[LB47 LB89A LB89 LB137A LB197 LB268 LB323 LB324 LB356 LB367 LB382A LB405 LB420 LB437 LB465A LB498 LB554 LB619 LB623 LR110 LR111 LR112 LR120 LR121 LR122 LR123 LR124 LR125 LR126]

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: GOOD MORNING, LADIES AND GENTLEMEN. WELCOME TO THE GEORGE W. NORRIS CHAMBER FOR THE FORTY-SEVENTH DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. OUR CHAPLAIN FOR TODAY IS PASTOR EDWIN ANDERSON OF THE GOOD SHEPHERD BAPTIST CHURCH, OMAHA, NEBRASKA, SENATOR KOLOWSKI'S DISTRICT. PLEASE RISE.

PASTOR ANDERSON: (PRAYER OFFERED.)

SPEAKER HADLEY: THANK YOU. I CALL TO ORDER THE FORTY-SEVENTH DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. SENATORS, PLEASE RECORD YOUR PRESENCE. ROLL CALL. MR. CLERK, PLEASE RECORD.

ASSISTANT CLERK: THERE IS A QUORUM PRESENT, MR. PRESIDENT.

SPEAKER HADLEY: THANK YOU, MR. CLERK. ARE THERE ANY CORRECTIONS FOR THE JOURNAL?

ASSISTANT CLERK: NO CORRECTIONS THIS MORNING.

SPEAKER HADLEY: THANK YOU. ARE THERE ANY MESSAGES, REPORTS, OR ANNOUNCEMENTS?

ASSISTANT CLERK: THERE ARE, MR. PRESIDENT. COMMUNICATION FROM THE GOVERNOR REGARDING APPOINTMENTS AND REAPPOINTMENTS TO THE CLIMATE ASSESSMENT RESPONSE COMMITTEE. NEW RESOLUTIONS: LR120 AND LR121 FROM SENATOR HUGHES. THOSE WILL BE LAID OVER. AND AMENDMENTS TO BE PRINTED TO LB268 FOR SENATOR McCOY. THAT'S ALL I HAVE. (LEGISLATIVE JOURNAL PAGES 893-895.) [LR120 LR121 LB268]

SPEAKER HADLEY: WHILE THE LEGISLATURE IS IN SESSION AND CAPABLE OF TRANSACTING BUSINESS, I PROPOSE TO SIGN AND DO HEREBY SIGN LR110,

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LR111, LR112. MR. CLERK, NOW PROCEED WITH THE AGENDA. [LR110 LR111 LR112]

ASSISTANT CLERK: MR. PRESIDENT, LB324, INTRODUCED BY SENATOR McCOLLISTER. (READ TITLE.) THE BILL WAS READ FOR THE FIRST TIME ON JANUARY 15. IT WAS REFERRED TO THE URBAN AFFAIRS COMMITTEE. THAT COMMITTEE PLACED THE BILL ON GENERAL FILE WITH COMMITTEE AMENDMENTS. THE BILL WAS CONSIDERED BRIEFLY YESTERDAY AT WHICH TIME SENATOR McCOLLISTER HAD OPENED, AND SENATOR CRAWFORD HAD OPENED ON THE COMMITTEE AMENDMENTS. (AM662, LEGISLATIVE JOURNAL PAGE 746.) [LB324]

SPEAKER HADLEY: THANK YOU, MR. CLERK. SENATOR McCOLLISTER, YOU'RE RECOGNIZED TO OPEN BRIEFLY TO BRING US UP ON LB324. [LB324]

SENATOR McCOLLISTER: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. WE ADJOURNED YESTERDAY AND WERE DISCUSSING LB324. I'D LIKE TO REMIND MY COLLEAGUES ABOUT THE PURPOSE OF THIS BILL. LB324 WOULD EXPAND THE POWERS OF THE SANITARY IMPROVEMENT DISTRICTS, OR SIDS. TO ADD THE AUTHORITY TO MAKE CONTRACTS FOR SOLID WASTE REMOVAL SERVICES. THERE ARE 325 SIDS IN NEBRASKA. SIDS ONLY HAVE SPECIFIC POWERS GRANTED TO THEM IN STATUTE BY THE LEGISLATURE. SINCE 1949, THE STATUTES THAT PERTAIN TO SIDS HAVE BEEN AMENDED AT LEAST 15 TIMES. AND NOW SIDS HAVE APPROXIMATELY 14 ENUMERATED POWERS AS OUTLINED IN SECTION 31-727 OF OUR STATE LAWS. CURRENT STATE LAW DOES NOT CLEARLY AUTHORIZE SIDS TO ENTER CONTRACTS FOR SOLID WASTE REMOVAL SERVICES. LB324 WOULD ADD THAT AUTHORITY TO THE LIST OF ENUMERATED POWERS. THIS AUTHORITY WOULD MAKE IT POSSIBLE FOR AN SID TO OFFER A NEIGHBORHOODWIDE SOLID WASTE REMOVAL SERVICE TO INCLUDE RECYCLABLE MATERIALS AND IMPROVE THE QUALITY OF LIFE FOR ITS RESIDENTS. THANK YOU, MR. PRESIDENT, AND I WOULD ENCOURAGE YOUR GREEN VOTE FOR LB324. [LB324]

SPEAKER HADLEY: SENATOR CRAWFORD, YOU ARE RECOGNIZED TO HAVE A SHORT OPENING ON URBAN AFFAIRS AM662. [LB324]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AM662 INCLUDES A CHANGE IN LB324 TO ADDRESS CONCERNS THAT WERE RAISED BY THE MUNICIPALITIES THAT CAME TO SPEAK IN OPPOSITION AT THE HEARING. AND SO WE WORKED

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WITH THEM TO ADDRESS THEIR CONCERNS, AND ONE OF THE NOTABLE CHANGE THERE IS TO ENSURE THAT ONCE AN SID IS ANNEXED, THAT GARBAGE CONTRACT ENDS. SO THAT WAS A KEY ISSUE THAT WE ADDRESSED WITH THE AMENDMENTS TO LB324 IN AM662. AM662 ALSO INCORPORATES TWO SID BILLS THAT WERE DISCUSSED BY THE COMMITTEE FOR WHICH THERE WAS NO OPPOSITION AT THE HEARING AND WHICH ADVANCED OUT OF THE COMMITTEE UNANIMOUSLY. AND THE DETAILS OF WHAT THOSE TWO BILLS DO WAS INTRODUCED YESTERDAY, AND THEY'RE ALSO ON THE HANDOUTS THAT YOU HAVE ON YOUR DESK. SO, AGAIN, WE HAD AN SID INTERIM STUDY, AND THESE BILLS WERE SOME OF THE ISSUES THAT CAME OUT OF THAT INTERIM STUDY, AND THEY ADVANCED UNANIMOUSLY AND HAD NO OPPOSITION AT THE HEARING. THE OTHER TWO BILLS THAT ARE INCORPORATED WITH AM662, AND THOSE ARE LB197 AND LB420. [LB324 LB197 LB420]

SPEAKER HADLEY: MR. CLERK. [LB324]

ASSISTANT CLERK: MR. PRESIDENT, SENATOR McCOY WOULD MOVE TO AMEND THE COMMITTEE AMENDMENTS WITH AM919. (LEGISLATIVE JOURNAL PAGE 896.) [LB324]

SPEAKER HADLEY: SENATOR McCOY, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB324]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. GOOD MORNING, MEMBERS. WHAT MY AMENDMENT WOULD DO, AND IT'S FAIRLY SIMPLE IN NATURE, I REALLY THINK FOR THIS BILL TO ADVANCE FORTH, I HAVE A CONCERN OVER THE SOLID WASTE COMPONENT. ONE OF THE THREE BILLS HERE. WHICH I THINK WAS THE UNDERLYING ... KIND OF A PARENT BILL HERE. I WANT TO MAKE CERTAIN SURE THAT THOSE IN AN SID--MY FAMILY HAPPENS TO BE ONE OF THEM IN A SANITARY AND IMPROVEMENT DISTRICT--HAVE THE OPTION TO NOT PARTICIPATE. AGAIN, TO HAVE THE OPTION TO NOT PARTICIPATE IN THE TAXES PLACED ON THEM FOR SOLID WASTE SERVICES AND ALSO THE MANDATE IN ORDER TO HAVE THAT HAPPEN. LET ME EXPLAIN TO YOU, AND I THINK I HAVE THE VAST PREPONDERANCE OF THE SANITARY AND IMPROVEMENT DISTRICTS IN MY LEGISLATIVE DISTRICT. I THINK SENATOR MURANTE HAS SOME AS WELL AS DOES SENATOR KRIST. THERE MAY BE OTHERS, BUT I THINK THE THREE OF US, MYSELF BEING PROBABLY THE LARGEST AMOUNT OF THEM IN MY DISTRICT. SO THIS IS AN ISSUE THAT'S VERY IMPORTANT NOT ONLY TO ME BUT TO THE MEMBERS OF MY DISTRICT. AND LET ME EXPLAIN TO YOU HOW THIS WORKS.

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SANITARY IMPROVEMENT DISTRICTS, OUR ENTIRE SUBDIVISION, ALMOST 400 HOMES. YOU PROBABLY HAVE AT ANY GIVEN TIME AT LEAST TEN DIFFERENT TRASH COMPANIES OR RECYCLING COMPANIES THAT HAVE CUSTOMERS IN OUR NEIGHBORHOOD. IF YOU GO AROUND OUR NEIGHBORHOOD, AND THERE'S FOLKS THAT HAVE THEIR TRASH CARTS OR THEIR RECYCLE CARTS OUT ON THE DRIVEWAY FIVE DAYS A WEEK, WHICH IS FINE. SOME WOULD SAY WE WOULD LIKE EVERYTHING TO BE ONE DAY SO IT LOOKS PRETTY AROUND THE NEIGHBORHOOD. BUT LET ME EXPLAIN TO YOU WHY I THINK FOR PURPOSES OF FREE ENTERPRISE THAT IT'S IMPORTANT THAT WE HAVE THE ABILITY FOR FOLKS TO NOT PARTICIPATE IN THIS. THIS IS NOT IN ANY WAY, SHAPE, OR FORM TO DENIGRATE THOSE WHO CONTRACT WITH THE CITY OF OMAHA FOR TRASH SERVICES. BUT I WILL TELL YOU AS I ALSO REPRESENT A GOOD CHUNK OF MY DISTRICT THAT'S IN THE CITY OF OMAHA, THERE ARE MANY WHO BELIEVE THAT THE TRASH AND RECYCLING SERVICES ARE NOT AT THE LEVEL THAT THEY WERE PRIOR TO BEING PART OF THE CITY OF OMAHA AND THE SERVICE, THE COMPANY THAT DOES BUSINESS WITH THEM. YOUR RECYCLING IS MUCH DIFFERENT. YOU'RE MANDATED TO HAVE A SMALL RECYCLING BIN. YOU CAN ONLY HAVE CERTAIN TYPES OF TRASH CANS. IT'S VERY STRICTLY...THERE'S A STRICT CODE BY WHICH YOU HAVE TO ABIDE BY. IN THE FREE ENTERPRISE SYSTEM THAT HAPPENS IN SANITARY AND IMPROVEMENT DISTRICTS, THESE COMPANIES...MR. PRESIDENT, IF YOU MAY, COULD I HAVE A GAVEL, PLEASE? [LB324]

