THIRTY-EIGHTH DAY - MARCH 7, 2016

LEGISLATIVE JOURNAL

ONE HUNDRED FOURTH LEGISLATURE SECOND SESSION

THIRTY-EIGHTH DAY

Legislative Chamber, Lincoln, Nebraska Monday, March 7, 2016

PRAYER

The prayer was offered by Reverend Michael Davis, Elgin United Methodist Church, Elgin.

ROLL CALL

Pursuant to adjournment, the Legislature met at 10:00 a.m., President Foley presiding.

The roll was called and all members were present except Senators Kuehn and Schilz who were excused; and Senators Bolz, Larson, McCollister, and Watermeier who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the thirty-seventh day was approved.

COMMITTEE REPORT(S)

Enrollment and Review

LEGISLATIVE BILL 722. Placed on Select File. **LEGISLATIVE BILL 857.** Placed on Select File.

(Signed) Matt Hansen, Chairperson

MESSAGE(S) FROM THE GOVERNOR

March 4, 2016

Patrick J. O'Donnell Clerk of the Legislature State Capitol, Room 2018 Lincoln, NE 68509

Dear Mr. O'Donnell:

Engrossed Legislative Bills 19, 53, 221, 295, 311e, 328, and 378 were received in my office on February 29, 2016.

These bills were signed on March 3, 2016, and delivered to the Secretary of State on March 4, 2016.

Sincerely,
(Signed) Pete Ricketts
Governor

RESOLUTION(S)

Pursuant to Rule 4, Sec. 5(b), LRs 449 and 450 were adopted.

PRESIDENT SIGNED

While the Legislature was in session and capable of transacting business, the President signed the following: LRs 449 and 450.

SELECT FILE

LEGISLATIVE BILL 683. Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 746. ER169, found on page 703, was adopted.

Senator Campbell offered her amendment, AM2381, found on page 844.

The Campbell amendment was adopted with 33 ayes, 0 nays, 12 present and not voting, and 4 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 746A. Senator Campbell offered the following amendment:

AM2424

1 1. Insert the following new section:

2 Sec. 2. There is hereby appropriated (1) \$130,000 from the Health

3 Care Cash Fund for FY2016-17 and (2) \$190,000 from the General Fund for

- 4 FY2017-18 to the Foster Care Review Office, for Program 353, to aid in
- 5 carrying out the provisions of Legislative Bill 746, One Hundred Fourth
- 6 Legislature, Second Session, 2016.
- 7 Total expenditures for permanent and temporary salaries and per
- 8 diems from funds appropriated in this section shall not exceed \$98,903
- 9 for FY2016-17 or \$98,903 for FY2017-18.
- 10 2. Renumber the remaining section accordingly.

The Campbell amendment was adopted with 29 ayes, 0 nays, 16 present and not voting, and 4 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 772. Senator Lindstrom offered his amendment, AM2196, found on page 697.

The Lindstrom amendment was adopted with 29 ayes, 0 nays, 16 present and not voting, and 4 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 1059. ER170, found on page 722, was adopted.

Senator Crawford offered her amendment, AM2323, found on page 756.

The Crawford amendment was adopted with 30 ayes, 0 nays, 15 present and not voting, and 4 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 730. Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 830. ER171, found on page 723, was adopted.

Senator B. Harr offered his amendment, AM2314, found on page 831.

The B. Harr amendment was adopted with 28 ayes, 0 nays, 17 present and not voting, and 4 excused and not voting.

Senator Krist offered his amendment, AM2290, found on page 845.

Senator Krist offered the following amendment to his amendment: FA91

Amend AM2290

In line 3 strike "(a) through (s)" and insert (G) and (H).

The Krist amendment was adopted with 34 ayes, 0 nays, 10 present and not voting, and 5 excused and not voting.

The Krist amendment, AM2290, as amended, was adopted with 37 ayes, 0 nays, 7 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 704. Senator Crawford offered her amendment, AM2274, found on page 831.

The Crawford amendment was adopted with 31 ayes, 0 nays, 13 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 698. ER172, found on page 735, was adopted.

Senator Fox offered her amendment, AM2359, found on page 798.

The Fox amendment was adopted with 29 ayes, 0 nays, 15 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 447. ER174, found on page 743, was adopted.

Senator Kolterman offered his amendment, AM2344, found on page 844.

The Kolterman amendment was adopted with 31 ayes, 0 nays, 13 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 447A. Advanced to Enrollment and Review for Engrossment.

GENERAL FILE

LEGISLATIVE BILL 344. Senator McCoy renewed his amendment, AM2403, found on page 832, to the committee amendment.

Pending.

COMMITTEE REPORT(S)

Business and Labor

LEGISLATIVE BILL 841. Placed on General File.

LEGISLATIVE BILL 828. Placed on General File with amendment. AM2390 is available in the Bill Room.

LEGISLATIVE BILL 1029. Placed on General File with amendment. AM2228

- 1 1. Strike the original sections and insert the following new
- 2 sections:
- 3 Section 1. Sections 1 to 7 of this act shall be known and may be
- 4 cited as the Sector Partnership Program Act.
- 5 Sec. 2. (1) The Legislature finds and declares that sector
- 6 partnerships are a proven strategy for engaging employers in key
- 7 industries, helping workers train for and access good jobs, and
- 8 coordinating education, training, and workforce development activities in
- 9 response to industry needs.
- 10 (2) It is the intent of the Legislature and the purpose of the
- 11 Sector Partnership Program Act to support local sector partnerships that
- 12 will close skill gaps in high-demand sectors of business and industry. By
- 13 conducting labor availability and skills gap studies, the Sector
- 14 Partnership Program will connect education and training providers with
- 15 employers and will ensure that the state's workforce and economic
- 16 development activities align with the needs of employers in the state's
- 17 key industries.
- 18 Sec. 3. For purposes of the Sector Partnership Program Act:
- 19 (1) Department means the Department of Labor;
- 20 (2) Local area means a workforce development area authorized by the
- 21 federal Workforce Innovation and Opportunity Act and established in
- 22 Nebraska:
- 23 (3) Local sector partnership or partnership means a workforce
- 24 collaborative that organizes key stakeholders in a particular sector of
- 25 business or industry in a local area into a working group that focuses on
- 26 the shared goals and human resources needs of such sector;
- 27 (4) Local workforce development board means a local workforce
- 1 development board authorized by the federal Workforce Innovation and
- 2 Opportunity Act and established in Nebraska: and
- 3 (5) Nebraska Workforce Development Board means the state workforce
- 4 development board authorized by the federal Workforce Investment and
- 5 Opportunity Act and established in Nebraska.
- 6 Sec. 4. (1) The Sector Partnership Program is created. The program
- 7 shall be administered by the Department of Labor in conjunction with the
- 8 Department of Economic Development. In establishing and administering the
- 9 program, the Department of Labor shall consult with the Nebraska
- 10 Workforce Development Board, the Department of Economic Development, and
- 11 the State Department of Education.
- 12 (2) The Department of Labor, in conjunction with the Department of
- 13 <u>Economic Development shall:</u>
- 14 (a) Establish a study process to conduct labor availability and
- 15 skills gap studies;
- 16 (b) Determine the laborshed areas of the state; and
- 17 (c) Complete labor availability and skills gap studies for all
- 18 laborshed areas of the state on a rotating basis as determined by the
- 19 Department of Labor.
- 20 (3) The Department of Labor and the Department of Economic

- 21 Development may contract with other entities to conduct additional labor
- 22 availability, skills gap, and sector partnership studies.
- 23 (4) The Department of Labor, in conjunction with the Department of
- 24 Economic Development shall provide technical assistance to local sector
- 25 partnerships and persons interested in forming partnerships. Technical
- 26 assistance may include providing: (a) Direction and counseling on forming
- 27 and sustaining partnerships; (b) professional development and capacity
- 28 building through academies, toolkits, and peer sharing networks; (c)
- 29 customized labor market and economic analysis; and (d) information on
- 30 career pathways, worker training resources, skill standards, and
- 31 industry-based certifications.
- 1 (5) Except to the extent otherwise provided in state or federal law,
- 2 all completed labor availability and skills gap studies shall be public
- 3 information.
- 4 Sec. 5. (1) The Sector Partnership Program Fund is created. The
- 5 fund shall be administered by the Department of Labor. The fund shall be
- 6 used to pursue sector partnership activities, including, but not limited
- 7 to, labor availability and skills gap studies by the Department of Labor
- 8 and the Department of Economic Development pursuant to the Sector
- 9 Partnership Program Act. The fund may also be used for administrative
- 10 costs of the Department of Labor and the Department of Economic
- 11 Development associated with sector partnership activities.
- 12 (2) The fund shall consist of such money as is: (a) Transferred to
- 13 the fund from the Job Training Cash Fund and the Nebraska Training and
- 14 Support Cash Fund; (b) otherwise appropriated to the fund by the
- 15 Legislature; (c) donated as gifts, bequests, or other contributions to
- 16 the fund from public or private entities; and (d) made available by any
- 17 department or agency of the United States if so directed by such
- 18 department or agency. Any money in the fund available for investment
- 19 shall be invested by the state investment officer pursuant to the
- 20 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
- 21 Act.
- 22 Sec. 6. On or before July 31 of each year, the department shall
- 23 provide an annual report to the Governor and the Business and Labor
- 24 Committee of the Legislature. The report submitted to the Legislature
- 25 shall be submitted electronically. The report shall detail the process
- 26 and results of the labor availability and skills gap studies.
- 27 Sec. 7. The department may adopt and promulgate rules and
- 28 regulations to carry out the Sector Partnership Program Act.
- 29 Sec. 8. Section 48-622.02, Revised Statutes Cumulative Supplement, 30 2014, is amended to read:
- 31 48-622.02 (1) Until July 1, 2015:
- 1 (a) There is in the state treasury a special fund to be known as the
- 2 Nebraska Training and Support Trust Fund. Any money in the fund available
- 3 for investment shall be invested by the state investment officer pursuant
- 4 to the Nebraska Capital Expansion Act and the Nebraska State Funds
- 5 Investment Act. All money deposited or paid into the fund is hereby
- 6 appropriated and made available to the commissioner. No expenditures
- 7 shall be made from the fund without the written authorization of the

8 Governor upon the recommendation of the commissioner. Any interest earned 9 on money in the State Unemployment Insurance Trust Fund shall be credited 10 to the Nebraska Training and Support Trust Fund;

11 (b) Money in the Nebraska Training and Support Trust Fund shall be

12 used for (i) administrative costs of establishing, assessing, collecting,

13 and maintaining state unemployment insurance tax liability and payments,

14 (ii) administrative costs of creating, operating, maintaining, and

15 dissolving the State Unemployment Insurance Trust Fund and the Nebraska

16 Training and Support Trust Fund, (iii) support of public and private job

17 training programs designed to train, retrain, or upgrade work skills of

18 existing Nebraska workers of for-profit and not-for-profit businesses,

19 (iv) recruitment of workers to Nebraska, (v) training new employees of

20 expanding Nebraska businesses, (vi) the costs of creating a common web

21 portal for the attraction of businesses and workers to Nebraska, and

22 (vii) payment of unemployment insurance benefits if solvency of the

23 state's account in the Unemployment Trust Fund and of the State

24 Unemployment Insurance Trust Fund so require; and

25 (c) There is within the Nebraska Training and Support Trust Fund a

26 separate account to be known as the Administrative Costs Reserve Account.

27 Money shall be allocated from the Nebraska Training and Support Trust

28 Fund to the Administrative Costs Reserve Account in amounts sufficient to

29 pay the anticipated administrative costs identified in subdivision (1)(b) 30 of this section.

