLUTIONS

LEGISLATIVE RESOLUTION 448. Introduced by Kolowski, 31.

WHEREAS, Morgan Coil, a senior at Millard West High School, has achieved national recognition for exemplary volunteer service by receiving a 2014 Prudential Spirit of Community Award; and

WHEREAS, this prestigious award, presented by Prudential Financial in partnership with the National Association of Secondary School Principals, honors young volunteers across America who have demonstrated an extraordinary commitment to serving their communities; and

WHEREAS, Morgan earned this award by serving the past two years as president of her school's "40 Assets Club," a leadership and service club, where Morgan planned the majority of activities including an in-depth mentoring program to help children at the Hope Center for Kids develop character and social skills; and

WHEREAS, the success of the State of Nebraska, the strength of our communities, and the overall vitality of American society depend in great measure upon the dedication of young people like Morgan who use their considerable talents and resources to serve others.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Legislature congratulates Morgan Coil as a recipient of a 2014 Prudential Spirit of Community Award, recognizes her outstanding record of volunteer service, peer leadership, and community spirit, and extends best wishes for her continued success and happiness.

2. That a copy of this resolution be sent to Morgan Coil.

Laid over.

LEGISLATIVE RESOLUTION 449. Introduced by Karpisek, 32.

WHEREAS, Brandon Reinsch of Geneva, Nebraska, has completed the requirements for the rank of Eagle Scout in the Boy Scouts of America; and

WHEREAS, to earn the rank of Eagle Scout, the highest rank in scouting, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. Although many options are available to demonstrate

proficiency in these areas, a number of specific skills are required to advance through the ranks of Tenderfoot, Second Class, First Class, Star, Life, and finally Eagle Scout. Throughout his scouting experience, Brandon has learned, been tested on, and been recognized for various scouting skills; and

WHEREAS, to achieve the rank of Eagle Scout, a Boy Scout is required to earn 21 merit badges, 12 of which are in required areas, and complete a community service project approved by the troop and the scout council. For his community service project, Brandon organized his Troop 175 and painted all the fire hydrants in Geneva; and

WHEREAS, only a small percentage of the boys who join the Boy Scouts of America achieve the rank of Eagle Scout; and

WHEREAS, Brandon, through his hard work and perseverance, has joined other high achievers who are Eagle Scouts, such as astronauts, political and industry leaders, artists, scientists, and athletes.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Legislature congratulates Brandon Reinsch on achieving the rank of Eagle Scout.
2. That a copy of this resolution be sent to Brandon Reinsch.

Laid over.

AMENDMENTS - Print in Journal

Senator Mello filed the following amendment to LB371A:
AM1966

- 1 1. Strike original section 2.
- 2 2. Renumber the remaining section accordingly.

Senator Mello filed the following amendment to LB989:
AM2029

- 1 1. Strike the original sections and insert the following
- 2 new sections:
- 3 Section 1. Section 77-382, Revised Statutes Supplement,
- 4 2013, is amended to read:
- 5 77-382 (1) The department shall prepare a tax expenditure
- 6 report describing (a) the basic provisions of the Nebraska
- 7 tax laws, (b) the actual or estimated revenue loss caused by
- 8 the exemptions, deductions, exclusions, deferrals, credits, and
- 9 preferential rates in effect on July 1 of each year and allowed
- 10 under Nebraska's tax structure and in the property tax, (c) the
- 11 actual or estimated revenue loss caused by failure to impose sales
- 12 and use tax on services purchased for nonbusiness use, and ~~(e)~~(d)
- 13 the elements which make up the tax base for state and local income,
- 14 including income, sales and use, property, and miscellaneous taxes.
- 15 (2) The department shall review the major tax exemptions
- 16 for which state general funds are used to reduce the impact of

17 revenue lost due to a tax expenditure. The report shall indicate an
18 estimate of the amount of the reduction in revenue resulting from
19 the operation of all tax expenditures. The report shall list each
20 tax expenditure relating to sales and use tax under the following
21 categories:

22 (a) Agriculture, which shall include a separate listing
23 for the following items: Agricultural machinery; agricultural
1 chemicals; seeds sold to commercial producers; water for irrigation
2 and manufacturing; commercial artificial insemination; mineral
3 oil as dust suppressant; animal grooming; oxygen for use in
4 aquaculture; animal life whose products constitute food for human
5 consumption; and grains;

6 (b) Business across state lines, which shall include
7 a separate listing for the following items: Property shipped
8 out-of-state; fabrication labor for items to be shipped
9 out-of-state; property to be transported out-of-state; property
10 purchased in other states to be used in Nebraska; aircraft
11 delivery to an out-of-state resident or business; state reciprocal
12 agreements for industrial machinery; and property taxed in another
13 state;

14 (c) Common carrier and logistics, which shall include a
15 separate listing for the following items: Railroad rolling stock
16 and repair parts and services; common or contract carriers and
17 repair parts and services; common or contract carrier accessories;
18 and common or contract carrier safety equipment;

19 (d) Consumer goods, which shall include a separate
20 listing for the following items: Motor vehicles and motorboat
21 trade-ins; merchandise trade-ins; certain medical equipment and
22 medicine; newspapers; laundromats; telefloral deliveries; motor
23 vehicle discounts for the disabled; and political campaign
24 fundraisers;

25 (e) Energy, which shall include a separate listing for
26 the following items: Motor fuels; energy used in industry; energy
27 used in agriculture; aviation fuel; and minerals, oil, and gas
1 severed from real property;

2 (f) Food, which shall include a separate listing for the
3 following items: Food for home consumption; Supplemental Nutrition
4 Assistance Program; school lunches; meals sold by hospitals; meals
5 sold by institutions at a flat rate; food for the elderly,
6 handicapped, and Supplemental Security Income recipients; and meals
7 sold by churches;

8 (g) General business, which shall include a separate
9 listing for the following items: Component and ingredient parts;
10 manufacturing machinery; containers; film rentals; molds and dies;
11 syndicated programming; intercompany sales; intercompany leases;
12 sale of a business or farm machinery; and transfer of property in a
13 change of business ownership;

14 (h) Lodging and shelter, which shall include a
15 separate listing for the following item: Room rentals by certain

16 institutions;

17 (i) Miscellaneous, which shall include a separate listing

18 for the following items: Cash discounts and coupons; separately

19 stated finance charges; casual sales; lease-to-purchase agreements;

20 and separately stated taxes;

21 (j) Nonprofits, governments, and exempt entities, which

22 shall include a separate listing for the following items: Purchases

23 by political subdivisions of the state; purchases by churches

24 and nonprofit colleges and medical facilities; purchasing agents

25 for public real estate construction improvements; contractor as

26 purchasing agent for public agencies; Nebraska lottery; admissions

27 to school events; sales on Native American Indian reservations;

1 school-supporting fundraisers; fine art purchases by a museum;

2 purchases by the Nebraska State Fair Board; purchases by the

3 Nebraska Investment Finance Authority and licensees of the State

4 Racing Commission; purchases by the United States Government;

5 public records; and sales by religious organizations;

6 (k) Recent sales tax expenditures, which shall include a

7 separate listing for each sales tax expenditure created by statute

8 or rule and regulation after July 19, 2012; ~~and~~

9 (l) Services purchased for nonbusiness use, which shall

10 include a separate listing for each such service, including, but

11 not limited to, the following items: Motor vehicle cleaning,

12 maintenance, and repair services; cleaning and repair of clothing;

13 cleaning, maintenance, and repair of other tangible personal

14 property; maintenance, painting, and repair of real property;

15 entertainment admissions; personal care services; lawn care,

16 gardening, and landscaping services; pet-related services; storage

17 and moving services; household utilities; other personal services;

18 taxi, limousine, and other transportation services; legal services;

19 accounting services; other professional services; and other real

20 estate services; and

21 ~~(m)~~ Telecommunications, which shall include a

22 separate listing for the following items: Telecommunications

23 access charges; prepaid calling arrangements; conference bridging

24 services; and nonvoice data services.