SPEAKER HADLEY: WOULD YOU PLEASE TAKE YOUR CONVERSATIONS UNDER THE BALCONIES IF YOU WOULD, PLEASE, IN DEFERENCE TO THE SPEAKER. [LB324]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. IN THE FREE ENTERPRISE SYSTEM WHICH YOU HAVE TODAY IN SANITARY AND IMPROVEMENT DISTRICTS, YOU HAVE TRASH SERVICE AND RECYCLE SERVICE COMPANIES THAT WANT TO EARN ADDITIONAL BUSINESS BESIDES THE BUSINESS THEY HAVE. THEY ARE VERY MOTIVATED TO DO A REALLY GOOD JOB AND TO PROVIDE SERVICES THAT MAY NOT BE OFFERED BY OTHER COMPANIES. LET ME GIVE YOU AN EXAMPLE. WE HAVE A RECYCLE BANK, RECYCLING PART OF OUR PHONE FAMILY SERVICE. WE CAN ACCRUE POINTS THAT OUR KIDS GET TO USE. WE ENCOURAGE THEM TO RECYCLE. IT'S PERFECT FOR OUR KIDS. WE ENCOURAGE THEM NOT TO THROW THINGS IN THE TRASH. WE ENCOURAGE THEM TO RECYCLE THINGS. THEY CAN KEEP POINTS. WE CAN EARN PRIZES TO REDEEM. THAT MAY NOT BE AN OPTION IF YOU HAVE CONTRACT, BULK TRASH SERVICE WITH AN SID. IT MAY BE AN OPTION, IT MAY NOT. THOSE ARE THE KINDS OF REASONS I THINK THIS

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AMENDMENT IS IMPORTANT, SO THIS BILL CAN MOVE FORWARD WITH ALLOWING FOLKS TO CHOOSE THEIR OWN SERVICE. WE CHOOSE TO LIVE OUTSIDE THE CITY OF OMAHA. WE ALWAYS HAVE. WE CHOOSE TO LIVE IN AN SID. WE CHOOSE TO CONTRACT WITH PEOPLE, WITH COMPANIES FOR TRASH SERVICE. I, FOR ONE, DON'T WANT TO LOSE THAT ABILITY NOR DO A LOT OF FOLKS IN MY DISTRICT. THAT'S THE REASON I BRING THIS AMENDMENT BEFORE YOU. THANK YOU, MR. PRESIDENT. [LB324]

SPEAKER HADLEY: SENATOR KRIST, YOU ARE RECOGNIZED. [LB324]

SENATOR KRIST: GOOD MORNING, MR. PRESIDENT. GOOD MORNING, COLLEAGUES, AND GOOD MORNING, NEBRASKA. I HAVE NOT IN ALL HONESTY LOOKED AT AM919. AND I UNDERSTAND SENATOR MCCOY'S POINTS, AND I ALSO HAVE HAD PHONE CALLS FROM THE SIDS IN MY DISTRICT AND SOME ... IN FACT, THE HOMEOWNERS ASSOCIATION IN THE SID THAT I LIVE IN. IT IS...ON THE FLIP-SIDE OF THE CONVERSATION, WE HAVE GARBAGE CANS FROM EVERY VENDOR EVERY DAY OF THE WEEK. THERE'S HARDLY ANY DAY THAT WE DON'T HAVE SOMEBODY WITH GARBAGE PICKUP ON MY BLOCK. IT GETS ... IT'S A LITTLE ANNOYING WHEN YOU HAVE THAT GOING ON ALL THE TIME. AND ALSO WITHIN THE SIDS, I WANT YOU TO UNDERSTAND THOSE ROADS ARE MAINTAINED IN SOME CASES BY THE SID OR BY THE COUNTY, IN OUR CASE. AND NOW COMPOUND THE NUMBER OF GARBAGE TRUCKS THAT COME UP YOUR STREET. INSTEAD OF ONE DAY A WEEK, IT'S FIVE DAYS A WEEK, AND THOSE ARE NOT LIGHT TRUCKS, AS YOU ALL KNOW. SO I THINK AN ARGUMENT CAN BE MADE ON BOTH SIDES. THE PROBLEM THOUGH, HISTORICALLY, COLLEAGUES, IS THERE ARE SOME SIDS THAT HAVE CONTRACTED FOR SOLID WASTE DISPOSAL AS AN SID BECAUSE THEIR LAWYERS WHO REPRESENT THEIR SID BELIEVE THAT THAT'S CURRENTLY IN STATUTE OR IN THE LAW RIGHT NOW. IT'S A VERY GRAY, GRAY AREA. SENATOR McCOLLISTER'S BILL AND THE URBAN AFFAIRS AMENDMENT THOUGHT THROUGH VERY CAREFULLY THE PROCESS OF ENABLING THE SID TO PUT IT LEGALLY--LEGALLY--TO CONTRACT FOR SOLID WASTE DISPOSAL. DO I THINK THAT ALL SIDS WILL CONTRACT? I DOUBT IT. I MEAN, THE FEEDBACK THAT I'VE SEEN OR HEARD FROM THE SIDS THAT I REPRESENT IS THAT THERE ARE SOME THAT ARE ABSOLUTELY SOLD ON THE FACT THAT THEY WANT TO HAVE ONE SERVICE TO MINIMIZE THE GARBAGE TRUCKS ON THE STREET, TO MINIMIZE THE NUMBER OF TIMES DURING THE WEEK THAT GARBAGE PICKUP IS EXECUTED IN THEIR AREA. AND THERE ARE OTHERS THAT SAY, AS SENATOR McCOY POINTS OUT, THAT IT HAS TO BE THE FREEDOM TO CONTRACT WITH INDIVIDUALS. SO WE MAY ACTUALLY HAVE FOUND AN ISSUE WHERE IT'S GOING TO PROTRACT A LITTLE BIT OF A DEBATE ON SIDS THIS MORNING. BUT IF YOU

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HAVEN'T MADE A PHONE CALL AND YOU REPRESENT AN SID, I WOULD ENCOURAGE YOU TO DO THAT BECAUSE THERE'S TWO SIDES TO THIS STORY. I FAVOR GIVING THE SIDS THE OPTION TO LEGALLY CONTRACT WITH ONE SHOULD THE PEOPLE IN THAT DISTRICT WANT TO DO THAT. I'LL LOOK VERY CAREFULLY AT AM919. I APPRECIATE SENATOR McCOY'S VIEWPOINTS ON THIS ONE, AND THIS IS NOT...FOR ME, THIS IS NOT A FALL-ON-YOUR-SWORD KIND OF DEBATE, BUT I THOUGHT YOU'D BE INTERESTED IN THE OTHER SIDE OF THE DISCUSSION. SO, THANK YOU, COLLEAGUES. [LB324]

SPEAKER HADLEY: (DOCTOR OF THE DAY AND VISITORS INTRODUCED.) SENATOR CRAWFORD, YOU'RE RECOGNIZED. [LB324]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. I WANT TO STRESS THAT THE LB324 AS AMENDED IN NO WAY REQUIRES ANY SID TO CONTRACT FOR SOLID WASTE REMOVAL. IT IS A CHOICE THAT THOSE SIDS WILL FACE. SO AS SENATOR KRIST HAS LAID OUT SOME OF THE ADVANTAGES OF AN SID, CHOOSING TO CONTRACT FOR SOLID WASTE DISPOSAL, SENATOR MCCOY HAS LAID OUT SOME OF THE ADVANTAGES OF HAVING EACH HOUSEHOLD MAKE THAT CHOICE, LB324 IN NO WAY GETS RID OF THE ABILITY OF AN SID TO DECIDE WHETHER OR NOT TO CONTRACT FOR THE SERVICE. BUT WHAT IT DOES DO IS IT PROVIDES A TOOL TO ALLOW THEM TO MAKE THE CHOICE TO DECIDE TO CONTRACT FOR THOSE SERVICES. I ALSO WANT TO STRESS THAT IT IN NO WAY INTERFERES WITH THE FREE MARKET COMPETITION AMONG WASTE COLLECTORS. IT SIMPLY IS THE CASE THAT THEY WOULD BE, IN SOME CASES, COMPETING FOR SID CONTRACTS, AND THAT WOULD BE A NEW MARKET FOR THEM IN TERMS OF HOW THEY CHOOSE TO RESTRUCTURE THEIR RECYCLING POINTS OR OTHER INCENTIVES. THEY WOULD BE CHOOSING TO DO SO AND COMPETING FOR SOME SID CONTRACTS, AND THOSE SIDS THAT CHOOSE TO GO THIS ROUTE AS WELL AS COMPETING FOR PERSONAL HOUSEHOLD CONTRACTS IN THOSE SIDS AND OTHER UNINCORPORATED AREAS THAT CHOOSE NOT TO DO SO. SO THAT COMPETITION, THOSE BUSINESSES, ARE ALIVE AND WELL. AND I WOULD SAY NONE OF THOSE BUSINESSES CAME TO US WITH ANY CONCERNS ABOUT THIS BILL. NO SID REPRESENTATIVES CAME TO US WITH ANY CONCERNS ABOUT THIS BILL. THE BILL IS REALLY INTENDED TO GIVE THEM MORE CHOICE, NOT TO TAKE AWAY A CHOICE. SO...AND, AGAIN, IN OUR DISCUSSIONS ALSO OVER THE INTERIM, THIS WAS ONE OF THE ISSUES WE TALKED ABOUT IN MULTIPLE CONVERSATIONS WITH PUBLIC STAKEHOLDERS, AND NO ONE RAISED A CONCERN ABOUT ALLOWING THIS AS A POSSIBLE OPTION, AGAIN, FOR SIDS. AND I HAVE MANY SIDS THAT I REPRESENT AS WELL, AND THAT NONE HAVE RAISED CONCERNS ABOUT ALLOWING THIS AS AN OPTION FOR SIDS. SID

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BOARDS ARE ELECTED, SO IF AN SID CHOOSES TO TAKE ADVANTAGE OF THIS CONTRACT AUTHORITY, THEY WOULD BE DOING SO BECAUSE THEIR ELECTED BOARD MADE THAT CHOICE. I ALSO WANT TO JUST BRING YOUR ATTENTION TO THE FIRST PAGE OF THE AMENDMENT AND LINES 5 THROUGH ABOUT 21, TELL YOU THOSE OTHER THINGS THAT AN SID CAN CONTRACT FOR. AND THIS JUST ADDS, CLARIFIES THAT SOLID WASTE COLLECTION IS ONE OF THOSE THINGS AN SID BOARD THAT IS ELECTED BY THE REPRESENTATIVES OF THAT SID MAY CHOOSE TO CONTRACT FOR, AGAIN, ONLY IF THEY CHOOSE TO DO SO. WE'RE NOT MANDATING IT. WE'RE JUST ALLOWING THAT AS AN OPTION TO ALLOW THE SID TO CHOOSE TO DO SO IF THE BOARD MEMBERS WISH TO DO SO. THANK YOU, MR. PRESIDENT. [LB324]

SPEAKER HADLEY: (VISITORS INTRODUCED.) SENATOR McCOLLISTER, YOU ARE RECOGNIZED. [LB324]