31 (2) On and after July 1, 2015:

1 (a) The Nebraska Training and Support Cash Fund is created. Any

2 money in the fund available for investment shall be invested by the state

3 investment officer pursuant to the Nebraska Capital Expansion Act and the

4 Nebraska State Funds Investment Act. On July 1, 2015, the State Treasurer

5 shall transfer any money in the Nebraska Training and Support Trust Fund

6 to the Nebraska Training and Support Cash Fund. No expenditures shall be

7 made from the Nebraska Training and Support Cash Fund without the written

8 authorization of the Governor upon the recommendation of the

9 commissioner. Any interest earned on money in the State Unemployment

10 Insurance Trust Fund shall be credited to the Nebraska Training and

11 Support Cash Fund;

12 (b) Money in the Nebraska Training and Support Cash Fund shall be

13 used for (i) administrative costs of establishing, assessing, collecting,

14 and maintaining state unemployment insurance tax liability and payments,

15 (ii) administrative costs of creating, operating, maintaining, and

16 dissolving the State Unemployment Insurance Trust Fund and the Nebraska

17 Training and Support Cash Fund, (iii) support of public and private job

18 training programs designed to train, retrain, or upgrade work skills of

19 existing Nebraska workers of for-profit and not-for-profit businesses,

20 (iv) recruitment of workers to Nebraska, (v) training new employees of

21 expanding Nebraska businesses, (vi) the costs of creating a common web

22 portal for the attraction of businesses and workers to Nebraska, (vii)

23 developing and conducting labor availability and skills gap studies

24 pursuant to the Sector Partnership Program Act, for which money may be

25 transferred to the Sector Partnership Program Fund as directed by the

- 26 <u>Legislature</u>, and (<u>viii</u> vii) payment of unemployment insurance benefits if
- 27 solvency of the state's account in the Unemployment Trust Fund and of the
- 28 State Unemployment Insurance Trust Fund so require; and
- 29 (c) The Administrative Costs Reserve Account is created within the
- 30 Nebraska Training and Support Cash Fund. Money shall be allocated from
- 31 the Nebraska Training and Support Cash Fund to the Administrative Costs
- 1 Reserve Account in amounts sufficient to pay the anticipated
- 2 administrative costs identified in subdivision (2)(b) of this section; 3 and -
- 4 (d) The State Treasurer shall transfer two hundred fifty thousand
- 5 dollars from the Nebraska Training and Support Cash Fund to the Sector
- 6 Partnership Program Fund no later than July 15, 2016.
- 7 Sec. 9. Section 81-1201.21, Revised Statutes Supplement, 2015, is 8 amended to read:
- 9 81-1201.21 (1) There is hereby created the Job Training Cash Fund.
- 10 The fund shall be under the direction of the Department of Economic
- 11 Development. Money may be transferred to the fund pursuant to subdivision
- 12 (1)(b)(iii) of section 48-621 and from the Cash Reserve Fund at the
- 13 direction of the Legislature. The department shall establish a subaccount
- 14 for all money transferred from the Cash Reserve Fund to the Job Training 15 Cash Fund on or after July 1, 2005.
- 16 (2) The money in the Job Training Cash Fund or the subaccount
- 17 established in subsection (1) of this section shall be used (a) to
- 18 provide reimbursements for job training activities, including employee
- 19 assessment, preemployment training, on-the-job training, training
- 20 equipment costs, and other reasonable costs related to helping industry
- 21 and business locate or expand in Nebraska, (b) to provide upgrade skills
- 22 training of the existing labor force necessary to adapt to new technology
- 23 or the introduction of new product lines, (c) to provide grants pursuant
- 24 to section 81-1210.02, or (d) as provided in section 79-2308, or (e) as
- 25 provided in section 5 of this act. The department shall give a preference
- 26 to job training activities carried out in whole or in part within an
- 27 enterprise zone designated pursuant to the Enterprise Zone Act.
- 28 (3) The department shall establish a subaccount within the fund to
- 29 provide training grants for training employees and potential employees of
- 30 businesses that (a) employ twenty-five or fewer employees on the
- 31 application date, (b) employ, or train for potential employment,
- 1 residents of rural areas of Nebraska, or (c) are located in or employ, or
- 2 train for potential employment, residents of high-poverty areas as
- 3 defined in section 81-1203. The department shall calculate the amount of
- 4 prior year investment income earnings accruing to the fund and allocate
- 5 such amount to the subaccount for training grants under this subsection.
- 6 The subaccount shall also be used as provided in the Teleworker Job
- 7 Creation Act and as provided in section 81-1210.02. The department shall
- 8 give a preference to training grants for businesses located in whole or
- 9 in part within an enterprise zone designated pursuant to the Enterprise 10 Zone Act.
- 11 (4) The State Treasurer shall transfer:
- 12 (a) Two two hundred fifty thousand dollars from the Job Training

- 13 Cash Fund to the General Fund no later than July 15 of 2015 and 2016; 14 and -
- 15 (b) Two hundred fifty thousand dollars from the Job Training Cash
- 16 Fund to the Sector Partnership Program Fund on or before July 15, 2016.
- 17 (5) Any money in the Job Training Cash Fund available for investment
- 18 shall be invested by the state investment officer pursuant to the
- 19 Nebraska Capital Expansion Act and the Nebraska State Funds Investment 20 Act.
- 21 Sec. 10. Original section 48-622.02, Revised Statutes Cumulative
- 22 Supplement, 2014, and section 81-1201.21, Revised Statutes Supplement,
- 23 2015, are repealed.
- 24 Sec. 11. Since an emergency exists, this act takes effect when
- 25 passed and approved according to law.

LEGISLATIVE BILL 1110. Placed on General File with amendment. AM2294 is available in the Bill Room.

(Signed) Burke Harr, Chairperson

Revenue

LEGISLATIVE BILL 756. Placed on General File with amendment. AM2375

- 1 1. Strike the original sections and insert the following new 2 sections:
- 2 Section 1 6
- 3 Section 1. Section 77-2716, Revised Statutes Supplement, 2015, is
- 4 amended to read:
- 5 77-2716 (1) The following adjustments to federal adjusted gross
- 6 income or, for corporations and fiduciaries, federal taxable income shall
- 7 be made for interest or dividends received:
- 8 (a) There shall be subtracted interest or dividends received by the
- 9 owner of obligations of the United States and its territories and
- 10 possessions or of any authority, commission, or instrumentality of the
- 11 United States to the extent includable in gross income for federal income
- 12 tax purposes but exempt from state income taxes under the laws of the
- 13 United States;
- 14 (b) There shall be subtracted that portion of the total dividends
- 15 and other income received from a regulated investment company which is
- 16 attributable to obligations described in subdivision (a) of this
- 17 subsection as reported to the recipient by the regulated investment 18 company;
- 19 (c) There shall be added interest or dividends received by the owner
- 20 of obligations of the District of Columbia, other states of the United
- 21 States, or their political subdivisions, authorities, commissions, or
- 22 instrumentalities to the extent excluded in the computation of gross
- 23 income for federal income tax purposes except that such interest or
- 24 dividends shall not be added if received by a corporation which is a
- 25 regulated investment company;
- 26 (d) There shall be added that portion of the total dividends and

27 other income received from a regulated investment company which is

1 attributable to obligations described in subdivision (c) of this

2 subsection and excluded for federal income tax purposes as reported to

3 the recipient by the regulated investment company; and

4 (e)(i) Any amount subtracted under this subsection shall be reduced

5 by any interest on indebtedness incurred to carry the obligations or

6 securities described in this subsection or the investment in the

7 regulated investment company and by any expenses incurred in the

8 production of interest or dividend income described in this subsection to 9 the extent that such expenses, including amortizable bond premiums, are

10 deductible in determining federal taxable income.

11 (ii) Any amount added under this subsection shall be reduced by any

12 expenses incurred in the production of such income to the extent

13 disallowed in the computation of federal taxable income.

14 (2) There shall be allowed a net operating loss derived from or

15 connected with Nebraska sources computed under rules and regulations

16 adopted and promulgated by the Tax Commissioner consistent, to the extent

17 possible under the Nebraska Revenue Act of 1967, with the laws of the

18 United States. For a resident individual, estate, or trust, the net

19 operating loss computed on the federal income tax return shall be

20 adjusted by the modifications contained in this section. For a

21 nonresident individual, estate, or trust or for a partial-year resident

22 individual, the net operating loss computed on the federal return shall

23 be adjusted by the modifications contained in this section and any

24 carryovers or carrybacks shall be limited to the portion of the loss

25 derived from or connected with Nebraska sources.

26 (3) There shall be subtracted from federal adjusted gross income for

27 all taxable years beginning on or after January 1, 1987, the amount of

28 any state income tax refund to the extent such refund was deducted under

29 the Internal Revenue Code, was not allowed in the computation of the tax

30 due under the Nebraska Revenue Act of 1967, and is included in federal 31 adjusted gross income.

1 (4) Federal adjusted gross income, or, for a fiduciary, federal

2 taxable income shall be modified to exclude the portion of the income or

3 loss received from a small business corporation with an election in

4 effect under subchapter S of the Internal Revenue Code or from a limited

5 liability company organized pursuant to the Nebraska Uniform Limited

6 Liability Company Act that is not derived from or connected with Nebraska

7 sources as determined in section 77-2734.01.

8 (5) There shall be subtracted from federal adjusted gross income or,

9 for corporations and fiduciaries, federal taxable income dividends

10 received or deemed to be received from corporations which are not subject 11 to the Internal Revenue Code.

12 (6) There shall be subtracted from federal taxable income a portion

13 of the income earned by a corporation subject to the Internal Revenue

14 Code of 1986 that is actually taxed by a foreign country or one of its

15 political subdivisions at a rate in excess of the maximum federal tax

16 rate for corporations. The taxpayer may make the computation for each

17 foreign country or for groups of foreign countries. The portion of the

- 18 taxes that may be deducted shall be computed in the following manner:
- 19 (a) The amount of federal taxable income from operations within a
- 20 foreign taxing jurisdiction shall be reduced by the amount of taxes
- 21 actually paid to the foreign jurisdiction that are not deductible solely
- 22 because the foreign tax credit was elected on the federal income tax 23 return;
- 23 ICIUIII,
- 24 (b) The amount of after-tax income shall be divided by one minus the
- 25 maximum tax rate for corporations in the Internal Revenue Code; and
- 26 (c) The result of the calculation in subdivision (b) of this
- 27 subsection shall be subtracted from the amount of federal taxable income
- 28 used in subdivision (a) of this subsection. The result of such
- 29 calculation, if greater than zero, shall be subtracted from federal
- 30 taxable income.
- 31 (7) Federal adjusted gross income shall be modified to exclude any
- 1 amount repaid by the taxpayer for which a reduction in federal tax is
- 2 allowed under section 1341(a)(5) of the Internal Revenue Code.
- 3 (8)(a) Federal adjusted gross income or, for corporations and
- 4 fiduciaries, federal taxable income shall be reduced, to the extent
- 5 included, by income from interest, earnings, and state contributions
- 6 received from the Nebraska educational savings plan trust created in
- 7 sections 85-1801 to 85-1814 and the achieving a better life experience
- 8 program as provided in sections 77-1401 to 77-1409.
- 9 (b) Federal adjusted gross income or, for corporations and
- 10 fiduciaries, federal taxable income shall be reduced by any contributions
- 11 as a participant in the Nebraska educational savings plan trust or in the
- 12 achieving a better life experience program as provided in sections
- 13 77-1401 to 77-1409, to the extent not deducted for federal income tax
- 14 purposes, but not to exceed five thousand dollars per married filing
- 15 separate return or ten thousand dollars for any other return. With
- 16 respect to a qualified rollover within the meaning of section 529 of the
- 17 Internal Revenue Code from another state's plan, any interest, earnings,
- 18 and state contributions received from the other state's educational
- 19 savings plan which is qualified under section 529 of the code shall
- 20 qualify for the reduction provided in this subdivision. For contributions
- 21 by a custodian of a custodial account including rollovers from another
- 22 custodial account, the reduction shall only apply to funds added to the
- 23 custodial account after January 1, 2014.
- 24 (c) Federal adjusted gross income or, for corporations and
- 25 fiduciaries, federal taxable income shall be increased by the amount
- 26 resulting from the cancellation of a participation agreement refunded to
- 27 the taxpayer as a participant in the Nebraska educational savings plan
- 28 trust to the extent previously deducted as a contribution to the trust or
- 29 in the achieving a better life experience program as provided in sections 30 77-1401 to 77-1409, if applicable.
- 31 (9)(a) For income tax returns filed after September 10, 2001, for
- 1 taxable years beginning or deemed to begin before January 1, 2006, under
- 2 the Internal Revenue Code of 1986, as amended, federal adjusted gross
- 3 income or, for corporations and fiduciaries, federal taxable income shall
- 4 be increased by eighty-five percent of any amount of any federal bonus

- 5 depreciation received under the federal Job Creation and Worker
- 6 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
- 7 under section 168(k) or section 1400L of the Internal Revenue Code of 8 1986, as amended, for assets placed in service after September 10, 2001,
- 9 and before December 31, 2005.
- 10 (b) For a partnership, limited liability company, cooperative,
- 11 including any cooperative exempt from income taxes under section 521 of
- 12 the Internal Revenue Code of 1986, as amended, limited cooperative
- 13 association, subchapter S corporation, or joint venture, the increase
- 14 shall be distributed to the partners, members, shareholders, patrons, or
- 15 beneficiaries in the same manner as income is distributed for use against 16 their income tax liabilities.
- 17 (c) For a corporation with a unitary business having activity both
- 18 inside and outside the state, the increase shall be apportioned to
- 19 Nebraska in the same manner as income is apportioned to the state by 20 section 77-2734.05.
- 21 (d) The amount of bonus depreciation added to federal adjusted gross
- 22 income or, for corporations and fiduciaries, federal taxable income by
- 23 this subsection shall be subtracted in a later taxable year. Twenty
- 24 percent of the total amount of bonus depreciation added back by this
- 25 subsection for tax years beginning or deemed to begin before January 1,
- 26 2003, under the Internal Revenue Code of 1986, as amended, may be
- 27 subtracted in the first taxable year beginning or deemed to begin on or
- 28 after January 1, 2005, under the Internal Revenue Code of 1986, as
- 29 amended, and twenty percent in each of the next four following taxable
- 30 years. Twenty percent of the total amount of bonus depreciation added
- 31 back by this subsection for tax years beginning or deemed to begin on or
- 1 after January 1, 2003, may be subtracted in the first taxable year
- 2 beginning or deemed to begin on or after January 1, 2006, under the
- 3 Internal Revenue Code of 1986, as amended, and twenty percent in each of 4 the next four following taxable years.
- 5 (10) For taxable years beginning or deemed to begin on or after
- 6 January 1, 2003, and before January 1, 2006, under the Internal Revenue
- 7 Code of 1986, as amended, federal adjusted gross income or, for
- 8 corporations and fiduciaries, federal taxable income shall be increased
- 9 by the amount of any capital investment that is expensed under section
- 10 179 of the Internal Revenue Code of 1986, as amended, that is in excess
- 11 of twenty-five thousand dollars that is allowed under the federal Jobs
- 12 and Growth Tax Act of 2003. Twenty percent of the total amount of
- 13 expensing added back by this subsection for tax years beginning or deemed
- 14 to begin on or after January 1, 2003, may be subtracted in the first
- 15 taxable year beginning or deemed to begin on or after January 1, 2006,
- 16 under the Internal Revenue Code of 1986, as amended, and twenty percent
- 17 in each of the next four following tax years.
- 18 (11)(a) For taxable years beginning or deemed to begin before
- 19 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
- 20 federal Federal adjusted gross income shall be reduced by contributions,
- 21 up to two thousand dollars per married filing jointly return or one
- 22 thousand dollars for any other return, and any investment earnings made