25 (3) It is the intent of the Legislature that nothing

26 in the Tax Expenditure Reporting Act shall cause the valuation or

27 assessment of any property exempt from taxation on the basis of its

1 use exclusively for religious, educational, or charitable purposes.

2 Sec. 2. Section 77-383, Reissue Revised Statutes of

3 Nebraska, is amended to read:

4 77-383 The department may request from any state or local

5 official or agency any information necessary to complete the ~~report~~

6 reports required under section 77-382 and subsection (2) of section

7 77-385. All state and local officials or agencies shall cooperate

8 with the department with respect to any such request.

9 Sec. 3. Section 77-385, Revised Statutes Supplement,

10 2013, is amended to read:

11 77-385 (1) The report required under section 77-382 and
12 a summary of the report shall be submitted to the Governor, the
13 Executive Board of the Legislative Council, and the chairpersons
14 of the Legislature's Revenue and Appropriations Committees on or
15 before October 15, 1991, and October 15 of every even-numbered year
16 thereafter. The report submitted to the executive board and the
17 committees shall be submitted electronically. The department shall,
18 on or before December 1 of each even-numbered year, appear at a
19 joint hearing of the Appropriations Committee of the Legislature
20 and the Revenue Committee of the Legislature and present the
21 report. Any supplemental information requested by three or more
22 committee members shall be presented within thirty days after the
23 request. The summary shall be included with or appended to the
24 Governor's budget presented to the Legislature in odd-numbered
25 years.

26 (2)(a) In addition to the tax expenditure report required
27 under section 77-382, the department shall prepare an annual report
1 that focuses specifically on the tax expenditures relating to sales
2 and use tax as follows:

3 (i) For 2014 and every fourth year thereafter, the report
4 shall analyze the actual or estimated revenue loss caused by the
5 tax expenditures described in subdivisions (2)(a) through (c) of
6 section 77-382;

7 (ii) For 2015 and every fourth year thereafter, the
8 report shall analyze the actual or estimated revenue loss caused by
9 the tax expenditures described in subdivisions (2)(d) through (f)
10 of section 77-382;

11 (iii) For 2016 and every fourth year thereafter, the
12 report shall analyze the actual or estimated revenue loss caused by
13 the tax expenditures described in subdivisions (2)(g) through (j)
14 of section 77-382; and

15 (iv) For 2017 and every fourth year thereafter, the
16 report shall analyze the actual or estimated revenue loss caused by
17 the tax expenditures described in subdivisions (2)(k) through (m)
18 of section 77-382.

19 (b) The report required under this subsection shall be
20 submitted to the Governor, the Executive Board of the Legislative
21 Council, and the chairpersons of the Revenue Committee of the
22 Legislature and the Appropriations Committee of the Legislature
23 on or before October 15 of each year. The report submitted
24 to the executive board and the committees shall be submitted
25 electronically. The department shall, on or before December 1
26 of each year, appear at a joint hearing of the Appropriations
27 Committee of the Legislature and the Revenue Committee of the
1 Legislature and present the report. Any supplemental information
2 requested by three or more committee members shall be presented
3 within thirty days after the request.