SENATOR McCOLLISTER: THANK YOU, MR. PRESIDENT. I RISE IN OPPOSITION TO AM919. THIS IN NO WAY IS A FREE ENTERPRISE ISSUE--IN NO WAY. THE ORIGINAL PURPOSE OF THE BILL, LB324, WAS TO ELIMINATE THE AMBIGUITY IN THE STATUTE WITH REGARD TO SOLID WASTE. THERE ARE, AS I INDICATED, 14 OTHER ENUMERATED POWERS IN THE BILL CURRENTLY, AND THIS JUST GIVES THE SIDS THE OPTION TO DO A CONTRACT FOR SOLID WASTE. HOW DO THEY CONTRACT? THEY CAN DO IT ON A SUBSCRIPTION BASIS. THEY CAN DO IT ON A BLANKET BASIS. IT'S ENTIRELY AT THE DISCRETION OF THAT SID HOW THEY DO IT. AND THE SID IS AN ELECTED BOARD. IT'S A DEMOCRATIC BOARD. IF THEY DECIDE TO DO IT A CERTAIN WAY, THAT'S THEIR CALL. WE SIMPLY GIVE THEM THE AUTHORITY TO DEAL WITH IT IN THAT WAY. SO I WOULD RISE, AGAIN, IN OPPOSITION TO THE AMENDMENT, AND I'D YIELD THE BALANCE OF MY TIME TO SENATOR CRAWFORD. [LB324]

SPEAKER HADLEY: SENATOR CRAWFORD, YOU'RE YIELDED 3:50. [LB324]

SENATOR CRAWFORD: THANK YOU, MR. SPEAKER, AND THANK YOU, SENATOR McCOLLISTER, FOR CLARIFYING THOSE ISSUES. AGAIN, AM919 IS AN UNFRIENDLY AMENDMENT. IT WAS NOT DISCUSSED WITH THE COMMITTEE NOR THE INTRODUCER NOR THE PARTIES WHO HAVE BEEN NEGOTIATING THIS DEAL TO PROVIDE THIS OPTION FOR SIDS TO BE ABLE TO CONTRACT AND CLARIFY THAT THEY HAVE THE OPTION TO CONTRACT IN THIS AREA. THANK YOU. [LB324]

SPEAKER HADLEY: SENATOR McCOY, YOU ARE RECOGNIZED. [LB324]

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SENATOR McCOY: THANK YOU, MR. PRESIDENT. LET ME EXPLAIN, MEMBERS, A LITTLE BIT MORE ABOUT THIS BILL SO YOU UNDERSTAND A LITTLE MORE ABOUT WHERE WE'RE AT HERE. NOT ONLY DOES THIS ALLOW SIDS, SANITARY IMPROVEMENT DISTRICTS, TO CONTRACT WITH BULK WASTE REMOVAL, BUT IT ALLOWS THEM TO TAX FOR THAT AS WELL. SO YOU HEAR SENATOR CRAWFORD. YOU HEAR SENATOR MCCOLLISTER TALK ABOUT HOW THIS IS NOT A MANDATE. IT VERY MUCH IS ON THE INDIVIDUAL PROPERTY OWNER. LET ME EXPLAIN WHY. BECAUSE WHILE THEY ARE CORRECT THAT THE SID BOARDS ARE DEMOCRATICALLY ELECTED, AS WE ALL KNOW, DON'T DISPUTE THAT FOR A MINUTE, THIS DOES REQUIRE THE HOMEOWNER. YOU THEN, IF YOUR SID, WHETHER YOU CHOSE AND YOU COULD CERTAINLY VOTE FOR YOUR BOARD OF DIRECTORS FOR THE SID, BUT THOSE DIRECTORS HAVE ALREADY BEEN ELECTED. SO IF AN SID BOARD CHOSE TO GO THIS ROUTE, INDIVIDUAL PROPERTY OWNERS DON'T HAVE AN OPTION HERE, MEMBERS, ON PAYING THE ADDITIONAL OR ALLOWING THAT TAX TO COVER THIS TRASH SERVICE. THEY COULD STILL CHOOSE, I SUPPOSE, TO USE ANOTHER TRASH SERVICE FOR THEIR DISPOSAL NEEDS, BUT THEY WOULD STILL BE PAYING THE TAXES THAT ARE BEING ABLE TO USE BY THE SID. LET ME STATE THAT AGAIN BECAUSE I DON'T THINK YOU'VE HEARD SENATOR McCOLLISTER OR SENATOR CRAWFORD ARTICULATE THIS YET, AND MAKE SURE THE MEMBERS UNDERSTAND WHERE WE'RE AT HERE. IT ALLOWS SANITARY IMPROVEMENT DISTRICTS TO USE PART OF THEIR TAXING AUTHORITY AS...FOR THIS SERVICE NOW. SO YOU'RE GOING TO PAY THE TAXES WHETHER YOU CHOOSE OR WOULD WANT THIS CONTRACT SERVICE IN YOUR SID OR NOT. THAT'S WHAT I HAVE AN ISSUE WITH. THERE ARE REASONS THAT PEOPLE CHOOSE TO LIVE IN SANITARY AND IMPROVEMENT DISTRICTS, FOR A WHOLE VARIETY OF REASONS. IF SOMEONE WANTS TO LIVE WITHIN CITY LIMITS, THEY CERTAINLY CAN. BUT WE ... THOSE OF US WHO LIVE IN SANITARY IMPROVEMENT DISTRICTS, WE DON'T HAVE THE ABILITY TO VOTE FOR CITY ELECTIONS, THERE ARE A WHOLE HOST OF THINGS THAT WE CANNOT DO. ONE OF THEM THAT WE CAN DO AND WE ARE RESPONSIBLE FOR PAYING FOR IS FOR BULK TRASH DISPOSAL, WASTE DISPOSAL, AND LAWN CLIPPINGS, AND RECYCLING, AND ALL THAT, ANYTHING THAT WE SO CHOOSE. THIS AMENDMENT IS NOT AN UNFRIENDLY AMENDMENT, CONTRARY TO WHAT SENATOR CRAWFORD JUST SAID TO YOU. IT MERELY SAYS IT ALLOWS PEOPLE TO BE ABLE TO CHOOSE THEIR OWN TRASH SERVICE, INDIVIDUAL PROPERTY OWNERS. THE SIDS CAN STILL GO FORTH AND PROSPER AND CONTRACT FOR THIS SERVICE, BUT IT ALLOWS INDIVIDUAL PROPERTY OWNERS TO OPT OUT OF THAT. IT VERY MUCH IS A MANDATE ON INDIVIDUAL PROPERTY OWNERS IF THIS BILL ADVANCES AS IT IS CURRENTLY WRITTEN WITHOUT AM919. THAT IS THE NATURE OF THE AMENDMENT. THAT'S WHY I PUT IT ON. WE DON'T USUALLY GO

ABOUT PUTTING MANDATES ON HOMEOWNERS THAT INVOLVE THEIR TAXES VERY OFTEN IN THIS BODY WITHOUT CAREFUL CONSIDERATION, AND THAT'S WHAT THIS BILL DOES, WITHOUT AM919, AND THAT'S WHY I BRING IT FORTH TO YOU. THANK YOU. [LB324]

SPEAKER HADLEY: THOSE IN THE QUEUE ARE SENATORS CRAWFORD, SCHNOOR, MURANTE, AND McCOLLISTER. SENATOR CRAWFORD, YOU'RE RECOGNIZED. [LB324]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AGAIN, THE ISSUE HERE IS TO ALLOW THE SIDS WHICH HAVE AN ELECTED BOARD THE CHOICE TO CLARIFY THAT THEY ARE ABLE TO CONTRACT FOR SOLID WASTE DISPOSAL SERVICES. AND, AGAIN, IT'S AN ELECTED BOARD, AND WE ALLOW THEM TO CONTRACT FOR SEVERAL OTHER VERY BASIC SERVICES, AND THOSE ARE LAID OUT IN THE FIRST PAGE OF THE AMENDMENT, THE WHITE COPY OF THE AMENDMENT. YOU CAN SEE THOSE THINGS THAT ARE LAID OUT. IT IS IMPORTANT THAT WE ALLOW THESE SIDS THE FLEXIBILITY IN HOW THEY WANT TO CONTRACT FOR THOSE SERVICES. SO IT IS VERY IMPORTANT THAT WE DEFEAT AM919 BECAUSE IT TRIES TO TELL SIDS THAT THE ONLY WAY THEY CAN CONTRACT FOR THESE SERVICES IS IN A VERY SPECIFIC, MANDATED WAY. AND SO, AGAIN, LB919 (SIC--AM919) IS AN UNFRIENDLY AMENDMENT. IT GETS IN THE WAY OF THE FLEXIBILITY OF THE SID BOARD TO DECIDE WHAT'S BEST FOR THE MEMBERS OF THEIR OWN SID, AS THEY MAKE THE CHOICE ABOUT WHETHER TO ENTER THIS CONTRACT AND HOW THEY STRUCTURE THE CONTRACT WITH THEIR MEMBERS. AND SO AM919 TRIES TO MICROMANAGE THAT AND SAY THEY CAN ONLY DO IT IF THEY DO IT IN A VERY SPECIFIC WAY. AND WE WOULD PREFER, I THINK IT'S A BETTER PRINCIPLE, THAT THE SOLID WASTE COLLECTION IS IN STATUTE, AS ALL THOSE OTHER CONTRACT SERVICES ARE. SO YOU SEE THE WHOLE LIST OF THOSE SERVICES FOR WHICH THEY CAN CONTRACT THAT ARE IN PAGE 1 OF THE STATUTE. LB324 IS AMENDING THIS STATUTE SIMPLY BY CLARIFYING THAT ON THAT LIST, THAT INCLUDES SOLID WASTE COLLECTION, AND IT SHOULD BE KEPT IN STATUTE AND CONSISTENT WITH THOSE OTHER SERVICES FOR WHICH AN SID IS ABLE TO CONTRACT. YOU JOIN THE SID AND YOU ARE A MEMBER OF THAT SID. THE LB420 THAT'S AMENDED INTO THIS BILL WILL MAKE SURE THAT WHEN HOMEOWNERS PURCHASE THAT HOME, THEY KNOW THEY ARE IN AN SID AND WHAT THAT MEANS, AND THAT PART OF BEING IN THE SID IS BEING ABLE TO CONTRACT FOR SOME VERY BASIC SERVICES, AND THIS CLARIFIES THAT THAT INCLUDES SOLID WASTE COLLECTION. THANK YOU, MR. PRESIDENT. [LB324 LB420]

SPEAKER HADLEY: SENATOR SCHNOOR, YOU'RE RECOGNIZED. [LB324]

SENATOR SCHNOOR: THANK YOU, SIR. AT THE REQUEST OF SENATOR McCOLLISTER, WHO IS GOING TO BE LAUGHING...WELL, FIRST UP, I'VE NEVER HEARD OF A SANITARY IMPROVEMENT DISTRICT, SO IT NEVER CEASES TO AMAZE ME THE THINGS THAT WE TALK ABOUT HERE. BUT I ASKED SENATOR McCOLLISTER, I SAID, WELL, HERE'S HOW WE DO IT ON THE FARM. I SAID, YOU TAKE A BACKHOE AND YOU DIG A HOLE BEHIND YOUR GROVE AND THAT'S WHERE YOU DUMP YOUR TRASH. CAN YOU DO THAT? AND HE KIND OF LAUGHED. (LAUGHTER) SO I JUST WANTED TO ADD A LITTLE LEVITY TO THE SITUATION. SO THANK YOU. THAT'S ALL I WANTED. [LB324]

SPEAKER HADLEY: SENATOR MURANTE, YOU'RE RECOGNIZED. [LB324]