- 23 as a participant in the Nebraska long-term care savings plan under the
- 24 Long-Term Care Savings Plan Act, to the extent not deducted for federal 25 income tax purposes.
- 26 (b) For taxable years beginning or deemed to begin before January 1,
- 27 2018, under the Internal Revenue Code of 1986, as amended, federal
- 28 Federal adjusted gross income shall be increased by the withdrawals made
- 29 as a participant in the Nebraska long-term care savings plan under the
- 30 act by a person who is not a qualified individual or for any reason other
- 31 than transfer of funds to a spouse, long-term care expenses, long-term
- 1 care insurance premiums, or death of the participant, including
- 2 withdrawals made by reason of cancellation of the participation agreement
- 3 or termination of the plan, to the extent previously deducted as a
- 4 contribution or as investment earnings.
- 5 (12) There shall be added to federal adjusted gross income for
- 6 individuals, estates, and trusts any amount taken as a credit for
- 7 franchise tax paid by a financial institution under sections 77-3801 to
- 8 77-3807 as allowed by subsection (5) of section 77-2715.07.
- 9 (13) For taxable years beginning or deemed to begin on or after
- 10 January 1, 2015, under the Internal Revenue Code of 1986, as amended,
- 11 federal adjusted gross income shall be reduced by the amount received as
- 12 benefits under the federal Social Security Act which are included in the
- 13 federal adjusted gross income if:
- 14 (a) For taxpayers filing a married filing joint return, federal
- 15 adjusted gross income is fifty-eight thousand dollars or less; or
- 16 (b) For taxpayers filing any other return, federal adjusted gross
- 17 income is forty-three thousand dollars or less.
- 18 (14) For taxable years beginning or deemed to begin on or after
- 19 January 1, 2015, under the Internal Revenue Code of 1986, as amended, an
- 20 individual may make a one-time election within two calendar years after
- 21 the date of his or her retirement from the military to exclude income
- 22 received as a military retirement benefit by the individual to the extent
- 23 included in federal adjusted gross income and as provided in this
- 24 subsection. The individual may elect to exclude forty percent of his or
- 25 her military retirement benefit income for seven consecutive taxable
- 26 years beginning with the year in which the election is made or may elect
- 27 to exclude fifteen percent of his or her military retirement benefit
- 28 income for all taxable years beginning with the year in which he or she
- 29 turns sixty-seven years of age. For purposes of this subsection, military
- 30 retirement benefit means retirement benefits that are periodic payments
- 31 attributable to service in the uniformed services of the United States
- 1 for personal services performed by an individual prior to his or her 2 retirement.
- 3 Sec. 2. Section 77-6101, Reissue Revised Statutes of Nebraska, is 4 amended to read:
- 5 77-6101 Sections 77-6101 to 77-6105 and section 4 of this act shall
- 6 be known and may be cited as the Long-Term Care Savings Plan Act.
- 7 Sec. 3. Section 77-6105, Reissue Revised Statutes of Nebraska, is 8 amended to read:
- 9 77-6105 A qualified individual as defined in subdivision (4)(a) of

- 10 section 77-6102 may make withdrawals as a participant in the Nebraska
- 11 long-term care savings plan to pay or reimburse long-term care expenses.
- 12 A qualified individual as defined in subdivision (4)(b) of section
- 13 77-6102 may make withdrawals to pay or reimburse long-term care insurance
- 14 premiums. Any participant who is not a qualified individual or who makes
- 15 a withdrawal for any reason other than transfer of funds to a spouse,
- 16 long-term care expenses, long-term care insurance premiums, or death of
- 17 the participant, or termination of the Long-Term Care Savings Plan Act
- 18 shall be subject to a ten-percent penalty on the amount withdrawn. The
- 19 State Treasurer shall collect the penalty.
- 20 Sec. 4. The Long-Term Care Savings Plan Act terminates on January 1,
- 21 2018. Any participant in the Nebraska long-term care savings plan on the
- 22 termination date shall be entitled to receive the full balance of his or
- 23 her account on such date.
- 24 Sec. 5. Original sections 77-6101 and 77-6105, Reissue Revised
- 25 Statutes of Nebraska, and section 77-2716, Revised Statutes Supplement,
- 26 2015, are repealed.

LEGISLATIVE BILL 913. Placed on General File with amendment. AM2374

- 1 1. Strike the original sections and insert the following new
- 2 sections:
- 3 Section 1. Sections 1 to 5 of this act shall be known and may be
- 4 cited as the Facilitating Business Rapid Response to State Declared
- 5 Disasters Act.
- 6 Sec. 2. For purposes of the Facilitating Business Rapid Response to
- 7 State Declared Disasters Act:
- 8 (1) Declared state disaster or emergency means a disaster or
- 9 emergency event (a) for which a Governor's state of emergency
- 10 proclamation has been issued or (b) that the President of the United
- 11 States has declared to be a major disaster or emergency;
- 12 (2) Disaster period means the period of time that begins ten days
- 13 before the Governor's proclamation of a state of emergency or the
- 14 declaration by the President of the United States of a major disaster or
- 15 emergency, whichever occurs first, and extending for a period of sixty
- 16 calendar days following the end of the period specified in the
- 17 proclamation or declaration or sixty calendar days after the proclamation
- 18 or declaration if no end is provided. The Governor may extend the
- 19 disaster period as warranted;
- 20 (3) Infrastructure means real and personal property, including
- 21 buildings, offices, power lines, cable lines, poles, communication lines,
- 22 pipes, structures, equipment, and related support facilities, owned or
- 23 used by a public utility, communications network, broadband or Internet
- 24 service provider, cable or video service provider, natural gas
- 25 distribution system, or water pipeline that provides service to more than
- 26 one customer or person;
- 27 (4)(a) Out-of-state business means a business entity:
- 1 (i) That does not have a presence in the state;
- 2 (ii) That does not conduct business in the state;

- 3 (iii) That has no registrations, tax filings, or nexus in the state
- 4 before the declared state disaster or emergency; and
- 5 (iv) Whose assistance in repairing, renovating, installing, or
- 6 building infrastructure or rendering services or other business
- 7 activities related to a declared state disaster or emergency is requested
- 8 by the state, a county, city, village, or other political subdivision of
- 9 the state, or a registered business that owns or uses infrastructure.
- 10 (b) Out-of-state business includes a business entity that is
- 11 affiliated with a registered business solely through common ownership as
- 12 long as that business entity does not have any registrations, tax
- 13 filings, or nexus in the state before the declared state disaster or
- 14 emergency. For purposes of this section, a prior registration as an out-
- 15 of-state business for a declared state disaster or emergency shall not be
- 16 considered a registration in this state;
- 17 (5) Out-of-state employee means a nonresident individual who does
- 18 not work in the state except for disaster or emergency related work
- 19 during a disaster period; and
- 20 (6) Registered business means a business entity that is registered
- 21 or licensed to do business in the state before the declared state
- 22 disaster or emergency.
- 23 Sec. 3. (1) An out-of-state business that conducts operations
- 24 within the state for purposes of assisting in repairing, renovating,
- 25 installing, or building infrastructure or rendering services or other
- 26 business activities related to a declared state disaster or emergency
- 27 during the disaster period shall not be considered to have established a
- 28 level of presence that would subject the out-of-state business or any of
- 29 its out-of-state employees to any of the following state or local
- 30 employment, licensing, or registration requirements:
- 31 (a) Registration with the Secretary of State;
- 1 (b) Withholding or income tax registration, filing, or remitting
- 2 requirements; and
- 3 (c) Sales, use, or ad valorem tax on equipment brought into the
- 4 state temporarily for use or consumption during the disaster period if
- 5 such equipment does not remain in the state after the disaster period.
- 6 (2) An out-of-state employee shall not be considered to have
- 7 established residency or a presence in the state that would require that
- 8 person or that person's employer to file and pay income taxes, to be
- 9 subjected to tax withholdings, or to file and pay any other state or
- 10 local income or withholding tax or fee for work repairing, renovating,
- 11 installing, or building infrastructure or rendering services or other
- 12 business activities during the disaster period.
- 13 (3) After the conclusion of a disaster period, an out-of-state
- 14 business or out-of-state employee that remains in the state is fully
- 15 <u>subject to the state or local employment, licensing, or registration</u>
- 16 requirements listed in this section or that were otherwise suspended
- 17 under the Facilitating Business Rapid Response to State Declared
- 18 Disasters Act during the disaster period.
- 19 Sec. 4. (1) An out-of-state business shall provide notification to
- 20 the Department of Revenue within ten days after entry to the state during

- 21 a disaster period that the out-of-state business is in the state for
- 22 purposes of responding to the declared state disaster or emergency. The
- 23 out-of-state business shall provide to the department information related
- 24 to the out-of-state business including, but not limited to, the
- 25 following:
- 26 (a) Name;
- 27 (b) State of domicile;
- 28 (c) Principal business address;
- 29 (d) Federal employer identification number;
- 30 (e) The date when the out-of-state business entered the state; and
- 31 (f) Contact information while the out-of-state business is in this 1 state.
- 2 (2) A registered business shall provide the notification required in
- 3 subsection (1) of this section for an affiliate of the registered
- 4 business that enters the state as an out-of-state business. The
- 5 notification under this subsection shall also include contact information
- 6 for the registered business in the state.
- 7 Sec. 5. The Facilitating Business Rapid Response to State Declared
- 8 Disasters Act shall not grant exemptions authorized by the act to any
- 9 <u>out-of-state business performing work pursuant to a request for bid or</u>
- 10 request for proposals by a state agency or political subdivision.

(Signed) Mike Gloor, Chairperson

Health and Human Services

LEGISLATIVE BILL 1011. Placed on General File.

LEGISLATIVE BILL 1034. Placed on General File with amendment. AM2230

- 1 1. Insert the following new section:
- 2 Sec. 5. Since an emergency exists, this act takes effect when
- 3 passed and approved according to law.

(Signed) Kathy Campbell, Chairperson

Government, Military and Veterans Affairs

LEGISLATIVE RESOLUTION 381. Placed on General File.

LEGISLATIVE RESOLUTION 35. Placed on General File with amendment.

AM2281

- 1 1. Strike the original provisions and insert the following new
- 2 provisions:
- 3 NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED
- 4 FOURTH LEGISLATURE OF NEBRASKA, SECOND SESSION:
- 5 1. The Legislature of the State of Nebraska hereby applies to
- 6 Congress, under the provisions of Article V of the Constitution of the

7 United States, for the calling of a convention of the states limited to 8 proposing amendments to the Constitution of the United States that impose 9 fiscal restraints on the federal government, limit the power and

10 jurisdiction of the federal government, and limit the terms of office for 11 its officials and for members of Congress.

12 2. The Clerk of the Legislature shall transmit copies of this

13 application to the President and Secretary of the United States Senate,

14 to the Speaker and Clerk of the United States House of Representatives,

15 to the members of the Senate and House of Representatives from this

16 state, and to the presiding officers of each of the legislative houses in

17 the several states, requesting their cooperation.

18 3. This application constitutes a continuing application in

19 accordance with Article V of the Constitution of the United States until

20 the legislatures of at least two-thirds of the several states have made

21 applications on the same subject.

(Signed) John Murante, Chairperson

Business and Labor

LEGISLATIVE BILL 981. Placed on General File with amendment.