4 Sec. 4. Section 81-125, Revised Statutes Supplement,
5 2013, is amended to read:

6 81-125 The Governor shall on or before January 15 of
7 each odd-numbered year present to the Legislature a complete budget
8 for all the activities of the state receiving appropriations or
9 requesting appropriations, except that the Governor during his
10 or her first year in office shall present such budget to the
11 Legislature on or before February 1. Such budget shall be a
12 tentative work program for the coming biennium, shall contain a
13 full and itemized report of the expenditures from appropriations
14 made by the previous Legislature and the items which the Governor
15 deems worthy of consideration for the coming biennium, for the
16 respective departments, offices, and institutions, and for all
17 other purposes, and shall contain the estimated revenue from
18 taxation, the estimated revenue from sources other than taxation,
19 an estimate of the amount required to be raised by taxation and
20 the sales and income tax rates necessary to raise such amount, the
21 revenue foregone by operation of laws in effect at the time of
22 such report granting tax expenditures and reduced tax liabilities
23 as identified in the report required by section 77-5731, and
24 recommendations as to deficiency funding requirements pursuant to
25 section 81-126. The summary of the tax expenditure report prepared
26 pursuant to ~~the Tax Expenditure Reporting Act subsection (1) of~~
27 section 77-385 and a summary of the report required by section
1 77-5731 shall be included with or appended to the budget presented
2 to the Legislature. The Governor may make recommendations whether
3 to continue or eliminate, in whole or in part, each tax expenditure
4 and incentive program or to limit the duration of particular tax
5 expenditures and incentives to a fixed number of years and shall
6 include his or her reasoning for each recommendation, if any. The
7 recommendations shall be transmitted to the Revenue Committee of
8 the Legislature at the same time the Governor submits a budget
9 as required in this section. The budget as transmitted to the
10 Legislature shall show the estimated requirements for each activity
11 of the state as prepared by the Department of Administrative
12 Services and the final recommendation of the Governor. The budget
13 shall comprise the complete report to the Legislature of all
14 appropriations made for the current biennium and expenditures
15 therefrom by all agencies receiving appropriations, and the report
16 of expenditures contained in the budget shall be in lieu of all
17 other biennial or other financial reports required by statute
18 to the Legislature by expending agencies of appropriations and
19 expenditures for their own activities except the biennial report of
20 the State Treasurer and Director of Administrative Services.
21 Sec. 5. Original section 77-383, Reissue Revised Statutes
22 of Nebraska, and sections 77-382, 77-385, and 81-125, Revised
23 Statutes Supplement, 2013, are repealed.

NOTICE OF COMMITTEE HEARING

Executive Board

Room 2102

Tuesday, March 4, 2014 12:00 p.m.

LR444

(Signed) John Wightman, Chairperson

BILL ON FIRST READING

The following bill was read for the first time by title:

LEGISLATIVE BILL 920A. Introduced by Coash, 27.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 920, One Hundred Third Legislature, Second Session, 2014.

GENERAL FILE

LEGISLATIVE BILL 920. Title read. Considered.

Committee AM1781, found on page 464, was adopted with 33 ayes, 0 nays, 9 present and not voting, and 7 excused and not voting.

Advanced to Enrollment and Review Initial with 34 ayes, 0 nays, 8 present and not voting, and 7 excused and not voting.

ANNOUNCEMENT

Speaker Adams designates LBs 51, 132, 251, 259, 373, 546, 660, 674, 692, 700, 717, 719, 728, 744, 751, 799, 810, 811, 851, 908, 923, 982, 994, 1076, and 1115 as Speaker priority bills.

AMENDMENT - Print in Journal

Senator McGill filed the following amendment to LB901:
AM2033

- 1 1. On page 3, line 9, strike "and pharmacists", show as
- 2 stricken, and insert "pharmacists, and physician assistants".

UNANIMOUS CONSENT - Add Cointroducers

Senator Mello asked unanimous consent to add his name as cointroducer to LB752. No objections. So ordered.

Senator Janssen asked unanimous consent to add his name as cointroducer to LB829. No objections. So ordered.

Senator Cook asked unanimous consent to add her name as cointroducer to LB1091. No objections. So ordered.

VISITORS

Visitors to the Chamber were 24 student dental hygienists from UNMC dental school from across the state; Rick Hurst from Columbus; 25 members of the Nebraska State Bar Association from across the state; 3 members of the Nebraska Chapters of Delta Sigma from Omaha and Lincoln; 30 students from the Trio Programs at Metro Community College and Northwest High School; and 100 fourth-grade students, teachers, and sponsors from Waverly.

ADJOURNMENT

At 12:08 p.m., on a motion by Senator Mello, the Legislature adjourned until 10:00 a.m., Monday, February 24, 2014.

Patrick J. O'Donnell
Clerk of the Legislature