SENATOR MURANTE: THANK YOU, MR. PRESIDENT, MEMBERS. GOOD MORNING. I RISE IN SUPPORT OF AM919 AS WELL AS THE UNDERLYING BILL. AND I WANTED TO ADD ONE...IT'S BEEN STATED THAT THE BOARDS FOR SANITARY AND IMPROVEMENT DISTRICTS ARE ELECTED, AND THAT IS TRUE. BUT THEY...SANITARY AND IMPROVEMENT DISTRICT BOARDS, AS DO IRRIGATION DISTRICT BOARDS, HAVE A COMMONALITY, IN THAT THERE ISN'T ONE PERSON, ONE VOTE, DOES NOT APPLY. EVERY REGISTERED VOTER, AS SENATOR STINNER KNOWS IN A BILL THAT HE HAS BEFORE THE GOVERNMENT, MILITARY AND VETERANS AFFAIRS COMMITTEE, VOTES TO ELECT THE BOARD ARE NOT DONE ON A REGISTERED VOTER BASIS. THEY AREN'T DONE BY A WILL OF THE MAJORITY, AS EVERY OTHER POLITICAL SUBDIVISION IS ELECTED. PROPERTY OWNERS ARE THE ONES WHO GET VOTES. IF YOU DON'T OWN PROPERTY AND YOU LIVE IN THE SID, YOU DO NOT GET TO VOTE. AND, ACCORDINGLY, WE NEED TO BE MUCH MORE COGNIZANT OF THE WILL OF THE MINORITY IN THE SANITARY AND IMPROVEMENT DISTRICTS SO THAT WE'RE NOT RAMMING THINGS DOWN THEIR THROATS, BECAUSE THERE ARE GOING TO BE PEOPLE WHO LIVE IN THESE SANITARY AND IMPROVEMENT DISTRICTS WHO BY VIRTUE OF THE FACT THAT THEY DON'T OWN PROPERTY, THEY DON'T GET TO VOTE FOR WHO'S ON THE BOARD. I THINK WHAT SENATOR MCCOY HAS DONE ADDS A LEVEL OF TRANSPARENCY THAT YOU CAN'T JUST FOLD IT IN TO A TAX AND THERE NEEDS TO BE A SEPARATE LINE ITEM. I THINK THAT MAKES SENSE SPECIFICALLY BECAUSE WE ARE TALKING ABOUT A POLITICAL SUBDIVISION HERE, WHICH IS UNIQUE, AND THEIR METHOD OF ELECTION IS VERY, VERY DIFFERENT FROM OTHER POLITICAL SUBDIVISIONS. I STAND IN SUPPORT OF WHAT HE DOES FOR THE REASONS THAT I HAVE OUTLINED AND ENCOURAGE YOUR SUPPORT AS WELL. THANK YOU, MR. PRESIDENT. [LB324]

SPEAKER HADLEY: SENATOR McCOLLISTER, YOU ARE RECOGNIZED. [LB324]

SENATOR McCOLLISTER: THANK YOU, MR. PRESIDENT, ONCE AGAIN. I'D LIKE TO MENTION THAT THE AMENDMENT, AM919, YOU KNOW, GUTS THE BILL. AND THIS BILL WAS A PROCESS OF A LONG, DRAWN-OUT INVOLVEMENT BY MANY PARTIES. THE SID GROUPS, THE CITIES, INVOLVED THE CITIES OUTSIDE OF OMAHA, SO THIS AMENDMENT TOTALLY VIOLATES WHAT WE'RE TRYING TO DO IN THIS BILL. AND I WOULD HOPE THAT YOU'LL DEFEAT IT. SECONDLY, WHEN SENATOR MURANTE TALKS ABOUT REPRESENTATION, IT'S ALL AND GOOD, BUT IT'S ONLY THOSE PEOPLE RESIDING IN THAT SID THAT ARE INTIMATELY INVOLVED IN THE TAXATION. SO IT'S ENTIRELY PROPER, TO MY WAY OF THINKING, THAT THEY SHOULD BE THE ONES ON VOTE WHETHER OR NOT THEY HAVE A GARBAGE SERVICE AT ALL OR WHETHER THEY HAVE STREET LIGHTING. THAT'S PART OF THE CHARGE THAT THOSE SID DIRECTORS HAVE. FINALLY, I'D ASK SENATOR KOLOWSKI, HE'S GOT SOME UNIQUE OBSERVATIONS ON SIDS THAT I'D ASK HIM TO RESPOND TO, AND I'D ASK FOR TIME....MY TIME FOR HIM, SO. [LB324]

SPEAKER HADLEY: YOU'RE YIELDING THE REST OF YOUR TIME TO HIM? [LB324]

SENATOR McCOLLISTER: YES, I AM. [LB324]

SPEAKER HADLEY: OKAY. SENATOR KOLOWSKI, YOU'RE YIELDED 3:37. [LB324]

SENATOR KOLOWSKI: THANK YOU, MR. CHAIRMAN, AND THANK YOU, SENATOR McCOLLISTER. HAVING LIVED IN AN SID FOR ABOUT 28 OF THE LAST 30 YEARS, WE WERE ANNEXED AROUND THE LAKE ZORINSKY AREA ABOUT TWO YEARS AGO. AND IN THAT TIME, I CAN HONESTLY SAY I DON'T THINK MANY PEOPLE EVEN KNOW WHO THEIR SID REPS ARE. IT'S NOT A LARGE ISSUE THAT PEOPLE GET INTO, BUT THEY DO TAX AND THEY DO FIX OUR ROADS AND THEY DO KEEP THINGS UP IN THAT WAY. WE DID NOT HAVE A GARBAGE PICKUP ISSUE IN OUR PARTICULAR AREA BECAUSE EVERYONE INDEPENDENTLY CONTRACTED WITH EITHER, IT COULD BE GRETNA OR PAPILLION SERVICES OR ANOTHER SERVICE TO HAVE TRASH PICKED UP. IF THERE WAS A COMMON PICKUP DATE AND COMPANY THAT YOU'RE WORKING WITH, THAT DOES NOT EXCLUDE A SINGLE FAMILY FROM ALSO HAVING A SECOND PICKUP ANY DAY OF THE WEEK IF THEY SO DESIRED. SO WHEN YOU TALK ABOUT TRAFFIC ON THE STREETS AND ALL THE REST, I HAVE NEIGHBORS THAT WE HAVE THREE OR...I THINK, TWO OR THREE DAYS A WEEK THAT WE HAVE DIFFERENT PICKUPS IN A NINE...EXCUSE ME, A SIX-

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HOUSE CUL-DE-SAC JUST IN ONE PART OF OUR NEIGHBORHOOD THAT HAS A LOT OF TRAFFIC AND DIFFERENT THINGS THAT ARE PICKED UP IN DIFFERENT WAYS. PEOPLE HAVE DIFFERENT BEHAVIORS, DIFFERENT HABITS. IF YOU'RE A HEAVY GARDENER OR YOU HAVE A LOT OF THINGS THAT GET PICKED UP IN DIFFERENT WAYS, YOU NEED MORE UNRESTRICTED WEIGHT OR VOLUME OF CERTAIN THINGS, AS FAR AS BAGS USED OR WHATEVER ELSE. THEY VARY. AND SO YOU HAVE LOTS OF DIFFERENT CHOICES THAT ARE AVAILABLE TO YOU. AND IF AN SID WOULD DESIRE TO HAVE A COMMON PICKUP SERVICE THAT EVERYONE WOULD ADHERE TO, THEY CERTAINLY HAVE A RIGHT TO DO THAT. BUT THEY CAN ALSO GO BEYOND THAT INDIVIDUALLY AND HAVE MORE CHOICES IN THEIR PARTICULAR AREA. ADDITIONAL SERVICES FROM AN SID BOARD, I THINK IT'S IMPORTANT FOR AN SID BOARD TO COMMUNICATE WITH THEIR PATRONS WITHIN THE TAXING AREA THAT THEY SERVE. THE BIGGEST CONCERN USUALLY ON A YEARLY BASIS WOULD BE THE ROADS WITHIN THE AREA. MAINTAINING THE ROADS, KEEPING THOSE UP, GETTING NEW CONCRETE POURED EVERY SUMMER WHERE THERE'S A BAD SPOT OR MORE. AND KEEPING THE ROADS IN GREAT SHAPE BECAUSE OF THE ISSUES OF WEATHER AND ACCESS INTO THE ... [LB324]

SPEAKER HADLEY: ONE MINUTE. [LB324]

SENATOR KOLOWSKI: ...SUBDIVISIONS THAT WE LIVE IN. SO THAT'S A LITTLE OF MY INSIGHTS AT THIS PRESENT TIME. THANK YOU, MR. CHAIRMAN. [LB324]

SPEAKER HADLEY: SENATOR McCOY, YOU'RE RECOGNIZED, AND THIS IS YOUR SECOND TIME. [LB324]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. WOULD SENATOR CRAWFORD YIELD, PLEASE? [LB324]

SPEAKER HADLEY: WOULD SENATOR CRAWFORD YIELD TO A QUESTION? [LB324]

SENATOR CRAWFORD: YES. [LB324]

SENATOR McCOY: THANK YOU, SENATOR. YOU HAD MENTIONED IN YOUR LAST TIME AT THE MICROPHONE THAT THIS BILL TAKES AWAY AND HANDCUFFS THE SIDS. IN WHAT WAY? [LB324]

SENATOR CRAWFORD: I DIDN'T HEAR WHAT YOU SAID. I'M SORRY. [LB324]

SENATOR McCOY: YOU HAD SAID ON YOUR LAST TIME ON THE MICROPHONE THAT MY AMENDMENT, AM919, HANDCUFFS THE SIDS. IN WHAT WAY, IN YOUR OPINION? [LB324]

SENATOR CRAWFORD: IN THE SENSE THAT IT REQUIRES THAT IF THEY CONTRACT FOR TRASH SERVICES THAT THEY MUST DO THAT ON A SEPARATE BILLING PROCESS, AS I UNDERSTAND YOUR AMENDMENT. [LB324]

SENATOR McCOY: AND HOW WOULD THAT HANDCUFF THEM? THAT COULD EASILY BE DONE. IT MERELY SAYS THEY CAN'T USE THEIR TAXING AUTHORITY TO DO THAT. IN WHAT WAY WOULD THAT HANDCUFF THEM? THEY COULD EASILY DO THAT IN THE SAME WAY THAT A HOMEOWNERS ASSOCIATION MAY REQUIRE FOLKS TO PAY HOMEOWNERS ASSOCIATION DUES. IT'S A PART OF LIVING IN SUCH A HOMEOWNERS ASSOCIATION, THE SAME AS IT'S A PART OF AN SID. HOW DOES THAT HANDCUFF THEM? [LB324]

SENATOR CRAWFORD: AGAIN, IT'S JUST PUTTING A RESTRICTION ON HOW THEY CAN ENTER INTO THAT CONTRACT AND HOW THEY WORK WITH THEIR MEMBERS ON THAT CONTRACT, AND A RESTRICTION THAT WE DON'T PUT IN THE STATUTE FOR ANY OTHER CONTRACT AUTHORITY THAT WE GIVE THEM. YOU'LL SEE ON PAGE 1 OF THE AMENDMENT ALL THESE OTHER, AGAIN, LIMITED BUT EXTENSIVE LIST OF THE CONTRACTING AUTHORITIES WE GIVE AN SID, AND WE DON'T REQUIRE THESE ADDITIONAL RESTRICTIONS ON HOW THEY CONTRACT AND WHAT CHOICE THE HOMEOWNERS HAVE ON ANY OTHER THOSE OTHER CONTRACTED AUTHORITIES. SO I SEE NO REASON TO OFFER IT FOR THIS SPECIFIC SERVICE. [LB324]