- 1 1. Strike the original sections and insert the following new 2 sections:
- 3 Section 1. The following sum of money, or so much thereof as may be
- 4 required, is hereby appropriated from the General Fund or from other
- 5 funds as indicated in the state treasury, not otherwise appropriated, for
- 6 the payment of a claim arising out of miscellaneous items of indebtedness
- 7 owing by the State of Nebraska.
- 8 \$261,862.00 for Miscellaneous Claim Number 2016-15438, against the
- 9 State of Nebraska, pay to Cathy A. Dill, Dodge County Treasurer, 435
- 10 North Park Avenue Street, P.O. Box 999, Fremont, NE 68026-0999, out of
- 11 the General Fund.
- 12 The claim included in this section shall be paid through Program 536
- 13 in Agency 65.
- 14 For informational purposes only, the appropriation contained in this
- 15 section and fund source:
- 16 FUND SOURCE DOLLAR AMOUNT \$261,862.00 17 GENERAL FUND 18 CASH FUND \$-0-19 REVOLVING FUND \$-0-
- 20 TOTAL \$261,862.00
- 21 Sec. 2. The following sums of money, or so much thereof as may be 22 required, are hereby appropriated from the General Fund or from other
- 23 funds as indicated in the state treasury, not otherwise appropriated, for
- 24 the payment of tort claims which have been settled by the State Claims
- 25 Board and approved by the district court, which have been settled by the
- 26 Attorney General in the district court, or in which court judgments have
- 27 been entered and which require the approval of the Legislature for

1 payment.			
2 \$800,000.00 for Tort Claim Number 2010-03980 and Tort Claim Number			
3 2010-03981, against the State of Nebraska, pay to Roy Segelberg and			
4 Catherine Segelberg and James Martin Davis, Attn: James Martin Davis,			
5 1623 Farnam Street, Suite 500, Farnam Plaza Building, Omaha, NE 68102,			
6 out of the Roads Operations Cash Fund.			
7 \$84,675.14 for Tort Claim Number 2015-14421, against the State of			
8 Nebraska, pay to Cottingham and Butler Claims Services, 800 Main Street,			
9 Dubuque, IA 52001-6822, out of the Roads Operations Cash Fund.			
10 \$243,098.57 for Tort Claim Number 2016-15417, against the State of			
11 Nebraska, pay to Nebraska Appleseed Center for Law, 941 O Street, Suite			
12 <u>920, Lincoln, NE 68508-3608, out of the General Fund.</u>			
13 <u>\$115,336.81 for Tort Claim Number 2016-15418</u> , against the State of			
14 Nebraska, pay to Husch Blackwell, LLP, 13330 California Street, Suite			
15 200, Omaha, NE 68154-5241, out of the General Fund.			
16 \$185,000.00 for Tort Claim Number 2016-15658, against the State of			
17 Nebraska, pay to the American Civil Liberties Union of Nebraska, 134			
18 South 13th Street, Suite 1010, Lincoln, NE 68508, out of the General			
19 <u>Fund.</u>			
20 The claims included in this section shall be paid through Program			
21 591 in Agency 65.			
22 For informational purposes only, the appropriations contained in 23 this section and fund source:			
24 <u>FUND SOURCE</u> <u>DOLLAR AMOUNT</u>			
25 GENERAL FUND \$543,435.38			
26 CASH FUND \$884,675.14			
27 REVOLVING FUND \$-0-			
28 TOTAL \$1,428,110.52			
29 Sec. 3. The following sums of money, or so much thereof as may be			
30 required, are hereby appropriated from the General Fund or from other			
1 funds as indicated in the state treasury, not otherwise appropriated, for			
2 the payment of workers' compensation claims which have been settled by			
3 the Attorney General in the Nebraska Workers' Compensation Court or in			
4 which court judgments have been entered and which require the approval of			
5 the Legislature for payment.			
6 \$115,000.00 for a workers' compensation claim, pay to Timothy S.			
7 Dowd and Theresa Dunson, Dowd, Howard and Corrigan, LLC, 1411 Harney			
8 Street, Suite 100, Omaha, NE 68102, out of the Workers' Compensation			
9 <u>Claims Revolving Fund.</u>			
10 \$275,000.00 for a workers' compensation claim, pay to Amanda Jajoo			
11 and Justin High, High and Younes, 6919 Dodge Street, Omaha, NE 68132, out			
12 of the Workers' Compensation Claims Revolving Fund.			
13 The claims included in this section shall be paid through Program			
14 593 in Agency 65.			
15 For informational purposes only, the appropriations contained in			
15 For informational purposes only, the appropriations contained in 16 this section and fund source:			
15 For informational purposes only, the appropriations contained in 16 this section and fund source: 17 FUND SOURCE DOLLAR AMOUNT			
15 For informational purposes only, the appropriations contained in 16 this section and fund source: 17 FUND SOURCE DOLLAR AMOUNT 18 GENERAL FUND \$-0-			
15 For informational purposes only, the appropriations contained in 16 this section and fund source: 17 FUND SOURCE DOLLAR AMOUNT			

20 REVOLVING FUND	\$390,000.00
21 TOTAL	\$390.000.00
22 Sec. 4. The following sum of mone	y, or so much thereof as may be
23 required, is hereby appropriated from	
24 funds as indicated in the state treasu	
25 the payment of a tort claim which has	as been settled by the State Claims
26 Board and approved by the district of	
27 Attorney General in the district cour	
28 been entered and which require the	
29 payment.	
30 \$400,000.00 for Tort Claim Number	r 2014-13466, against the State of
1 Nebraska, pay as follows:	-
2 \$219,785.00 pay to Pahlke Lawgroup	Trust Account and Elizabeth
3 Gorden, 2425 Circle Drive, Suite 200), Scottsbluff, NE 69361, out of the
4 State Insurance Fund; and	_
5 \$180,215.00 pay to Pacific Life and A	Annuity Services, Inc., Little,
6 Meyers and Associates, Ltd., 2651 O	bservatory Avenue, Cincinnati, OH
7 45208, out of the State Insurance Fur	
8 The claim included in this section sha	all be paid through Program 594
9 in Agency 65.	
10 For informational purposes only, the	e appropriation contained in this
11 section and fund source:	
12 <u>FUND SOURCE</u>	<u>DOLLAR AMOUNT</u>
13 <u>GENERAL</u> <u>FUND</u>	<u>\$-0-</u>
14 <u>CASH</u> <u>FUND</u>	<u>\$-0-</u>
15 <u>REVOLVING FUND</u>	\$400,000.00
15 <u>REVOLVING FUND</u> 16 <u>TOTAL</u>	\$400,000 <u>.00</u> \$400,000.00
15 <u>REVOLVING</u> <u>FUND</u>16 <u>TOTAL</u>17 Sec. 5. <u>The Director of Administrat</u>	\$400,000.00 \$400,000.00 tive Services is hereby
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the t, in favor of the several
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for the	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the c, in favor of the several ne amount set opposite their
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for the 21 respective names, upon the presenta	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the triangle in the several the amount set opposite their tion of proper vouchers therefor. The
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for th 21 respective names, upon the presenta 22 several amounts appropriated in this	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the tin favor of the several ne amount set opposite their tion of proper vouchers therefor. The s act shall be in full payment of any
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for th 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of action	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the tin favor of the several ne amount set opposite their tition of proper vouchers therefor. The s act shall be in full payment of any on, damages, and demands of every
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for tl 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of active 24 character and kind owing by or again	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the tin favor of the several ne amount set opposite their tition of proper vouchers therefor. The s act shall be in full payment of any on, damages, and demands of every nst the State of Nebraska, its
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for tl 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of activ 24 character and kind owing by or agai 25 officers, agents, and employees, and	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the tip in favor of the several the amount set opposite their tion of proper vouchers therefor. The stact shall be in full payment of any on, damages, and demands of every the State of Nebraska, its I their successors and assigns with
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for th 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of active 24 character and kind owing by or again 25 officers, agents, and employees, and 26 respect to each of the beneficiaries in	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the in favor of the several here amount set opposite their ution of proper vouchers therefor. The sact shall be in full payment of any on, damages, and demands of every nest the State of Nebraska, its in their successors and assigns with respectively in whose favor the
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for th 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of active 24 character and kind owing by or again 25 officers, agents, and employees, and 26 respect to each of the beneficiaries in 27 appropriations are made. The director	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the in the interpretation of proper vouchers therefor. The is act shall be in full payment of any on, damages, and demands of every institute of Nebraska, its in their successors and assigns with respectively in whose favor the or shall not deliver any warrant for
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15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for th 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of activ 24 character and kind owing by or agai 25 officers, agents, and employees, and 26 respect to each of the beneficiaries r 27 appropriations are made. The direct 28 any items appropriated in this act ur 29 releasing the State of Nebraska, its of	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the tion of proper vouchers therefor. The s act shall be in full payment of any on, damages, and demands of every nst the State of Nebraska, its their successors and assigns with respectively in whose favor the or shall not deliver any warrant for ntil a receipt and release in full, officers, employees, and agents, and
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for th 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of activ 24 character and kind owing by or agai 25 officers, agents, and employees, and 26 respect to each of the beneficiaries r 27 appropriations are made. The direct 28 any items appropriated in this act ur 29 releasing the State of Nebraska, its of 30 their successors and assigns, has bed	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the ting in favor of the several ne amount set opposite their tion of proper vouchers therefor. The s act shall be in full payment of any on, damages, and demands of every nest the State of Nebraska, its their successors and assigns with respectively in whose favor the or shall not deliver any warrant for ntil a receipt and release in full, officers, employees, and agents, and en filed by each of the beneficiaries
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for th 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of activ 24 character and kind owing by or agai 25 officers, agents, and employees, and 26 respect to each of the beneficiaries r 27 appropriations are made. The direct 28 any items appropriated in this act ur 29 releasing the State of Nebraska, its of 30 their successors and assigns, has bed 1 respectively. Upon presentation of the	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the interpretation of proper vouchers therefor. The sact shall be in full payment of any on, damages, and demands of every institute of Nebraska, its in their successors and assigns with respectively in whose favor the or shall not deliver any warrant for intil a receipt and release in full, officers, employees, and agents, and en filed by each of the beneficiaries e warrants, the State Treasurer is
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for th 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of activ 24 character and kind owing by or agai 25 officers, agents, and employees, and 26 respect to each of the beneficiaries r 27 appropriations are made. The direct 28 any items appropriated in this act ur 29 releasing the State of Nebraska, its of 30 their successors and assigns, has bed 1 respectively. Upon presentation of th 2 hereby directed to pay the same out of	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the interpretation of proper vouchers therefor. The state shall be in full payment of any on, damages, and demands of every institute of Nebraska, its in their successors and assigns with respectively in whose favor the or shall not deliver any warrant for intil a receipt and release in full, officers, employees, and agents, and the infiled by each of the beneficiaries in the state of the services in the state of the services in full, officers, employees, and agents, and the infiled by each of the beneficiaries in the state Treasurer is of money in the General Fund or out
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for tl 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of action 24 character and kind owing by or again 25 officers, agents, and employees, and 26 respect to each of the beneficiaries of appropriations are made. The direct 28 any items appropriated in this act ur 29 releasing the State of Nebraska, its of their successors and assigns, has been respectively. Upon presentation of the hereby directed to pay the same out of the officers in other funds indicated in	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the tip in favor of the several he amount set opposite their tion of proper vouchers therefor. The state shall be in full payment of any on, damages, and demands of every his the State of Nebraska, its their successors and assigns with respectively in whose favor the or shall not deliver any warrant for hitl a receipt and release in full, officers, employees, and agents, and hen filed by each of the beneficiaries he warrants, the State Treasurer is he money in the General Fund or out his act not otherwise appropriated.
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for tl 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of action 24 character and kind owing by or again 25 officers, agents, and employees, and 26 respect to each of the beneficiaries of appropriations are made. The direct 28 any items appropriated in this act ur 29 releasing the State of Nebraska, its of their successors and assigns, has been respectively. Upon presentation of the hereby directed to pay the same out of the officers in the following requests were	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the interpretation of proper vouchers therefor. The sact shall be in full payment of any on, damages, and demands of every institute of Nebraska, its interpretation of proper vouchers therefor. The sact shall be in full payment of any on, damages, and demands of every institute of Nebraska, its interpretation of Nebraska, its interpretation of the sact shall not deliver any warrant for intil a receipt and release in full, officers, employees, and agents, and its interpretation of the beneficiaries in the sact not otherwise appropriated. Its interpretation of the seeking in the sact not otherwise appropriated. Its interpretation of the seeking in the sact not otherwise appropriated.
15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for tl 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of acti 24 character and kind owing by or agai 25 officers, agents, and employees, and 26 respect to each of the beneficiaries r 27 appropriations are made. The direct 28 any items appropriated in this act ur 29 releasing the State of Nebraska, its of 30 their successors and assigns, has bed 1 respectively. Upon presentation of th 2 hereby directed to pay the same out of 3 of money in other funds indicated in 4 Sec. 6. The following requests were 5 permission to write off certain account	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the interpretation of proper vouchers therefor. The stact shall be in full payment of any on, damages, and demands of every inst the State of Nebraska, its interpretation the state of Nebraska, its interpretation of proper vouchers therefor. The state of Nebraska, its interpretation of proper vouchers therefor. The state of Nebraska, its interpretation of
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15 REVOLVING FUND 16 TOTAL 17 Sec. 5. The Director of Administrat 18 authorized and directed to draw his 19 state treasury enumerated in this act 20 beneficiaries named in this act for tl 21 respective names, upon the presenta 22 several amounts appropriated in this 23 and all claims, rights, causes of acti 24 character and kind owing by or agai 25 officers, agents, and employees, and 26 respect to each of the beneficiaries r 27 appropriations are made. The direct 28 any items appropriated in this act ur 29 releasing the State of Nebraska, its of 30 their successors and assigns, has bed 1 respectively. Upon presentation of th 2 hereby directed to pay the same out of 3 of money in other funds indicated in 4 Sec. 6. The following requests were 5 permission to write off certain account	\$400,000.00 \$400,000.00 tive Services is hereby or her warrants upon the funds in the interpretation of proper vouchers therefor. The sact shall be in full payment of any on, damages, and demands of every institute the state of Nebraska, its interpretation of proper vouchers therefor. The sact shall be in full payment of any on, damages, and demands of every institute of Nebraska, its interpretation of Nebraska, its interpretation of the sact shall not deliver any warrant for institute a receipt and release in full, officers, employees, and agents, and its infield by each of the beneficiaries in the state Treasurer is off money in the General Fund or out this act not otherwise appropriated. If filed by state agencies seeking ints. The State Claims Board reviewed

- 9 \$151.00 for Request Number 2016-15316, made by the Supreme Court.
- 10 \$248,168.09 for Request Number 2016-15415, made by the Department of
- 11 Roads.
- 12 \$1,800.00 for Request Number 2016-15416, made by the State Fire
- 13 Marshal.
- 14 \$1,590,534.29 for Request Number 2016-15421, made by the Department
- 15 of Health and Human Services.
- 16 \$7,907.85 for Request Number 2016-15422, made by the Department of
- 17 Insurance.
- 18 \$10,480.50 for Request Number 2016-15437, made by the State
- 19 Department of Education.
- 20 \$5,246.61 for Request Number 2016-15636, made by the Game and Parks
- 21 Commission.
- 22 Sec. 7. Since an emergency exists, this act takes effect when
- 23 passed and approved according to law.

(Signed) Burke Harr, Chairperson

Transportation and Telecommunications

LEGISLATIVE BILL 732. Placed on General File.

LEGISLATIVE BILL 783. Placed on General File with amendment. AM2357 is available in the Bill Room.

(Signed) Jim Smith, Chairperson

COMMITTEE REPORT(S)

Health and Human Services

The Health and Human Services 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 M. Bulger - Commission for the Blind and Visually Impaired

Aye: 7 Baker, Campbell, Crawford, Fox, Howard, Kolterman, Riepe. Nay: 0. Absent: 0. Present and not voting: 0.

The Health and Human Services 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.

Mary J. Kent - Nebraska Rural Health Advisory Commission Laeth Nasir - Nebraska Rural Health Advisory Commission Michael A. Sitorius - Nebraska Rural Health Advisory Commission

Aye: 7 Baker, Campbell, Crawford, Fox, Howard, Kolterman, Riepe. Nay: 0. Absent: 0. Present and not voting: 0.

(Signed) Kathy Campbell, Chairperson

BILL ON FIRST READING

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

LEGISLATIVE BILL 900A. Introduced by Bloomfield, 17.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 900, One Hundred Fourth Legislature, Second Session, 2016.

RESOLUTION(S)

LEGISLATIVE RESOLUTION 465. Introduced by McCollister, 20; Bloomfield, 17; Fox, 7; Garrett, 3; McCoy, 39; Murante, 49; Smith, 14.

WHEREAS, the Nebraska Library Association has named Donna D'Ottavio from the Emerson Public Library, Gary Brown from the Valley Public Library, Mikayla Mancuso from the Gretna Public Library, Alysen Hansen from the Sump Memorial Library in Papillion, Sarah Ulsher from the Millard Branch of the Omaha Public Library, and Cyndi Mattson from the W. Dale Clark Library in Omaha as outstanding library volunteers; and

WHEREAS, this award is given to outstanding individuals who have shown a strong desire to give back to their communities and who have given generously of their time through many years of volunteer library service; and

WHEREAS, these individuals will be recognized at the Nebraska Library Association's Advocacy Day; and

WHEREAS, the Nebraska Library Association supports and promotes all libraries, library media centers, and library services in the state. The Nebraska Library Association is dedicated to advancing the professional development of its members, advocating for libraries, and ensuring open access to information for all citizens.

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

- 1. That the Legislature congratulates Donna D'Ottavio, Gary Brown, Mikayla Mancuso, Alysen Hansen, Sarah Ulsher, and Cyndi Mattson for being named outstanding volunteers by the Nebraska Library Association.
- 2. That a copy of this resolution be sent to Donna D'Ottavio, Gary Brown, Mikayla Mancuso, Alysen Hansen, Sarah Ulsher, Cyndi Mattson, and the Nebraska Library Association.

Laid over.

LEGISLATIVE RESOLUTION 466. Introduced by Stinner, 48.

WHEREAS, Austin Garcia, Roger Martinez, Conner Muhr, and Adam Zamarripa, members of Troop 17 of Gering, have 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 there are many ways 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 their scouting experience, Austin, Roger, Conner, and Adam have been tested on and recognized for various scouting skills; and

WHEREAS, to achieve the rank of Eagle Scout, a Boy Scout is required to earn 21 merit badges, 13 of which are in required areas, and complete a community service project approved by the troop and the scout council; and

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

WHEREAS, Austin, Roger, Conner, and Adam, through their hard work and perseverance, have joined other high achievers who are Eagle Scouts, such as astronauts, leaders of government and industry, artists, scientists, and athletes.

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

- 1. That the Legislature congratulates Austin Garcia, Roger Martinez, Conner Muhr, and Adam Zamarripa on achieving the rank of Eagle Scout.
- 2. That a copy of this resolution be sent to Austin Garcia, Roger Martinez, Conner Muhr, and Adam Zamarripa.

Laid over.

LEGISLATIVE RESOLUTION 467. Introduced by McCoy, 39; Hilkemann, 4.

WHEREAS, the Elkhorn South High School girls' basketball team won the 2016 Class B Girls' State Basketball Championship; and

WHEREAS, the Elkhorn South Storm defeated Waverly High School in the championship game by a score of 43-33; and

WHEREAS, this victory gave the Elkhorn South Storm girls' basketball team their first state championship; and

WHEREAS, the Legislature recognizes the academic, athletic, and artistic achievements of the youth of our state.

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

1. That the Legislature congratulates the Elkhorn South High School girls' basketball team on winning the 2016 Class B Girls' State Basketball Championship.

2. That a copy of this resolution be sent to the Elkhorn South High School girls' basketball team and Coach Terry Graver.

Laid over.

ATTORNEY GENERAL'S OPINION

Opinion 16-005

SUBJECT: Whether the Nebraska Legislature may permit the

University of Nebraska and the Nebraska State College System to contract for their own credit cards, charge cards, or debit cards, without utilizing the Nebraska

State Treasurer's contract for such services.

REQUESTED BY: Senator John Murante

WRITTEN BY: Douglas J. Peterson, Attorney General

Natalee J. Hart, Assistant Attorney General

You are the Chairperson of the Government, Military and Veterans Affairs Committee of the Nebraska State Legislature. Before your committee is a bill, 2016 LB 955, which would allow the University of Nebraska and the Nebraska State College System to contract for credit cards, charge cards, or debit cards without utilizing the contract for those services entered into by the Nebraska State Treasurer and the Director of the Department of Administrative Services for all state agencies.

You have requested an opinion from the Attorney General's Office regarding several questions relating to 2016 LB 955, as follows:

- (1) Can the Legislature remove by statute a core function that is an inherent constitutional authority of the State Treasurer?
- (2) Is the custody of state funds and the supervision of the State's relationships with state and national banks an inherent constitutional authority of the State Treasurer?
- (3) Do the contracts that provide for the receipt of state funds through the processing of credit card transactions fall within the State Treasurer (sic) constitutional authority to supervise the State's relationship with state and national banks?
- (4) Do the provisions of LB 955 which allow the University of Nebraska and the Nebraska State College System to enter into credit card processing contracts for the purpose of receiving payment of state funds without the involvement of the State Treasurer violate the inherent constitutional authority of the State Treasurer?

(5) Is LB 955 unconstitutional?

2016 LB 955 seeks to amend Neb. Rev. Stat. § 81-118.01(5) to specifically exclude the University of Nebraska and the Nebraska State College System from the requirement that all state agencies utilize the contract entered into by the State Treasurer and the Director of the Department of Administrative Services with a third-party merchant for credit card, charge card, and debit card processing services. The University of Nebraska and the Nebraska State College System would be permitted to participate in the State Treasurer's contract for such services, at their discretion, but would also be permitted to seek such services and enter into separate contracts for credit card processing services. 2016 LB 955, § 1. We will respond to your fourth question first, as the analysis relating to that question will encompass the remainder of your questions.

Question 4. Do the provisions of LB 955 which allow the University of Nebraska and the Nebraska State College System to enter into credit card processing contracts for the purpose of receiving payment of state funds without the involvement of the State Treasurer violate the inherent constitutional authority of the State Treasurer?

The answer to your fourth question is grounded in several prior opinions of this office. Neb. Const. art. IV, § 1 establishes the executive officers of the state as the Governor, Lieutenant Governor, Secretary of State, Auditor of Public Accounts, State Treasurer, Attorney General, and other heads of executive departments, and provides that "[o]fficers in the executive department of the state shall perform such duties as may be provided by law." The duties of each of these offices is not further defined in the Constitution. On several occasions, this office has had occasion to address the topic of a constitutional officer's "core functions" inherent in Neb. Const. art. IV, § 1. In Op. Att'y Gen. 93012 (March 4, 1993), a lengthy discussion was had regarding the core functions of constitutional officers in general, and the auditor in particular. That opinion dealt with a bill that purported to remove the authority of the State Auditor of Public Accounts to audit the books of the Nebraska Legislature, transferring that authority to the Legislature. Ultimately, that bill was determined to be unconstitutional based upon the separation of powers doctrine. However, the "core functions" of the auditor were also at issue. We have stated that "the law" as referred to in Neb. Const. art. IV, § 1 refers not only to statutory law, but common law and the inherent functions of the constitutional officers. Op. Att'y Gen. No. 93012 at 6. These common law and inherent functions comprise the "core functions" of the constitutional officers.

The core functions of the State Treasurer have previously been determined to be

[T]he duty to receive and keep all money of the State not expressly required to be received and kept by some other officer. Neb. Rev. Stat. § 84-602(1) (1994); Neb. Rev. Stat. 1866, c. 4, § 18. Moreover, since

1891, the State Treasurer has had authority to deposit the funds of the State in his keeping in state and national banks. Neb. Rev. Stat. § 77-2301 (1996), 1891 Neb. Laws, c. 50, § 1, 9. 347. It is also generally accepted that the Treasurer of a state has, by law, the custody of the monies of the State. 81A C.J.S. States § 135. Based upon those historical duties of the State Treasurer, it seems to us that the core functions of that office would clearly include maintaining custody of state funds. Arguably, those core functions would also include general supervision of [the] State's relationships with state and national banks.

Op. Att'y Gen. No. 98006 (January 21, 1998) at 6. See also Op. Att'y Gen. No. 10007 (March 18, 2010), Op. Att'y Gen. No. 15-010 (August 10, 2015).

The core functions of a constitutional office, including that of the State Treasurer, "may not be removed by legislative enactment." Op. Att'y Gen. No. 93012 at 10.

"[T]he Legislature cannot relieve or preclude any executive officer from the performance of a duty enjoined on him by the Constitution, or, as otherwise expressed, it cannot take away from a constitutional officer the powers or duties given him by the Constitution; or vest such powers or functions in any other department or officer (footnotes omitted)." 16 C.J.S. § 130, page 545 (1956).

Therefore, in addition to the inability of the Legislature to abolish the office entirely or to excessively diminish its statutory responsibilities when no duties of any significance remain, it is also impermissible to take away any of the duties constitutionally established for the office.

Op. Att'y Gen. No. 93012 at 10, quoting Op. Att'y Gen. No. 214 (March 4, 1982). "[T]he Nebraska Supreme Court has repeatedly recognized the principal that the legislature may not transfer duties vested under the Constitution in one officer or entity to another officer, body or jurisdiction." Op. Att'y Gen. No. 93012 at 14 (emphasis omitted) (citations omitted). "'[T]he duties of a constitutional officer may be added to by statute, but none, as they were known at common law, may be taken away.' " Id. at 15 (quoting People ex. rel. Walsh v. Board of Commissioners of Cook County, 74 N.W.2d 503, 507, 508 (Ill. 1947). See also State ex. rel. Spire v. Beermann, 235 Neb. 384, 399, 455 N.W.2d 749, 757 (1990) (if the Legislature could transfer one constitutional duty from a constitutional governing board, it could transfer all such duties, and the constitutional provision establishing that board would become nugatory); Rivett Lumber & Coal Co. of Benson v. Chicago & N.W. Ry. Co., 102 Neb. 492, 167 N.W. 570 (1918).

Even when a duty has been prescribed by statute, if it is founded on one of the constitutional officer's core functions, that duty may not be revoked. The Minnesota Supreme Court, in ruling on that state's legislative attempt to remove most responsibilities from the state treasurer and transfer them to a

statutorily created officer, under a constitutional provision nearly identical to that found in the Nebraska Constitution, held that the legislature could not strip the state treasurer of all its core functions.

Functions relating to the receipt, care, and disbursement or state monies define the treasurer position and separate it from the other executive offices of state government established in our constitution. . . .

Although the prescribed-by-law provision of Article V [of the Minnesota Constitution] affords the legislature the power, in light of public health and welfare concerns, to modify the duties of the state executive officers, it does not authorize legislation . . . that strips such an office of all its independent core functions. The [constitution] implicitly places a limitation on the power of the legislature, under Section 4 of Article V, to prescribe the duties of such offices. The limitation is implicit in the specific titles the drafters gave to the individual offices.

That is not to say that the legislature could not name officials to perform some of the core functions of an executive office; core functions of such offices can be shared with statutory officials. The limitation implicit in Section 1 of Article V serves only to prevent the legislature from abolishing all of the independent functions inherent in an executive office.

State ex rel. Mattson v. Kiedrowski, 391 N.W.2d 777, 781-782 (Minn. 1986).