SENATOR McCOY: WELL, SENATOR, THE OTHER POWERS THAT WE GIVE SIDS ARE MUCH DIFFERENT. THEY'RE IN THE NATURE OF PUBLIC SAFETY AND STREETS. THEY'RE NOT IN THE NATURE OF SOMETHING THAT SOMEONE HAS A CHOICE ABOUT, AS IN TRASH SERVICE. CORRECT? [LB324]

SENATOR CRAWFORD: WE HAVE THE WHOLE LIST LISTS THOSE ISSUES THAT THEY ARE ENGAGED IN THAT THEY WOULD BE WORKING ON, AND I THINK THE ISSUE OF THE SIDS WHO CAME TO US AND TALKED TO US ABOUT THIS ISSUE WAS THAT GETTING SOLID WASTE COLLECTION PICKED UP IN THE SID WAS AN ISSUE WHERE THERE WERE SOME PUBLIC BENEFITS IF IT WERE DONE IN A

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COLLABORATIVE WAY. THEY MIGHT BE ABLE TO GET A CHEAPER PRICE IN TERMS OF CONTRACTING, AND ALSO THE PUBLIC BENEFIT TO THE SID COMMUNITY OF HAVING A SINGLE PICKUP FOR MOST OF THE TRASH. [LB324]

SENATOR McCOY: WELL, SENATOR I...AND I APPRECIATE THAT, BUT I THINK YOU...I WANT TO OUTLINE WHAT I'M SPEAKING OF HERE. YOU KNOW, WE'RE TALKING ABOUT THE OTHER POWERS THAT WE ALLOW SIDS TO USE THIS AUTHORITY AND USE THEIR TAXING AUTHORITY FOR WOULD BE INSTALLING A SEWER SYSTEM, WATER SYSTEM, SYSTEM OF PUBLIC ROADS, STREETS, AND HIGHWAYS, FIRE PROTECTION, POLICE AND SECURITY SERVICES. THOSE ARE MUCH DIFFERENT THAN TRASH SERVICE. AND THANK YOU, SENATOR CRAWFORD. [LB324]

SENATOR CRAWFORD: THANK YOU. [LB324]

SENATOR McCOY: YOU HAVE A SITUATION HERE WHERE...LET ME PRESENT A HYPOTHETICAL TO YOU, AND IT'S NOT JUST HYPOTHETICAL, BECAUSE IT EXISTS IN LARGE PART IN THESE SANITARY AND IMPROVEMENT DISTRICTS. SOMEONE LIVES IN AN APARTMENT, RENTS AN APARTMENT, LIVES IN AN SID. AS SENATOR MURANTE JUST PRESENTED TO YOU, THAT PERSON DOES NOT HAVE THE ABILITY TO VOTE FOR THEIR SID DIRECTORS. THEY ALSO DON'T PAY THE TAX ASSOCIATED WITH OWNING PROPERTY IN THAT SID. HOWEVER, AS ANYONE KNOWS IN THIS BODY WHO OWNS PROPERTY THAT YOU MAY USE AS A RENTAL PROPERTY, YOU'RE PROBABLY NOT GOING TO BEAR THE COST OF THAT YOURSELF. THAT'S GOING TO FACTOR INTO YOUR LEASE RATES, YOUR RENTAL AGREEMENTS WITH YOUR TENANTS. [LB324]

SPEAKER HADLEY: ONE MINUTE. [LB324]

SENATOR McCOY: THANK YOU, MR. PRESIDENT. SO LET ME PRESENT THAT SITUATION AGAIN TO YOU. THOSE INDIVIDUALS WHO LIVE IN AN SID BUT WHICH DON'T OWN PROPERTY IN AN SID, SENATOR SCHNOOR, TO YOUR POINT OF UNDERSTANDING A LITTLE MORE ABOUT SANITARY IMPROVEMENT DISTRICTS, CANNOT VOTE FOR LEADERSHIP IN AN SID. THEREFORE, THEY WILL HAVE NO SAY IN AN SID CHOOSING WHO THEY CONTRACT THEIR TRASH SERVICES WITH. THAT IS THE NATURE OF WHY I BRING AM919 TO YOU, BECAUSE I BELIEVE THAT THOSE INDIVIDUAL PEOPLE WHO OWN PROPERTY IN A DISTRICT SHOULD HAVE THE ABILITY TO CHOOSE. IF I OWN AN APARTMENT BUILDING IN AN SID, I PAY TAXES TO THAT SID. I SHOULD HAVE THE ABILITY TO USE THE SERVICE THAT I

CHOOSE FOR MY APARTMENT BUILDING IF I SO CHOOSE TO USE A CERTAIN SERVICE BECAUSE THEY HAVE A HIGHER LEVEL OF... [LB324]

SPEAKER HADLEY: TIME, SENATOR. SENATOR CRAWFORD, YOU'RE RECOGNIZED, AND THIS IS YOUR THIRD TIME. [LB324]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. ONE OF THOSE SERVICES THAT IS ALSO ON THAT LIST IS AN SID'S ABILITY TO CONTRACT FOR LIBRARY SERVICES, WHICH IS A LITTLE DIFFERENT THAN A STREET, AND WE HAVE MADE THAT PROVISION ALREADY. SO I JUST WANTED TO CLARIFY THAT. I MEAN. IT IS ALSO THE CASE THAT WE DO HAVE SEVERAL SIDS WHERE TENANTS IN RENTAL PROPERTIES DO HAVE VOTING RIGHTS, AND SO THAT ... I WANTED TO CLARIFY THAT FOR THE RECORD AS WELL. WHAT I MOSTLY WANTED TO STRESS IS, AS MANY OF YOU KNOW, COLLEAGUES, THE WORK OF LAWMAKING IS NOT JUST WHAT HAPPENS IN THIS ROOM. WHAT HAPPENS IN THIS ROOM IS VERY IMPORTANT, BUT THE WORK OF LAWMAKING, TO MAKE SURE WE'RE MAKING LAWS THAT WORK WELL ON THE GROUND AND THAT HAVE A CHANCE TO HAVE ADEQUATE DEBATE AND DISCUSSION, THAT WORK STARTS BEFORE WE GET HERE. AND IN THE CASE OF THESE ... THE LB324, THAT WORK STARTED OVER THE INTERIM IN MANY MEETINGS THAT WE HAD WITH PEOPLE WHO ARE ON THE MUNICIPAL SIDE AND THE COUNTY SIDE AND THE SID SIDE. ALL OF THESE ARE...AND PEOPLE WHO LIVE IN SIDS WHO ARE INVOLVED IN THOSE DISCUSSIONS. AND SO WE HAD MANY MEETINGS AND INVITED STAKEHOLDERS. WE REACHED OUT TO SID PRESIDENTS. SO WE REACHED OUT AND TRIED TO GET, YOU KNOW, ENGAGEMENT AND INVOLVEMENT OF SIDS IN THOSE DISCUSSIONS WE HAD OVER THE INTERIM BEFORE WE EVEN GOT TO THE SESSION. DURING THE SESSION, WE OBVIOUSLY HAD A HEARING ON LB324. AND THAT WAS A PUBLIC HEARING. AND WE HAD A COUPLE OF MUNICIPALITIES THAT CAME TO TALK ABOUT THEIR CONCERN THAT WE ADDRESSED IN THE AMENDMENT. BUT THERE WAS NO ONE WHO CAME TO THAT HEARING AND RAISED CONCERNS ABOUT MAKING SURE THAT IT WAS DONE IN A SEPARATE BILLING PROCESS OR RAISED CONCERNS ABOUT THE ISSUES THAT ARE ADDRESSED IN AM919. THAT WAS NOT RAISED AT THE HEARING. WE'VE ... YOU KNOW, I AM CHAIR OF URBAN AFFAIRS, AND SO YOU WOULD THINK IF THIS WAS AN ISSUE THAT WAS A CONCERN TO MANY IN SIDS THAT THEY WOULD HAVE CONTACTED OUR OFFICE. WE HAVE HAD NO CONTACT IN OUR OFFICE OF PEOPLE TELLING US THEY WERE CONCERNED ABOUT LB324 OR ASKING OR REQUESTING ANY AMENDMENT LIKE AM919. WE HAVE HAD NO CONTACTS. AND I DON'T BELIEVE SENATOR McCOLLISTER HAS ANY ... HAS HAD ANY PEOPLE CONTACTING HIM AS INTRODUCER OF THE BILL TO SUGGEST THAT A CHANGE AS IN AM919 WOULD BE

NECESSARY. SO I HAVE A QUESTION FOR SENATOR McCOY, IF HE WOULD YIELD. [LB324]

SPEAKER HADLEY: WOULD SENATOR McCOY YIELD? [LB324]

SENATOR McCOY: I WOULD. [LB324]

SENATOR CRAWFORD: THANK YOU. SENATOR McCOY, I JUST WONDERED IF YOU COULD TELL US WHO BROUGHT THIS CONCERN TO YOU THAT CAUSED YOU TO CRAFT AM919 AND INTRODUCE IT THIS MORNING? [LB324]

SENATOR McCOY: PROPERTY OWNERS IN MY LEGISLATIVE DISTRICT, SENATOR. [LB324]

SENATOR CRAWFORD: AND WHEN DID THEY CONTACT YOU? [LB324]

SENATOR McCOY: WITHIN THE LAST WEEK. [LB324]

SENATOR CRAWFORD: OKAY. AND WHO ARE THE...ARE THEY HOMEOWNER PROPERTY OWNERS? [LB324]

SENATOR McCOY: BOTH COMMERCIAL AND RESIDENTIAL PROPERTY OWNERS. [LB324]

SENATOR CRAWFORD: AND WHAT WOULD BE THE CONCERN OF COMMERCIAL PROPERTY OWNERS THAT'S RELEVANT TO AM919? [LB324]

SENATOR McCOY: WHAT I JUST DESCRIBED IN MY LAST TIME ON THE MICROPHONE, SENATOR. THE ABILITY FOR THEM TO NOW NOT HAVE THE ABILITY TO CHOOSE THE TRASH SERVICES FOR THEIR OWN PROPERTIES. [LB324]

SENATOR CRAWFORD: DID YOU RECOMMEND TO THEM THAT THEY CONTACT THE INTRODUCER OF THE BILL OR RECOMMEND TO THEM THAT THEY CONTACT LEGAL COUNSEL AND THE COMMITTEE CHAIR? [LB324]

SENATOR McCOY: WELL, IT'S FUNNY HOW THAT WORKS, SENATOR. [LB324]

SPEAKER HADLEY: ONE MINUTE. [LB324]

SENATOR McCOY: THEY CONTACTED ME BECAUSE I'M THEIR SENATOR. [LB324]

SENATOR CRAWFORD: THAT'S FINE. [LB324]

SENATOR McCOY: SO THAT IS THE LEGISLATURE, THAT IS THE LEGISLATIVE PROCESS. ORDINARILY VOTERS ACROSS THE STATE PROBABLY DON'T CALL A SENATOR ACROSS THE STATE OR EVEN ACROSS TOWN, THEY'RE GOING TO CALL THEIR OWN. [LB324]