Further, the court in Mattson looked to an Arizona decision, which stated that "the legislature should have known that it could not denude the office of its inherent powers and duties, even though they had been prescribed by statute, and leave the office as an empty shell." State ex rel. Mattson v. Kiedrowski, 391 N.W. 2d at 781 (quoting Hudson v. Kelly, 263 P.2d 362, 368 (Ariz. 1953)). See also Fergus v. Russel, 110 N.W.130 (Ill. 1915) (the state legislature could revoke some duties that had been legislatively conferred upon constitutional officers, but could not remove those which were inherent in the offices under the common law.)

It is clear that the Legislature may not entirely remove any one of the State Treasurer's core functions, including establishing a banking relationship on behalf of the State of Nebraska and all of its agencies. As a contract for credit card services inherently involves establishing a banking relationship with one or more merchant banks, the credit card contracts are a part of the Treasurer's duties to establish banking relationships for the State of Nebraska. However, what is not entirely clear is whether any of those duties may be diminished by the Legislature. Allowing the University and the State College System to enter into their own credit card processing contracts would not entirely remove a function from the State Treasurer, but would reduce the Treasurer's duties in that regard.

We previously have opined that under the current statutory language, the

University of Nebraska is required to abide by the contract entered into by the State Treasurer for credit card services.³ In determining whether Neb. Rev. Stat. §§ 13-609 and 81-118.01, generally authorizing governmental subdivisions and state agencies to accept credit card payments, applied to the University of Nebraska, we determined that the University was a state agency subject to the requirements of Neb. Rev. Stat. § 81-118.01, which 2016 LB 955 seeks to amend. We stated that

[t]he general government of the University vested in the Board of Regents under the Nebraska Constitution may only be exercised in such a way as to preserve the Treasurer's general authority over the custody of state funds and the supervision of the State's relationship with state and national banks. Therefore, the credit card provisions of [1997] LB 70 appear acceptable under the [Board of Regents of the University of Nebraska v. Exon, 199 Neb. 146, 256 N.W.2d 330 (1997)] case because they involve the Treasurer's general supervision of matters related to the State's business with banks. On the other hand, it remains clear under Exon that the Treasurer's authority with respect to state funds and general supervision of the State's relationship with banks cannot be used to intrude upon the authority of [the] Board of Regents in the general government of the University.

Op. Att'y Gen. 98006 at 6-7.

The answer as to whether the Legislature may diminish any of the constitutional duties of a constitutional officer such as the State Treasurer has not been taken up by the Nebraska Supreme Court. While it is not clear how the Nebraska courts would rule on this topic, we believe the better answer in this matter to be that the Legislature may not diminish the State Treasurer's "core functions," and allowing the University and State College System to enter into their own contracts for credit card processing would do just that.

The Utah Supreme Court has taken up a similar question to the one you have presented to this office. Utah's constitutional provision provides that its treasurer "shall be the custodian of public moneys, and . . . shall perform such other duties as may be provided by law." Preece v. Rampton, 492 P.2d 1355, 1356 (Utah 1972). "While the Constitution provides that additional duties may be imposed . . . the language cannot be tortured into meaning that any of the duties and responsibilities which they had at the time [the constitution was adopted] can be diminished." Id. The Utah Supreme Court distinguished between ministerial duties, such as the typing out of warrants, which can be assigned to other state officers; and discretionary functions, such as verifying the correctness of accounts before they are paid, which cannot be taken away from the constitutional officer. Id. at 1357. Establishing banking relationships for the state of Nebraska, including making a determination as to the third-party merchant bank which is to be awarded a contract with the State of Nebraska for credit card payment processing, is a discretionary function. We do not believe that this function

can be transferred, even in part, to another state agency.

Our opinion that the Nebraska Supreme Court would determine that 2016 LB 955 is unconstitutional is also based upon our reading of Board of Regents of the University of Nebraska v. Exon, 199 Neb. 146, 256 N.W.2d 330 (1977). In this case, the Board of Regents of the University of Nebraska asked the Court to rule on whether acts of the Legislature were in contravention to the constitutional authority of the Board of Regents as found in art. VII, § 10 of the Nebraska Constitution. The Nebraska Supreme Court stated that "although the Legislature may add to or subtract from the powers and duties of the Regents, the general government of the University must remain vested in the Board of Regents and powers or duties that should remain in the Regents cannot be delegated to other officers or agencies." Id. at 149, 256 N.W.2d at 333. We believe this reasoning may be applied equally to any officer vested with constitutional authority. The Legislature may not delegate any of the core functions of a constitutional officer to any other office. This would include the responsibilities of the State Treasurer to establish banking relationships on behalf of the State of Nebraska and enter into credit card processing contracts for the State.

For these reasons, we believe that 2016 LB 955 improperly infringes upon the constitutional authority of the Nebraska State Treasurer.

Question 1. Can the Legislature remove by statute a core function that is an inherent constitutional authority of the State Treasurer?

As explained in our response to question four, the Legislature cannot deprive a constitutional office of any of its "core functions." The Legislature may not remove all or part of the State Treasurer's function of establishing and maintaining banking relationships, including contracting with credit card providers, for funds for which the Treasurer is responsible to maintain. See Op. Att'y Gen. No. 98006 at 6. See also Op. Att'y Gen. No. 10007, Op. Att'y Gen. No. 15-010.

Question 2. Is the custody of state funds and the supervision of the State's relationships with state and national banks an inherent constitutional authority of the State Treasurer?

As previously stated by this office in prior opinions, yes, the supervision of the State's relationship with state and national banks is one of the State Treasurer's "core functions" granted to it by the Nebraska Constitution and the common law. Op. Att'y Gen. No. 98006 at 6. See also Op. Att'y Gen. No. 10007, Op. Att'y Gen. No. 15-010.

Question 3. Do the contracts that provide for the receipt of state funds through the processing of credit card transactions fall within the State Treasurer's constitutional authority to supervise the State's relationship with state and national banks?

As we explained above, the contracts that are entered into by the State Treasurer and the Director of the Department of Administrative Services for credit cards, charge cards, or debit cards, pursuant to Neb. Rev. Stat. § 81-118.01, fall within the State Treasurer's responsibility to supervise the State's relationship with state and national banks. In order to contract for these services, there must be a banking relationship established between the State of Nebraska and the merchant bank which issues the card.

Question 5. Is LB 955 unconstitutional?

In the context of opinion requests from members of the Legislature, we have stated in the past that a general question on the constitutionality of proposed legislation will necessarily result in a general response from this office. Op. Att'y Gen. No. 98040 (September 11, 1998), Op. Att'y Gen. No. 94023 (March 23, 1994). We will address two potential constitutional problems with this proposed legislation, but have no indication from you as to whether you believe there could be other potential constitutional impediments to this legislation. In terms of whether 2016 LB 955 interferes upon the State Treasurer's constitutional "core functions," as discussed herein, we believe 2016 LB 955 to be an unconstitutional infringement thereupon.

We also have concerns about whether 2016 LB 955 would constitute unconstitutional special legislation. As we believe this bill to be an unconstitutional infringement upon the State Treasurer's core duties, we will not discuss whether this bill is special legislation at length. However, we do believe 2016 LB 955 creates an arbitrary classification of two state agencies, with no reasonable distinction which would allow only these two state agencies to enter into their own contracts for credit card services.

Under Neb. Const. art. III, § 18, a legislative act constitutes special legislation if (1) it creates an arbitrary and unreasonable method of classification, or (2) it creates a permanently closed class. Gourley v. Nebraska Methodist Health System, Inc., 265 Neb. 918, 663 N.W.2d 43 (2003). With respect to what constitutes an arbitrary and unreasonable classification, the Nebraska Supreme Court has stated "[a] legislative classification, in order to be valid, must be based upon some reason of public policy, some substantial difference of situation or circumstances, that would naturally suggest the justice or expediency of diverse legislation with respect to objects to be classified." Gourley v. Nebraska Methodist Health System, Inc., 265 Neb. 918, 938, 663 N.W.2d 43, 65 (2003) (citations omitted). Ultimately, "the analysis under a special legislation inquiry focuses on the Legislature's purpose in creating the class and asks if there is a substantial difference of circumstances to suggest the expediency of diverse legislation." Id. at 939, 663 N.W.2d at 66.

While the University of Nebraska and the State College System may argue that they are different from all other state agencies, having more autonomy due to their constitutionally created governing bodies, and providing differing services from all other state agencies, we do not believe that is sufficient to separate them for the purposes of a credit card contract relating to the expenditure of state funds. In this regard there are other constitutionally created state offices which could argue they are not substantially different from the University of Nebraska and the State College System for purposes of establishing their own credit card processing. We do not believe that allowing the University of Nebraska and the State College System to contract for credit card processing, separate from the contract entered into by the State Treasurer, passes the test of a "substantial difference of situation or circumstance" under Gourley. For these reasons, we believe 2016 LB 955 to be unconstitutional special legislation.

Conclusion

For the reasons found herein, we believe 2016 LB 955 to be an unconstitutional infringement upon the State Treasurer's core functions. We do not believe that the State Treasurer's duties to supervise the state's banking relationships, which includes entering into contracts for credit card processing services, can be eliminated or diminished by legislative enactment. We also believe 2016 LB 955 to be unconstitutional special legislation as to the University of Nebraska and the State College System.

- ¹ For convenience, we will refer to this grouping of services as "credit card processing services." All references to credit cards and credit card processing also refer to charge cards and debit cards and processing thereof.
- ² See Op. Att'y Gen. 98006 at 6. See also State ex rel. State Ry. Comm'n v. Ramsey, 151 Neb. 333, 338, 37 N.W.2d 502, 506 (1949) ("[a] Constitution is intended to meet and be applied to any conditions and circumstances as they arise in the course of the progress of the community. The terms and provisions of constitutions are constantly expanded and enlarged by construction to meet the advancing affairs of men. While the powers granted thereby do not change, they do apply in different periods to all things to which they are in their nature applicable."
- ³ You have only asked us to opine as to the constitutionality of this bill as it relates to "state funds." As is discussed in Op. Att'y Gen. No. 98006 at 8-12 and Board of Regents of the University of Nebraska v. Exon, 199 Neb. 146 (1977), the University has other funds, which are not "state funds," and for which it is permitted to establish its own banking relationship. We will not discuss those funds herein.

Sincerely,
DOUGLAS J. PETERSON
Attorney General
(Signed) Natalee J. Hart
Assistant Attorney General

pc. Patrick J. O'Donnell Clerk of the Nebraska Legislature

02-611-29

AMENDMENT(S) - Print in Journal

Senator Schumacher filed the following amendment to <u>LB1022</u>: AM2398

(Amendments to Standing Committee amendments, AM2170) 1 1. Strike amendment 6.

UNANIMOUS CONSENT - Add Cointroducer(s)

Unanimous consent to add Senator(s) as cointroducer(s). No objections. So ordered.

Chambers - LB1000 Davis, Groene, Kolowski, Kolterman - LB447

VISITOR(S)

Visitors to the Chamber were 14 members of Project Everlast from District 42; 39 fourth-grade students, teachers, and sponsors from Montclair Elementary, Omaha; and 27 twelfth-grade students, teacher, and sponsors from Burwell.

RECESS

At 11:59 a.m., on a motion by Senator Sullivan, the Legislature recessed until 1:30 p.m.

AFTER RECESS

The Legislature reconvened at 1:30 p.m., Senator Coash presiding.

ROLL CALL

The roll was called and all members were present except Senators Kuehn and Schilz who were excused; and Senators Bolz, Craighead, and Watermeier who were excused until they arrive.

BILL ON FIRST READING

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

LEGISLATIVE BILL 938A. Introduced by Smith, 14.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 938, One Hundred Fourth Legislature, Second Session, 2016.

GENERAL FILE

LEGISLATIVE BILL 344. The McCoy amendment, AM2403, found on page 832 and considered in this day's Journal, to the committee amendment, was renewed.

Senator Hansen moved the previous question. The question is, "Shall the debate now close?"

Senator Hansen moved for a call of the house. The motion prevailed with 21 ayes, 0 nays, and 28 not voting.

The motion to cease debate prevailed with 25 ayes, 3 nays, 17 present and not voting, and 4 excused and not voting.

Senator McCoy requested a roll call vote on his amendment.

Voting in the affirmative, 23:

Bloomfield	Davis	Kintner	Mello	Seiler
Brasch	Ebke	Kolterman	Murante	Sullivan
Coash	Fox	Larson	Scheer	Watermeier
Cook	Garrett	Lindstrom	Schnoor	
Craighead	Groene	McCoy	Schumacher	

Voting in the negative, 16:

Baker	Haar, K.	Hughes	Morfeld
Campbell	Hadley	Kolowski	Pansing Brooks
Chambers	Harr, B.	Krist	Stinner
Gloor	Hilkemann	McCollister	Williams

Present and not voting, 7:

Bolz	Friesen	Johnson	Smith
Crawford	Hansen	Riene	

Excused and not voting, 3:

Howard Kuehn Schilz

The McCoy amendment lost with 23 ayes, 16 nays, 7 present and not voting, and 3 excused and not voting.

The Chair declared the call raised.

Senator Kolowski offered the following amendment to the committee amendment:

AM2415

(Amendments to Standing Committee amendments, AM2112)

- 1 1. On page 1, line 19, strike "and such" and insert "except that the 2 levy on such general obligation bonds shall not exceed one cent on each
- 3 one hundred dollars of taxable valuation annually on all of the taxable
- 4 property within the district without approval by a majority of registered
- 5 voters of the district at an election in accordance with the Election Act
- 6 called by the board of directors and held in conjunction with a statewide
- 7 primary or general election. Such".

Senator Kolowski moved for a call of the house. The motion prevailed with 22 ayes, 0 nays, and 27 not voting.

Senator Kolowski requested a roll call vote, in reverse order, on his amendment.

Voting in the affirmative, 28:

Baker	Crawford	Harr, B.	Krist	Smith
Bolz	Friesen	Hilkemann	McCollister	Stinner
Campbell	Gloor	Hughes	Mello	Sullivan
Chambers	Haar, K.	Johnson	Morfeld	Williams
Coash	Hadley	Kolowski	Pansing Brook	S
Cook	Hansen	Kolterman	Seiler	

Voting in the negative, 3:

Bloomfield Kintner Groene

Present and not voting, 14:

Brasch	Ebke	Lindstrom	Riepe	Schumacher
Craighead	Fox	McCoy	Scheer	Watermeier
Davis	Garrett	Murante	Schnoor	

Excused and not voting, 4:

Schilz Howard Kuehn Larson

The Kolowski amendment was adopted with 28 ayes, 3 nays, 14 present and not voting, and 4 excused and not voting.

The Chair declared the call raised.

Committee AM2112, found on page 628 and considered on page 832, as amended, was renewed.

The committee amendment, as amended, was adopted with 25 ayes, 2 nays, 16 present and not voting, and 6 excused and not voting.

Senator Schnoor offered the following amendment: AM2446

(Amendments to Standing Committee amendments, AM2112)

1 1. On page 2, lines 25 and 31, strike "2025" and insert "2023".

Senator Kintner offered the following amendment to the Schnoor amendment:

FA92

Amend AM2446

Strike 2023 and insert 2021.

SPEAKER HADLEY PRESIDING

Senator Kolowski offered the following motion:

MO196

Unanimous consent to bracket until April 20, 2016.

No objection. So ordered.

COMMITTEE REPORT(S)

Health and Human Services

LEGISLATIVE BILL 842. Placed on General File.

LEGISLATIVE BILL 750. Placed on General File with amendment.

AM2378

- 1 1. Strike the original sections and insert the following new
- 2 sections:
- 3 Section 1. Section 38-101, Revised Statutes Supplement, 2015, is
- 4 amended to read:
- 5 38-101 Sections 38-101 to 38-1,141 and section 2 of this act and the
- 6 following practice acts shall be known and may be cited as the Uniform
- 7 Credentialing Act:
- 8 (1) The Advanced Practice Registered Nurse Practice Act;
- 9 (2) The Alcohol and Drug Counseling Practice Act;
- 10 (3) The Athletic Training Practice Act;
- 11 (4) The Audiology and Speech-Language Pathology Practice Act; 12 (5) The Certified Nurse Midwifery Practice Act;
- 13 (6) The Certified Registered Nurse Anesthetist Practice Act;

- 14 (7) The Chiropractic Practice Act;
- 15 (8) The Clinical Nurse Specialist Practice Act;
- 16 (9) The Cosmetology, Electrology, Esthetics, Nail Technology, and
- 17 Body Art Practice Act;
- 18 (10) The Dentistry Practice Act;
- 19 (11) The Emergency Medical Services Practice Act;
- 20 (12) The Environmental Health Specialists Practice Act;
- 21 (13) The Funeral Directing and Embalming Practice Act;
- 22 (14) The Genetic Counseling Practice Act;
- 23 (15) The Hearing Instrument Specialists Practice Act;
- 24 (16) The Licensed Practical Nurse-Certified Practice Act;
- 25 (17) The Massage Therapy Practice Act;
- 26 (18) The Medical Nutrition Therapy Practice Act;
- 27 (19) The Medical Radiography Practice Act;
- 1 (20) The Medicine and Surgery Practice Act;
- 2 (21) The Mental Health Practice Act;
- 3 (22) The Nurse Practice Act;
- 4 (23) The Nurse Practitioner Practice Act;
- 5 (24) The Nursing Home Administrator Practice Act;
- 6 (25) The Occupational Therapy Practice Act;
- 7 (26) The Optometry Practice Act;
- 8 (27) The Perfusion Practice Act;
- 9 (28) The Pharmacy Practice Act;
- 10 (29) The Physical Therapy Practice Act;
- 11 (30) The Podiatry Practice Act;
- 12 (31) The Psychology Practice Act;
- 13 (32) The Respiratory Care Practice Act;
- 14 (33) The Veterinary Medicine and Surgery Practice Act; and
- 15 (34) The Water Well Standards and Contractors' Practice Act.
- 16 If there is any conflict between any provision of sections 38-101 to
- 17 38-1,139 and 38-1,141 and any provision of a practice act, the provision 18 of the practice act shall prevail.
- 19 The Revisor of Statutes shall assign the Uniform Credentialing Act,
- 20 including the practice acts enumerated in subdivisions (1) through (33)
- 21 of this section, to articles within Chapter 38.
- 22 Sec. 2. An individual or a business credentialed pursuant to the
- 23 <u>Uniform Credentialing Act shall not discriminate or retaliate against any</u>
- 24 person who has initiated or participated in the making of a report under
- 25 the act to the department. Such person may maintain an action for any
- 26 type of relief, including injunctive and declarative relief, permitted by
- 28 Sec. 3. Section 38-175, Reissue Revised Statutes of Nebraska, is
- 29 amended to read:
- 30 38-175 (1) The department may contract to provide a Licensee
- 31 Assistance Program to credential holders regulated by the department. The
- 1 program shall be limited to providing education, referral assistance, and
- 2 monitoring of compliance with treatment for abuse of, dependence on, or
- 3 active addiction to alcohol, any controlled substance, or any mind-
- 4 altering substance and shall be limited to voluntary participation by

5 credential holders.

6 (2)(a) Participation in the program shall be confidential, except

7 that if any evaluation by the program determines that the abuse,

8 dependence, or active addiction may be of a nature which constitutes a

9 danger to the public health and safety by the person's continued practice 10 or if the person fails to comply with any term or condition of a

11 treatment plan, the program shall report the same to the director.

12 (b) Participation in the program shall not preclude the

13 investigation of alleged statutory violations which could result in

14 disciplinary action against the person's credential or criminal action

15 against the person.

16 (3) Any report from any person or from the program to the department

17 indicating that a credential holder is suffering from abuse of,

18 dependence on, or active addiction to alcohol, any controlled substance,

19 or any mind-altering substance that impairs the ability to practice the

20 profession shall be treated as a complaint against such credential and

21 shall subject such credential holder to discipline under sections 38-186 22 to 38-1,100.

23 (4) No person who makes such a report to the program or from the

24 program to the department shall be liable in damages to any person for

25 slander, libel, defamation of character, breach of any privileged

26 communication, or other criminal or civil action of any nature, whether

27 direct or derivative, for making such report or providing information to

28 the program or department in accordance with this section. The identity

29 of any person making such a report or providing information leading to

30 the making of a report shall be confidential.

31 (5) Any person who contacts the department for information on or 1 assistance in obtaining referral or treatment of himself or herself or

2 any other person credentialed by the department for abuse of, dependence

3 on, or active addiction to alcohol, any controlled substance, or any

4 mind-altering substance that impairs the ability to practice the

5 profession shall be referred to the program. Such inquiries shall not be

6 used by the department as the basis for investigation for disciplinary

7 action, except that such limitation shall not apply to complaints or any

8 other reports or inquiries made to the department concerning persons who

9 may be suffering from abuse of, dependence on, or active addiction to

10 alcohol, any controlled substance, or any mind-altering substance that

11 impairs the ability to practice the profession or when a complaint has

12 been filed or an investigation or disciplinary or other administrative

13 proceeding is in process.

14 Sec. 4. Section 38-1,106, Reissue Revised Statutes of Nebraska, is

15 amended to read:

16 38-1,106 (1) Reports under sections 38-1,129 to 38-1,136,

17 complaints, and investigational records of the department shall not be

18 public records, shall not be subject to subpoena or discovery, and shall

19 be inadmissible in evidence in any legal proceeding of any kind or

20 character except a contested case before the department. Such reports,

21 complaints, or records shall be a public record if made part of the

22 record of a contested case before the department. No person, including,

- 23 but not limited to, department employees and members of a board, having
- 24 access to such reports, complaints, or investigational records shall
- 25 disclose such information in violation of this section, except that the
- 26 department may exchange such information with law enforcement and other
- 27 state licensing agencies as necessary and appropriate in the discharge of
- 28 the department's duties and only under circumstances to ensure against
- 29 unauthorized access to such information. Violation of this subsection is 30 a Class I misdemeanor.
- 31 (2) Investigational records, reports, and files pertaining to an
- 1 application for a credential shall not be a public record until action is
- 2 taken to grant or deny the application and may be withheld from
- 3 disclosure thereafter under section 84-712.05.
- 4 (3) The identity of any person making a report, providing
- 5 information leading to the making of a report, or otherwise providing
- 6 information to the department, a board, or the Attorney General included
- 7 in such reports, complaints, or investigational records shall be
- 8 confidential whether or not the record of the investigation becomes a 9 public record.
- 10 Sec. 5. Section 38-1,121, Reissue Revised Statutes of Nebraska, is 11 amended to read:
- 12 38-1,121 A complaint submitted to the department regarding a
- 13 credential holder subject to section 38-1,119 and the identity of any
- 14 person making the complaint or providing information leading to the
- 15 making of the complaint shall be confidential. Such persons A person
- 16 making such a complaint shall be immune from criminal or civil liability
- 17 of any nature, whether direct or derivative, for filing a complaint or
- 18 for disclosure of documents, records, or other information to the
- 19 department.
- 20 Sec. 6. Section 38-1,126, Revised Statutes Cumulative Supplement,
- 21 2014, is amended to read:
- 22 38-1,126 (1) A report made to the department under section 38-1,124
- 23 or 38-1,125 shall be confidential. The identity of any person making such
- 24 report or providing information leading to the making of such report
- 25 shall be confidential.
- 26 (2) Any person making such a report to the department, except a
- 27 person who is self-reporting, shall be completely immune from criminal or
- 28 civil liability of any nature, whether direct or derivative, for filing a
- 29 report or for disclosure of documents, records, or other information to
- 30 the department under section 38-1,124 or 38-1,125.
- 31 (3) Persons who are members of committees established under the
- 1 Health Care Quality Improvement Act, the Patient Safety Improvement Act,
- 2 or section 25-12,123 or witnesses before such committees shall not be
- 3 required to report under section 38-1,124 or 38-1,125. Any person who is
- 4 a witness before such a committee shall not be excused from reporting
- 5 matters of first-hand knowledge that would otherwise be reportable under
- 6 section 38-1,124 or 38-1,125 only because he or she attended or testified 7 before such committee.
- 8 (4) Documents from original sources shall not be construed as immune
- 9 from discovery or use in actions under section 38-1,125.

- 10 Sec. 7. Section 38-1,129, Reissue Revised Statutes of Nebraska, is
- 11 amended to read:
- 12 38-1,129 Unless such knowledge or information is based on
- 13 confidential medical records protected by the confidentiality provisions
- 14 of the federal Public Health Services Act, 42 U.S.C. 290dd-2, and federal
- 15 administrative rules and regulations, as such act and rules and
- 16 regulations existed on January 1, 2007:
- 17 (1) Any insurer having knowledge of any violation of any of the
- 18 Uniform Credentialing Act governing the profession of the person being
- 19 reported whether or not such person is credentialed shall report the
- 20 facts of such violation as known to such insurer to the department; and
- 21 (2) All insurers shall cooperate with the department and provide
- 22 such information as requested by the department concerning any possible
- 23 violations by any person required to be credentialed whether or not such
- 24 person is credentialed.
- 25 The identity of any person making such report on behalf of an
- 26 insurer or providing information leading to the making of such report
- 27 shall be confidential.
- 28 Sec. 8. Section 38-1,130, Reissue Revised Statutes of Nebraska, is
- 29 amended to read:
- 30 38-1,130 Any insurer shall report to the department, on a form and
- 31 in the manner specified by the department by rule and regulation, any
- 1 facts known to the insurer, including, but not limited to, the identity
- 2 of the credential holder and consumer, when the insurer:
- 3 (1) Has reasonable grounds to believe that a person required to be
- 4 credentialed has committed a violation of the provisions of the Uniform
- 5 Credentialing Act governing the profession of such person whether or not 6 such person is credentialed;
- 7 (2) Has made payment due to an adverse judgment, settlement, or
- 8 award resulting from a professional liability claim against the insurer,
- 9 a health care facility or health care service as defined in the Health
- 10 Care Facility Licensure Act, or a person required to be credentialed
- 11 whether or not such person is credentialed, including settlements made
- 12 prior to suit in which the consumer releases any professional liability
- 13 claim against the insurer, health care facility or health care service,
- 14 or person required to be credentialed, arising out of the acts or
- 15 omissions of such person;
- 16 (3) Takes an adverse action affecting the coverage provided by the
- 17 insurer to a person required to be credentialed, whether or not such
- 18 person is credentialed, due to alleged incompetence, negligence,
- 19 unethical or unprofessional conduct, or physical, mental, or chemical
- 20 impairment. For purposes of this section, adverse action does not include
- 21 raising rates for professional liability coverage unless it is based upon
- 22 grounds that would be reportable and no prior report has been made to the
- 23 department; or
- 24 (4) Has been requested by the department to provide information.
- 25 The identity of any person making such report on behalf of an
- 26 insurer or providing information leading to the making of such report
- 27 shall be confidential.