SENATOR CRAWFORD: YES, BUT WHEN SOMEONE CONTACTS ME ABOUT A BILL, I TALK TO THEM AND TALK TO THE INTRODUCER AHEAD OF TIME. I ALSO ENCOURAGE THEM TO CONTACT...IF THEY HAVE QUESTIONS, TO CONTACT MEMBERS OF THE COMMITTEE OR CONTACT THE INTRODUCER. I WOULD NOT BRING AN AMENDMENT THE DAY OF THE BILL WITHOUT HAVING HAD THOSE CONVERSATIONS WITH THE SENATORS AND WITHOUT HAVING TALKED TO MY CONSTITUENTS ABOUT THE IMPORTANCE OF HAVING THOSE CONVERSATIONS WITH THEIR MEMBERS. THANK YOU, MR. PRESIDENT. [LB324]

SPEAKER HADLEY: SENATOR SCHUMACHER, YOU ARE RECOGNIZED. [LB324]

SENATOR SCHUMACHER: THANK YOU, MR. SPEAKER, MEMBERS OF THE BODY. I ACTUALLY SERVED ON AN SID BOARD, AND I FOUND OUT HOW YOU GET ELECTED TO AN SID BOARD. THEY SEND OUT THIS BALLOT, AND IT USUALLY HAS NO NAMES ON IT, SO IT'S ALL WRITE-IN, SO IF YOU WANT TO GET ELECTED TO THE SID BOARD, YOU MAKE SURE YOU HAVE A DOG WHO TAKES HIMSELF FOR A WALK AND VISITS A LOT OF YOUR NEIGHBORS' LAWNS, AND, BINGO, YOU GET ON THE SID BOARD. (LAUGHTER) THERE'S LIKE 300 OF THESE THINGS THROUGHOUT THE STATE AND PROBABLY NOT ONE SHOE FITS ALL OF THEM. BUT MOST OF THEM DON'T MEET VERY OFTEN. MOST OF THEM WERE ORGANIZED IN ORDER TO PUT IN A PAVED STREET, MAYBE A SEWER PIPE, MAYBE WATER, AND THAT'S ABOUT IT SO THEY DON'T MEET VERY OFTEN. THEY SURELY DON'T HAVE ANY STAFF, EXCEPT FOR THE LOCAL SID ATTORNEY, WHICH MOST OF THEM MAINTAIN AND WHOM THEY THINK CHARGES TOO MUCH. SO YOU DON'T WANT ANY ADDITIONAL BOOKKEEPING FOR SURE, BECAUSE THERE'S NOBODY TO TAKE THESE SEPARATE BILLS AND DO ANYTHING WITH THEM. AND YOU DON'T WANT TO PAY ANYBODY TO DO THAT. THESE ARE RATHER SMALL-TIME OPERATIONS IN MOST CASES. SO TO THE EXTENT THAT SENATOR McCOY'S

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AMENDMENT CREATES ADDITIONAL BOOKKEEPING AND HASSLE THAT YOU'RE JUST NOT EQUIPPED TO DO, IT IS A DOWNSIDE. IT DOES, HOWEVER, RAISE A GOOD SIDE, AND THE GOOD SIDE IS BECAUSE THESE ARE RATHER SMALL-TIME OPERATIONS IN MOST CASES, IF THEY HAVE THE AUTHORITY TO BIND THE WHOLE SID AND HIRE ONE GARBAGE COLLECTOR AND SINCE LIFE IS WHAT IT IS. THERE MAY BE A LOT OF BUDDY-BUDDY DEALS MADE IN ORDER TO GET A GARBAGE COLLECTOR IN THERE, AND YOU DO ELIMINATE SOME COMPETITION. I THINK THAT I UNDERSTAND WHY NICE GARBAGE CANS LOOKING ALL ALIKE. OUT ON THE STREET ON THE SAME DAY, BLOWING IN THE WIND ON THE SAME DAY WERE PROBABLY BETTER THAN SOME BLOWING EVERY DAY. I DON'T THINK THAT WE SHOULD SET UP THIS SEPARATE BILLING PROCEDURE NO MATTER WHETHER WE GIVE THEM AUTHORITY OR DON'T GIVE THEM AUTHORITY TO ENTER INTO A DEAL WITH SOMEBODY, BECAUSE MOST OF THEM ARE NOT EQUIPPED TO HANDLE THOSE SEPARATE BILLS. SO I THINK SENATOR MCCOY'S IDEA MAY BE RIGHT, BUT HIS MECHANISM IS LACKING IN THE WAY THAT HE PROPOSES THESE ADDITIONAL OVERHEAD FOR BILLING BE DONE. MAYBE. AGAIN, THE ONES AROUND OMAHA THAT ARE BIGGER ARE DIFFERENT THAN THE ONES THAT I LIVE IN. BUT RIGHT NOW THE WAY WE DO THINGS WITH GARBAGE IN OUR AREA, EVERYBODY PICKS THEIR OWN AND SEEMS TO GET ALONG FINE. MOST PEOPLE KNOW SOMEBODY THAT THEY GO TO CHURCH WITH, THEIR KIDS GO TO SCHOOL WITH, OR SOMETHING THAT THEY USE AS A GARBAGE COLLECTOR, AND IT SEEMS TO BE WORKING FINE. I WILL CONCEDE, SENATOR McCOLLISTER, THAT MAYBE THAT ISN'T THE CASE IN SOME BIGGER OPERATIONS AROUND OMAHA. BUT LET'S NOT MAKE ANYBODY IN THESE SMALL SIDS HIRE A BOOKKEEPER TO TAKE CARE OF THE GARBAGE BILLS. THANK YOU. [LB324]

SPEAKER HADLEY: SENATOR McCOLLISTER, YOU'RE RECOGNIZED, AND THIS IS YOUR THIRD TIME. [LB324]

SENATOR McCOLLISTER: IS THAT TO ME? THANK YOU, MR. PRESIDENT. JUST A COUPLE OF COMMENTS ABOUT THE ISSUES FLOATING AROUND ON THIS AMENDMENT. SENATOR McCOY WOULD SEEM TO INDICATE THIS RESOLVES AROUND TAXATION WITHOUT REPRESENTATION. I WOULD REMIND SENATOR McCOY THAT WHEN YOU CHOOSE TO LIVE INSIDE AN SID, YOU GIVE A CERTAIN AMOUNT OF TAXING AUTHORITY TO THAT BOARD OF DIRECTORS, AND THEY CAN DO A WIDE VARIETY OF THINGS. THEY CAN CONTRACT FOR SEWERS. THEY CAN DO A WATER SYSTEM, DOCKS, AND WHARFS. THEY CAN CONTRACT FOR POLICE PROTECTION, A SECURITY SERVICES, A LIBRARY. THEY CAN CONTRACT FOR GAS AND WATER, NATURAL GAS AND WATER, AND A WHOLE VARIETY OF <u>Floor Debate</u> March 18, 2015

ITEMS THAT THAT SID, THAT SID BOARD, CAN CONTRACT FOR. WE'RE SIMPLY ADDING ONE MORE ITEM THAT THAT SID BOARD CAN CONTRACT FOR. SECONDLY, LB324 WAS CAREFULLY CRAFTED WITH THE CITY OF OMAHA, WITH THE SID GROUPS THROUGHOUT THE STATE, AND WITH HOMEOWNERS THEMSELVES, SID HOMEOWNERS. SO IT WAS CAREFULLY BALANCED AND THIS THROWS OFF THAT BALANCE. AND SO I WOULD ENCOURAGE YOU TO VOTE AGAINST THE AMENDMENT. THANK YOU, MR. PRESIDENT. [LB324]

SENATOR KRIST PRESIDING

SENATOR KRIST: THANK YOU, SENATOR McCOLLISTER. (VISITORS INTRODUCED.) MR. CLERK FOR AN ANNOUNCEMENT. [LB324]

ASSISTANT CLERK: MR. PRESIDENT, AN ANNOUNCEMENT. THE TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE WILL MEET IN EXECUTIVE SESSION AT 10:00 A.M. IN ROOM 2022.

SENATOR KRIST: THANK YOU, MR. CLERK. SEEING NO ONE ELSE IN THE QUEUE, SENATOR McCOY, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. [LB324]

SENATOR McCOY: THANK YOU, MR. PRESIDENT AND MEMBERS. I WOULD RISE TO SAY THAT I DISAGREE PRETTY STRONGLY WITH WHAT YOU JUST HEARD FROM SENATOR McCOLLISTER. HE IS CORRECT IN THAT WHEN YOU AGREE TO LIVE IN A SANITARY AND IMPROVEMENT DISTRICT YOU CEDE SOME OF YOUR RIGHTS, IF YOU WILL, OR YOUR FREEDOMS TO SAID SID FOR PURPOSES OF SEWER, STREETS, AND WHATNOT, THAT IS NOT TRASH SERVICE, AND WHAT LB324 DOES IS TO ADD A NEW POWER UNDER THAT TAXING AUTHORITY TO SIDS IN THE STATE OF NEBRASKA. AND I SEE SENATOR McCOLLISTER NODDING HIS HEAD, SO I KNOW HE'S IN AGREEMENT WITH THAT. THAT IS THE NATURE OF LB324. IF THAT IS THE WILL OF THE BODY TO HAVE THAT HAPPEN, THAT WILL GET ADDED TO THEIR ABILITIES. BUT LET'S BE CLEAR AS TO WHAT LB324 DOES. IT PROVIDES A NEW POWER TO SANITARY AND IMPROVEMENT DISTRICTS TO BE ABLE TO USE THE TAXING AUTHORITY THEY HAVE FOR A HERETOFORE DIRECTION WE'VE NEVER GONE BEFORE IN NEBRASKA, AND THAT IS IT'S NOT PUBLIC SAFETY, IT'S NOT STREETS, IT'S NOT SEWERS, IT'S NOT INFRASTRUCTURE. IT'S NOT PUBLIC SAFETY. THAT IS WHAT WE HAVE GIVEN SANITARY IMPROVEMENT DISTRICTS THE AUTHORITY TO USE THEIR TAXING AUTHORITY FOR. THAT IS NOT WHAT TRASH SERVICE IS. AGAIN, THAT MAY BE THE WILL OF THE BODY TO DO. I MAY

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BE IN THE MINORITY ON THIS ISSUE. IT'S VERY WELL MAY BE THE CASE. BUT I REMAIN RESISTANT TO LB324 WITHOUT AM919 FOR THAT REASON. WE'RE GOING IN A DIRECTION WE'VE NEVER GONE BEFORE. I DON'T SEE ANY REAL ISSUE WITH LB324, AS LONG AS AM919 GETS ADOPTED. AND IF THERE IS SOME SORT OF STRUCTURAL DEFICIENCY WITH THE DIRECTION THAT WE'RE GOING, AS SENATOR SCHUMACHER INDICATED HE THOUGHT THERE MAY BE, I'M HAPPY TO LOOK AT THAT BETWEEN NOW AND SELECT FILE. HAPPY TO TAKE THE FINE LEGAL ADVICE THAT SENATOR SCHUMACHER BRINGS TO THE BODY AND SEE IF THERE'S A WAY TO POLISH THE DIRECTION I'M GOING WITH AM919 TO MAKE IT FIT THE SITUATION. HAPPY TO DO THAT. BUT WE ARE GOING INTO AN AREA WE'VE NEVER GONE BEFORE, MEMBERS, BY WHAT WE ARE ALLOWING SANITARY IMPROVEMENT DISTRICTS TO DO UNDER LB324. THERE'S NO COMPELLING REASON TO DO THIS OTHER THAN IT MAY MAKE IT EASIER FOR SANITARY AND IMPROVEMENT DISTRICTS. YOU'VE YET TO HEAR SENATOR CRAWFORD OR SENATOR McCOLLISTER ARTICULATE WHY IT IS THAT THIS IS SUCH A GREAT IDEA OTHER THAN IT MAY BE MORE CONVENIENT OR IT MAY MEAN THERE'S LESS TRASH BLOWING AROUND A NEIGHBORHOOD ON ANY GIVEN DAY. OTHER THAN THAT, THERE'S NO COMPELLING PUBLIC SAFETY OR INFRASTRUCTURE REASON TO ALLOW SIDS TO USE TAXING AUTHORITY TO CONTRACT FOR TRASH SERVICE. FOLKS OUGHT TO BE ABLE TO HAVE THE OPPORTUNITY TO OPT OUT OF THAT. THAT'S MY POSITION. THANK YOU, MR. PRESIDENT. [LB324]

SENATOR KRIST: THANK YOU, SENATOR McCOY. YOU'VE HEARD THE CLOSING ON AM919 TO AM662 TO LB324. ALL THOSE IN FAVOR OF THE ADOPTION OF AM919 VOTE AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH TO? PLEASE RECORD, MR. CLERK. [LB324]

ASSISTANT CLERK: 14 AYES, 20 NAYS ON THE ADOPTION OF THE AMENDMENT TO THE AMENDMENT, MR. PRESIDENT. [LB324]

SENATOR KRIST: THE AMENDMENT IS NOT ADOPTED. SEEING NO ONE ELSE IN THE QUEUE, SENATOR...I'M SORRY, SENATOR CRAWFORD, YOU'RE RECOGNIZED TO CLOSE ON THE COMMITTEE AMENDMENT. [LB324]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. THE COMMITTEE AMENDMENT, AM662, MAKES ONE CHANGE IN LB324 THAT WAS REQUESTED BY THE MUNICIPALITIES AGAIN IN OUR DISCUSSION ABOUT HOW TO STRUCTURE THIS BILL SO IT WOULD WORK WELL FOR ALL OF THE PARTIES INVOLVED, AND <u>Floor Debate</u> March 18, 2015

MAKE SURE THAT THE CONTRACTS ARE ENDED WHEN AN SID GETS ANNEXED. IT ALSO INCORPORATES TWO OTHER SID BILLS THAT HAD NO OPPOSITION AND THAT WERE VOTED UNANIMOUSLY OUT OF THE COMMITTEE, SO THAT WE ARE AMENDING THE SID STATUTE IN THOSE WAYS WITH WHAT WAS ORIGINALLY LB197 AND LB420. AND AGAIN THE DETAILS ON WHAT THOSE DO IS ON THE SHEET ON YOUR DESK. I'M HAPPY TO ANSWER ANY QUESTIONS THAT ANYONE MIGHT HAVE ON THOSE. BUT THAT IS WHAT AM662 DOES. [LB324 LB197 LB420]

SENATOR KRIST: THANK YOU, SENATOR CRAWFORD. YOU'VE HEARD THE CLOSING ON AM662. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH TO? PLEASE RECORD, MR. CLERK. [LB324]

ASSISTANT CLERK: 30 AYES, 2 NAYS ON THE ADOPTION OF COMMITTEE AMENDMENTS. [LB324]

SENATOR KRIST: THE COMMITTEE AMENDMENTS ARE ADOPTED. SEEING NO ONE ELSE IN THE QUEUE, SENATOR McCOLLISTER, YOU'RE RECOGNIZED TO CLOSE. SENATOR McCOLLISTER WAIVES CLOSING. THE QUESTION IS THE ADVANCEMENT OF LB324 TO E&R INITIAL. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. PLEASE RECORD, MR. CLERK. [LB324]

ASSISTANT CLERK: 30 AYES, 3 NAYS ON THE ADVANCEMENT OF THE BILL, MR. PRESIDENT. [LB324]

SENATOR KRIST: LB324 ADVANCES. ITEMS FOR THE RECORD. [LB324]

ASSISTANT CLERK: MR. PRESIDENT, I DO. THANK YOU. YOUR COMMITTEE ON BUSINESS AND LABOR REPORTS LB554 TO GENERAL FILE WITH AMENDMENTS. GENERAL AFFAIRS REPORTS LB619 TO GENERAL FILE WITH COMMITTEE AMENDMENTS. HAVE A CONFIRMATION REPORT FROM THE BUSINESS AND LABOR COMMITTEE. NEW RESOLUTIONS: LR122 FROM SENATOR EBKE; LR123 FROM SENATOR BRASCH; LR124, SENATOR BRASCH. AND A REFERENCE OF GUBERNATORIAL APPOINTMENT FROM THE EXECUTIVE BOARD. THAT'S ALL I HAVE AT THIS TIME. (LEGISLATIVE JOURNAL PAGES 896-899.) [LB554 LB619 LR122 LR123 LR124]

SENATOR KRIST: THANK YOU, MR. CLERK. NEXT ITEM.

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ASSISTANT CLERK: MR. PRESIDENT, THE NEXT BILL IS LB356, INTRODUCED BY SENATOR BURKE HARR. (READ TITLE.) THE BILL WAS READ FOR THE FIRST TIME ON JANUARY 15, REFERRED TO THE REVENUE COMMITTEE. THE COMMITTEE REPORTS THE BILL TO GENERAL FILE WITH COMMITTEE AMENDMENTS ATTACHED. (AM803, LEGISLATIVE JOURNAL PAGE 787.) [LB356]

SENATOR KRIST: GOOD MORNING, SENATOR HARR. YOU'RE RECOGNIZED TO OPEN ON LB356. [LB356]

SENATOR HARR: GOOD MORNING, MR. PRESIDENT, THANK YOU, LB356 CHANGES PROVISIONS RELATING TO THE ASSESSMENT OF CERTAIN RENT-RESTRICTED HOUSING PROJECTS. UNDER LB356, PROJECTS CONSISTING OF FIVE OR MORE HOUSES OR RESIDENTIAL UNITS THAT ARE FINANCED IN WHOLE OR IN PART WITH AN ALLOCATION OF FEDERAL LOW-INCOME HOUSING TAX CREDITS UNDER SECTION 42 OF THE INTERNAL REVENUE CODE SHALL BE ASSESSED BASED ON AN INCOME-APPROACH CALCULATION FOR ALL RENT-RESTRICTED HOUSING PROJECTS. LB356 ALSO CREATES A COMMITTEE TO BE HOUSED WITHIN THE DEPARTMENT OF REVENUE AND CHARGED WITH DEVELOPING MARKET-DRIVED CAPITALIZATION RATE TO BE USED BY COUNTY ASSESSORS IN DETERMINING THE ASSESSED VALUATION FOR RENT-RESTRICTED HOUSING UNITS, EXCUSE ME, PROJECTS. FINALLY, LB356 GIVES THE TAX EQUALIZATION AND REVIEW COMMISSION, TERC, THE AUTHORITY TO MAKE THE DETERMINATION OF THE RENT-RESTRICTED HOUSING PROJECT VALUATION COMMITTEE REGARDING THE CAPITALIZATION RATE TO BE USED TO VALUE RENT-RESTRICTED HOUSING PROJECTS. WHAT THIS BILL REALLY DOES IS ACKNOWLEDGE THAT EVEN THOUGH YOU MIGHT HAVE TWO HOUSING UNITS THAT LOOK EXACTLY ALIKE AND THEY ARE RIGHT NEXT DOOR TO EACH OTHER, THAT THE ONE THAT PROVIDES RENT-RESTRICTED HOUSING DOES NOT GENERATE AS MUCH REVENUE AS THE OTHER. LB356 RECOGNIZES THIS REALITY AND ALLOWS FOR A METHOD TO PROVIDE A DIFFERENT VALUATION FOR THE TWO PROPERTIES. BY DOING THIS, DEVELOPERS WILL LIKELY BUILD MORE RENT-RESTRICTED PROPERTIES WHICH WILL THEN PROVIDE NEBRASKANS WHO OUALIFY FOR RENT-RESTRICTED HOUSING WITH MORE PLACES TO RESIDE. AT THE HEARING, WE EVEN HAD ONE INDIVIDUAL WHO LIVES IN SUCH A PROPERTY ACROSS THE STREET FROM THE CAPITOL TESTIFY IN SUPPORT OF THIS BILL, THIS BILL THAT HAS BEEN AROUND IN ONE FORM OR ANOTHER FOR A NUMBER OF YEARS. IN 2013, IT WAS INTRODUCED AS LB348 AND WAS PASSED ON GENERAL FILE WHERE IT STALLED BECAUSE OF A LACK OF TIME. EVEN THOUGH IT HAD ADVANCED OUT OF THE REVENUE, CONCERNS REGARDING THE BILL STILL EXISTED. AS A RESULT, DURING THE INTERIM AND INTO THIS SESSION, WE

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HAD MULTIPLE MEETINGS WITH COUNTY OFFICIALS, DEVELOPERS, AND INVESTORS. WHEN WE STARTED THE PROCESS, THERE WAS A LIST OF TEN ITEMS THAT THE GROUPS WERE DISCUSSING AND HAD ISSUES WITH. THROUGH GOOD-FAITH NEGOTIATION BY BOTH PARTIES, WE HAVE MADE NUMEROUS CHANGES TO THE BILL AND HAVE REACHED WHAT I FEEL IS A BETTER BILL THAT ALL PARTIES CAN SUPPORT. THE COMMITTEE AMENDMENTS REFLECT THIS COMPROMISE, THOUGH I WILL HAVE ONE AMENDMENT TO THE COMMITTEE AMENDMENT THAT ADDRESSES ONE FINAL CONCERN. I ESPECIALLY WANT TO THANK NACO AND THE COUNTY ASSESSORS FOR THEIR WILLINGNESS TO WORK WITH ME ON THIS BILL AND FOR THEIR KNOWLEDGE AND INFORMATION. IT IS A GOOD COMPROMISE FOR ALL SIDES. AND WITH THAT, I WILL ASK FOR YOUR SUPPORT ON LB356 AND THE AMENDMENTS THAT FOLLOW. THANK YOU, MR. PRESIDENT. [LB356]

SENATOR KRIST: AS THE CLERK STATED, THERE ARE COMMITTEE AMENDMENTS. SENATOR GLOOR, AS THE CHAIR, YOU'RE RECOGNIZED TO OPEN. [LB356]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. GOOD MORNING, MEMBERS. AM803 BECOMES THE BILL. I APPRECIATE SENATOR HARR'S LONG AND DILIGENT EFFORTS IN TRYING TO DO SOMETHING THAT CAN HAVE A POSITIVE EFFECT ON THE CHALLENGES OF HOUSING IN MANY OF OUR NEBRASKA COMMUNITIES. SENATOR HARR HAS BEEN WORKING ON THIS, AS HE STATED, WITH THE COUNTIES AND THE BUSINESS COMMUNITY FOR THREE YEARS NOW. THEY'VE BEEN TRYING TO ADDRESS THE ISSUE OF VALUATION FOR RENT-RESTRICTED RENTAL HOUSING WHERE THE INVESTORS FOR THE PROJECT HAVE RECEIVED FEDERAL INCOME TAX CREDITS UNDER THE IRC CODE AND SECTION 42 IN EXCHANGE FOR THAT INVESTMENT. RENT RESTRICTIONS CONTINUE TO BE IMPOSED LONG AFTER THE TAX CREDITS HAVE BEEN USED, AND I THINK THAT RESTRICTION IS ACTUALLY 45 YEARS, IF I RECALL CORRECTLY. WE DO NOT HAVE A CLEAR POLICY FOR DETERMINING THEIR PROPERTY VALUATION, THEREFORE, WE HAVE LB356 AND AM803 WHICH AGAIN BECOMES THE BILL. SENATOR HARR HAS MENTIONED THAT HE HAS AN AMENDMENT, AND THAT'S A MINOR AMENDMENT, I BELIEVE. WE HAVE YET TO HEAR THAT. THE BILL AS AMENDED REQUIRES COUNTY ASSESSORS TO USE AN INCOME APPROACH RATHER THAN THE COMPARABLE SALES APPROACH TO DETERMINE VALUE AS SALES OF THESE TYPES OF PROPERTIES ARE, AS YOU MIGHT IMAGINE, NOT VERY COMMON. AND, AS HE STATED, IT ALSO CREATES A FOR-MEMBER RENT-RESTRICTED HOUSING PROJECTS VALUATION COMMITTEE WITHIN THE DEPARTMENT OF REVENUE WILL DEVELOP THE CAP RATE TO BE USED IN CALCULATING THE INCOME GENERATED BY THESE PROJECTS AND, THEREFORE, THEIR VALUE FOR PROPERTY TAX