- 28 Sec. 9. Section 38-1,134, Reissue Revised Statutes of Nebraska, is 29 amended to read:
- 30 38-1,134 To the extent that reports made under section 38-1,129 or
- 31 38-1,130 contain or relate to privileged communications between consumer
- 1 and credential holder, such reports shall be treated by the department as 2 privileged communications and shall be considered to be part of the
- 3 investigational records of the department. Such reports may not be
- 4 obtained by legal discovery proceedings or otherwise disclosed unless the
- 5 privilege is waived by the consumer involved or the reports are made part
- 6 of the record in a contested case under section 38-186, in which case
- 7 such reports shall only be disclosed to the extent they are made a part
- 8 of such record. The identity of any person making such report or
- 9 providing information leading to the making of such report shall be 10 confidential.
- 11 Sec. 10. Section 71-445, Reissue Revised Statutes of Nebraska, is 12 amended to read:
- 13 71-445 (1) A health care facility or health care service shall not
- 14 discriminate or retaliate against a person residing in, served by, or
- 15 employed at such facility or service who has initiated or participated in
- 16 any proceeding authorized by the Health Care Facility Licensure Act or
- 17 who has presented a complaint or provided information to the
- 18 administrator of such facility or service or the Department of Health and
- 19 Human Services. Such person may maintain an action for any type of
- 20 relief, including injunctive and declaratory relief, permitted by law.
- 21 (2) A health care facility licensed pursuant to the Health Care
- 22 Facility Licensure Act shall not discriminate or retaliate against any
- 23 person who has initiated or participated in the making of a report under
- 24 the Uniform Credentialing Act to the department. Such person may maintain
- 25 an action for any type of relief, including injunctive and declaratory
- 26 relief, permitted by law.
- 27 Sec. 11. Original sections 38-175, 38-1,106, 38-1,121, 38-1,129,
- 28 38-1,130, 38-1,134, and 71-445, Reissue Revised Statutes of Nebraska,
- 29 section 38-1,126, Revised Statutes Cumulative Supplement, 2014, and
- 30 section 38-101, Revised Statutes Supplement, 2015, are repealed.

LEGISLATIVE BILL 816. Placed on General File with amendment. AM2336

1 1. On page 3, line 5, strike "and potential".

LEGISLATIVE BILL 939. Placed on General File with amendment. AM2221

- 1 1. Insert the following new section:
- 2 Sec. 10. Section 71-7611, Revised Statutes Supplement, 2015, is 3 amended to read:
- 471-7611 (1) The Nebraska Health Care Cash Fund is created. The State
- 5 Treasurer shall transfer (a) sixty million three hundred thousand dollars
- 6 on or before July 15, 2014, (b) sixty million three hundred fifty
- 7 thousand dollars on or before July 15, 2015, (c) sixty million three
- 8 hundred fifty thousand dollars on or before July 15, 2016, (d) sixty

9 million three hundred fifty thousand dollars on or before July 15, 2017, 10 (e) sixty million three hundred fifty thousand dollars on or before July

- 11 15, 2018, and (f) sixty million one hundred thousand dollars on or before
- 12 every July 15 thereafter from the Nebraska Medicaid Intergovernmental
- 13 Trust Fund and the Nebraska Tobacco Settlement Trust Fund to the Nebraska
- 14 Health Care Cash Fund, except that such amount shall be reduced by the
- 15 amount of the unobligated balance in the Nebraska Health Care Cash Fund
- 16 at the time the transfer is made. The state investment officer upon
- 17 consultation with the Nebraska Investment Council shall advise the State
- 18 Treasurer on the amounts to be transferred from the Nebraska Medicaid
- 19 Intergovernmental Trust Fund and from the Nebraska Tobacco Settlement
- 20 Trust Fund under this section in order to sustain such transfers in
- 21 perpetuity. The state investment officer shall report electronically to
- 22 the Legislature on or before October 1 of every even-numbered year on the
- 23 sustainability of such transfers. The Nebraska Health Care Cash Fund
- 24 shall also include money received pursuant to section 77-2602. Except as
- 25 otherwise provided by law, no more than the amounts specified in this
- 26 subsection may be appropriated or transferred from the Nebraska Health 27 Care Cash Fund in any fiscal year.
- 1 It is the intent of the Legislature that no additional programs are
- 2 funded through the Nebraska Health Care Cash Fund until funding for all
- 3 programs with an appropriation from the fund during FY2012-13 are
- 4 restored to their FY2012-13 levels.
- 5 (2) The Legislature may transfer money from the Nebraska Health Care
- 6 Cash Fund to carry out the purposes of the Nebraska Early Childhood
- 7 Advantage Act.
- $8\overline{(3\ 2)}$ Any money in the Nebraska Health Care Cash Fund available for
- 9 investment shall be invested by the state investment officer pursuant to
- 10 the Nebraska Capital Expansion Act and the Nebraska State Funds
- 11 Investment Act.
- 12 (4 3) The University of Nebraska and postsecondary educational
- 13 institutions having colleges of medicine in Nebraska and their affiliated
- 14 research hospitals in Nebraska, as a condition of receiving any funds
- 15 appropriated or transferred from the Nebraska Health Care Cash Fund,
- 16 shall not discriminate against any person on the basis of sexual
- 17 orientation.
- 18 ($\underline{5}$ 4) The State Treasurer shall transfer fifty thousand dollars on
- 19 or before July 15, 2016, from the Nebraska Health Care Cash Fund to the
- 20 Board of Regents of the University of Nebraska for the University of
- 21 Nebraska Medical Center. It is the intent of the Legislature that these
- 22 funds be used by the College of Public Health for workforce training.
- 23 2. On page 2, strike beginning with "any" in line 4 through
- 24 "programs" in line 5 and insert "the Department of Health and Human
- 25 <u>Services</u>"; in line 6 after "(2)" insert "(a)"; and in line 8 strike
- 26 "<u>(a)</u>".
- 27 3. On page 3, line 7, strike "or"; in line 9 after "services" insert 28 ":
- 29 (v) Programs established pursuant to section 79-1104; or
- 30 (vi) Programs established pursuant to subdivision (4) of section

- 31 <u>79-2104</u>"; strike beginning with "<u>Departments</u>" in line 10 through 1 "jointly" in line 11 and insert "The department may"; and in line 12 2 strike "departments" and insert "department".
- 3 4. On page 4, line 4, strike "A" and insert "The"; in line 5 insert
- 4 "and" after the second comma; strike beginning with the third comma in

- 5 line 5 through "entities" in line 6; in line 9 strike "a" and insert 6 "the"; in line 14 strike "Departments administering home-visiting 7 programs" and insert "The department"; and in line 29 strike beginning
- 8 with "December" through "a" and insert "July 1, 2019, and annually 9 thereafter, the".
- 10 5. On page 5, line 10, strike "departments have" and insert
- 11 "department has".
- 12 6. On page 6, line 25, after "act" insert an underscored comma.
- 13 7. Renumber the remaining section and correct the repealer 14 accordingly.

LEGISLATIVE BILL 952. Placed on General File with amendment.

1 1. Strike original section 1 and renumber the remaining sections 2 accordingly.

(Signed) Kathy Campbell, Chairperson

NOTICE OF COMMITTEE HEARING(S)

Nebraska Retirement Systems

Room 1525

Thursday, March 31, 2016 8:00 a.m.

Pamela E. Lancaster - Public Employees Retirement Board Presentation of the Nebraska Investment Council Annual Report to the Nebraska Retirement Systems Committee pursuant to section 72-1243(2) Presentation of the Nebraska Public Employees Retirement Systems Annual Report to the Nebraska Retirement Systems Committee pursuant to section 84-1503(3)

(Signed) Mark Kolterman, Chairperson

RESOLUTION(S)

LEGISLATIVE RESOLUTION 468. Introduced by Garrett, 3; Crawford, 45.

WHEREAS, Joey Walther and Colton Patrick, sophomores at Bellevue East High School and members of Future Business Leaders of America (FBLA), have been holding seminars at local schools to educate young Nebraskans about the importance of saving money, the job market, and how the economy affects their lives; and

WHEREAS, according to the Financial Industry Regulatory Authority, 56 percent of people in the United States have no "rainy day" fund; and

WHEREAS, ING Direct and Capital One found that 87 percent of teenagers say they know little to nothing about managing money; and

WHEREAS, teaching young Nebraskans about personal finance and giving them the proper tools for money management is key to their future success; and

WHEREAS, Joey and Colton have named their educational program "Project BEECON" (Business and Economic Education Community Outreach) and will be competing with their program in an annual FBLA competition in April.

NÔW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FOURTH LEGISLATURE OF NEBRASKA, SECOND

SESSION

- 1. That the Legislature commends Joey Walther and Colton Patrick for educating young Nebraskans about the economy and the importance of saving money.
- 2. That the Legislature sends Joey Walther and Colton Patrick well wishes on Project BEECON and wishes them success in their future endeavors.
- 3. That a copy of this resolution be sent to Joey Walther and Colton Patrick.

Laid over.

AMENDMENT(S) - Print in Journal

Senator Baker filed the following amendment to <u>LB722</u>: AM2435

(Amendments to Standing Committee amendments, AM2126)

- 1 1. On page 2, line 29; and page 3, line 11, strike "A" and insert
- 2 "Beginning on January 1, 2017, a".
- 3 2. On page 3, line 7, strike "An" and insert "Beginning on January

4 1, 2017, an".

MESSAGE(S) FROM THE GOVERNOR

March 7, 2016

Patrick J. O'Donnell Clerk of the Legislature State Capitol, Room 2018 Lincoln, NE 68509

Dear Mr. O'Donnell:

Engrossed Legislative Bills 954e and 1016 were received in my office on March 1, 2016.

These bills were signed and delivered to the Secretary of State on March 7, 2016.

Sincerely,
(Signed) Pete Ricketts
Governor

GENERAL FILE

LEGISLATIVE BILL 1009. Title read. Considered.

Committee AM1960, found on page 522, was offered.

SENATOR SCHEER PRESIDING

The committee amendment was adopted with 28 ayes, 0 nays, 13 present and not voting, and 8 excused and not voting.

Advanced to Enrollment and Review Initial with 35 ayes, 0 nays, 7 present and not voting, and 7 excused and not voting.

LEGISLATIVE BILL 934. Title read. Considered.

Committee AM2190, found on page 644, was offered.

Senator Coash offered his amendment, AM2276, found on page 727, to the committee amendment.

The Coash amendment was adopted with 33 ayes, 0 nays, 9 present and not voting, and 7 excused and not voting.

The committee amendment, as amended, was adopted with 35 ayes, 0 nays, 7 present and not voting, and 7 excused and not voting.

Advanced to Enrollment and Review Initial with 36 ayes, 0 nays, 6 present and not voting, and 7 excused and not voting.

LEGISLATIVE BILL 934A. Title read. Considered.

Advanced to Enrollment and Review Initial with 31 ayes, 0 nays, 11 present and not voting, and 7 excused and not voting.

RESOLUTION(S)

LEGISLATIVE RESOLUTION 469. Introduced by Hadley, 37.

WHEREAS, the Kearney Catholic High School girls' basketball team won the 2016 Class C-1 Girls' State Basketball Championship; and

WHEREAS, the Kearney Catholic Stars defeated Lincoln Christian High School in the championship game by a score of 39-37; and

WHEREAS, this victory would not have been possible without the remarkable skill and teamwork of Michelle Messbarger, Annie Trettel, Jordan Streit, Olivia Micek, Brooke Eschenbrenner, Kylie Thiele, Ashlynn

Schmaderer, Jaedyn Bosshamer, Morgan Thiele, Gabby Baack, Maddie Squiers, Katelyn Long, Anna Squiers, Madison Shoemaker, and Kayla Lee;

WHEREAS, the Kearney Catholic Stars' victory was also thanks to the leadership and commitment of Head Coach Rick Petri, Assistant Coaches Dwaine Schmitt, Tim Thiele, and Allie Exstrom, and Volunteer Assistant Coach Hope ReRucha; and

WHEREAS, the Legislature recognizes the academic, athletic, and artistic

achievements of the youth of our state.

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

- 1. That the Legislature congratulates the Kearney Catholic High School girls' basketball team on winning the 2016 Class C-1 Girls' State Basketball Championship.
- 2. That a copy of this resolution be sent to the Kearney Catholic Stars and Head Coach Rick Petri.

Laid over.

COMMITTEE REPORT(S)

Education

LEGISLATIVE BILL 1067. Placed on General File.

(Signed) Kate Sullivan, Chairperson

UNANIMOUS CONSENT - Add Cointroducer(s)

Unanimous consent to add Senator(s) as cointroducer(s). No objections. So ordered.

Crawford - LB768 Brasch - LB768 Pansing Brooks - LB706

VISITOR(S)

Visitors to the Chamber were 50 fourth-grade students from Rockwell Elementary, Omaha; and members of USSTRATCOM Fellows Program with the University of Nebraska, Omaha.

ADJOURNMENT

At 4:46 p.m., on a motion by Senator Stinner, the Legislature adjourned until 9:00 a.m., Tuesday, March 8, 2016.

> Patrick J. O'Donnell Clerk of the Legislature

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