PURPOSES. WITH THAT, I WOULD YIELD TO SENATOR HARR THE REMAINDER OF MY TIME TO EXPLAIN IN MORE DETAIL THIS BILL, IF HE NEEDS THAT TIME, AS WELL AS HIS UPCOMING AMENDMENT. THANK YOU. [LB356]

SENATOR KRIST: AND SENATOR HARR WAIVES. SENATOR HARR, I UNDERSTAND THERE'S TWO AMENDMENTS AND YOU WISH TO WITHDRAW AM867, IS THAT CORRECT? [LB356]

SENATOR HARR: YES. [LB356]

SENATOR KRIST: THANK YOU. MR. CLERK, THE NEXT AMENDMENT. [LB356]

ASSISTANT CLERK: MR. PRESIDENT, SENATOR HARR WOULD OFFER AM930 TO THE COMMITTEE AMENDMENTS. (LEGISLATIVE JOURNAL PAGE 899.) [LB356]

SENATOR KRIST: SENATOR HARR. [LB356]

SENATOR HARR: THANK YOU, MR. PRESIDENT. AM930 MAKES TWO CHANGES TO THE COMMITTEE AMENDMENT. THE FIRST CHANGE WAS BROUGHT TO MY ATTENTION BY THE REVENUE COMMITTEE STAFF AND FISCAL OFFICE. IT WOULD CHANGE THE LANGUAGE ON PAGE 1, LINE 10, IN ORDER TO NARROW DOWN WHAT PROJECTS WOULD QUALIFY UNDER THIS BILL. THIS MAKES IT CLEAR THAT THE BILL ONLY APPLIES TO INCOME-BASED RENTAL HOUSING PROJECTS AND DOES NOT OPEN THE DOOR TO APPLICATIONS OF THIS TO OTHER PROJECTS. THE SECOND CHANGE WAS AGREED UPON BY THE PARTIES INVOLVED IN OUR NEGOTIATIONS AFTER THE BILL WAS ADVANCED BY THE REVENUE COMMITTEE. IT SIMPLY PLACES THE WORD "ACTUAL" IN FRONT OF "INCOME AND EXPENSE" THREE DIFFERENT PLACES IN THE COMMITTEE AMENDMENT. THANK YOU, MR. PRESIDENT. [LB356]

SENATOR KRIST: THANK YOU, SENATOR HARR. THE FLOOR IS NOW OPEN FOR DEBATE ON AM930. SENATOR WILLIAMS, YOU'RE RECOGNIZED. [LB356]

SENATOR WILLIAMS: THANK YOU, MR. PRESIDENT. I WOULD JUST LIKE TO MAKE A QUICK COMMENT ON THESE TYPES OF PROJECTS. WE HAVE HAD SEVERAL OF THESE PROJECTS IN MY DISTRICT THAT HAVE BEEN VERY BENEFICIAL. SO I WOULD CERTAINLY SUPPORT THE AMENDMENT AND THE UNDERLYING BILL, LB356. OFTENTIMES, WE HAVE HEARD THAT WE TRY TO GO OUT AND CREATE

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NEW JOBS IN OUR DISTRICTS. THE PLAIN FACT IS ACROSS MOST OF OUR STATE, WE ARE NOT HAVING THE PEOPLE TO FILL THE JOBS THAT ARE AVAILABLE AND THE PRIMARY REASON THAT THAT IS NOT HAPPENING IS BECAUSE WE DO NOT HAVE ADEQUATE HOUSING. THESE PROJECTS WHICH BRING OUTSIDE CAPITAL INTO AREAS ARE ESSENTIAL IN CREATING NEW HOUSING IN OUR DISTRICTS. THESE PROJECTS WORK WELL. I'VE BEEN ON BOTH SIDES OF THEM FROM OUR BANK STANDPOINT AS AN INVESTOR, BUT ALSO AS AN ECONOMIC DEVELOPMENT PERSON IN OUR DISTRICT. I WOULD STRONGLY ENCOURAGE PEOPLE TO STEP UP AND SUPPORT LB356 AS AMENDED. THANK YOU, MR. PRESIDENT. [LB356]

SENATOR KRIST: THANK YOU, SENATOR WILLIAMS. SEEING NO ONE IN THE QUEUE, SENATOR HARR, YOU'RE RECOGNIZED TO CLOSE ON AM930. [LB356]

SENATOR HARR: THANK YOU, MR. PRESIDENT. I WOULD JUST ASK FOR THE LEGISLATURE'S SUPPORT ON AM930 TO AM803. THANK YOU. [LB356]

SENATOR KRIST: YOU'VE HEARD THE CLOSING ON AM930. THE QUESTION IS THE ADOPTION OF AM930. ALL THOSE IN FAVOR, AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH TO? PLEASE RECORD, MR. CLERK. [LB356]

ASSISTANT CLERK: 29 AYES, 0 NAYS ON THE ADOPTION OF THE AMENDMENT TO THE AMENDMENT, MR. PRESIDENT. [LB356]

SENATOR KRIST: AM930 IS ADOPTED. SEEING NO ONE IN THE QUEUE, SENATOR GLOOR, YOU'RE RECOGNIZED TO CLOSE ON THE COMMITTEE AMENDMENT. SENATOR GLOOR WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM803 TO LB356. ALL THOSE IN FAVOR, AYE; OPPOSED, NAY. PLEASE RECORD, MR. CLERK. [LB356]

ASSISTANT CLERK: 30 AYES, 0 NAYS ON THE ADOPTION OF THE COMMITTEE AMENDMENTS. [LB356]

SENATOR KRIST: THE COMMITTEE AMENDMENTS ARE ADOPTED. SENATOR HARR, YOU'RE RECOGNIZED TO CLOSE ON LB356. SENATOR HARR WAIVES CLOSING. THE QUESTION IS THE ADVANCEMENT OF LB356 TO E&R INITIAL. ALL THOSE IN FAVOR, AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH TO? PLEASE RECORD, MR. CLERK. [LB356]

ASSISTANT CLERK: 30 AYES, 0 NAYS ON THE MOTION TO ADVANCE THE BILL. [LB356]

SENATOR KRIST: LB356 ADVANCES. NEXT ITEM. [LB356]

ASSISTANT CLERK: MR. PRESIDENT, THE NEXT BILL, LB89, INTRODUCED BY SENATOR CAMPBELL. (READ TITLE.) THE BILL WAS READ FOR THE FIRST TIME ON JANUARY 8th, REFERRED TO THE HEALTH AND HUMAN SERVICES COMMITTEE. THE BILL WAS PLACED ON GENERAL FILE WITH NO COMMITTEE AMENDMENTS. [LB89]

SENATOR KRIST: THANK YOU, MR. CLERK. SENATOR CAMPBELL, GOOD MORNING. YOU'RE RECOGNIZED TO OPEN ON YOUR BILL. [LB89]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. HAVING SPENT NEARLY 40 YEARS WORKING ON CHILDREN'S ISSUES, I'VE COME TO REALIZE ONE OF THE MAJOR RISK FACTORS TO CHILD ABUSE AND NEGLECT IS POVERTY AND ITS SEVERE EFFECTS ON CHILDREN AND THEIR FAMILIES. AND OFTEN IT IS THE GATEWAY TO CHILDREN ENTERING OUT-OF-HOME CARE. STABILIZING FAMILIES, PROVIDING A PATHWAY TO WORK, AND ENDING A CLIFF EFFECT WHICH HAMPERS PROGRESS TO SELF-SUFFICIENCY SHOULD BE OUR GOALS IN ASSISTANCE PROGRAMS, ESPECIALLY IN THE AID TO DEPENDENT CHILDREN OR, AS IT IS KNOWN, THE ADC PROGRAM. IN 1996, CONGRESS CREATED THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT TO THE STATES, BETTER KNOWN AS TANF. OVER THE PAST TWO YEARS AND ESPECIALLY THIS PAST SUMMER WITH AN INTERIM STUDY, I'VE LOOKED AT TANF AND ONE OF ITS CORE COMPONENTS. WHAT IT WAS MEANT TO COVER--THE ADC PROGRAM IN NEBRASKA. TANF IS ALL ABOUT JOB PREPARATION, WORK, AND THE IMPORTANCE OF FAMILY TO THE WELL-BEING OF CHILDREN. I AM SO VERY SORRY TODAY THAT THE LIEUTENANT GOVERNOR IS NOT HERE AS I VISITED WITH HIM YESTERDAY TO EXPLAIN THAT LB89 AND ITS PRIORITY CAME PARTLY FROM HIS REPORT OF DECEMBER 10, 2014, AS STATE AUDITOR. MR. FOLEY AUDITED TANF AND FOUND TWO IMPORTANT POINTS. ONE, THAT STATE GENERAL FUNDS OF \$14,743,235 WERE UTILIZED STATE FUNDS THAT THE NEBRASKA TAXPAYER PAID FOR WHEN WE COULD HAVE USED TANF FUNDS AND SHOULD HAVE USED THEM. AND HE ADDRESSED THE AMOUNT OF MONEY THAT IS IN THE TANF FUND, AND I'M GOING TO QUOTE FROM HIS AUDIT. THE STATE AUDITOR ACKNOWLEDGES THAT SOME LEVEL OF RESERVE MAY BE APPROPRIATE, BUT IT DOES NOT APPEAR THE REASONS CITED BY DHHS WOULD

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REQUIRE A BALANCE OF OVER \$50 MILLION OF UNUSED FEDERAL FUNDS. FURTHERMORE, DHHS DID NOT HAVE A COMPREHENSIVE PLAN FOR THE USE OF THESE FUNDS. DHHS COULD HAVE INCREASED ASSISTANCE TO NEEDY FAMILIES BY INCREASING BENEFIT AMOUNTS OR EXPANDED SERVICES OR ELIGIBILITY. IT WAS AFTER READING THIS REPORT AND AS HE CONTINUED. WHILE AVAILABLE FEDERAL FUNDS ARE NOT USED FOR PROGRAM EXPENDITURES, NEBRASKA TAXPAYERS ARE UNDULY BURDENED. THE POINT IS THE FEDERAL GOVERNMENT SENDS TANF FUNDS FOR US TO USE IN THE ADC PROGRAM. WE HAVE \$50 MILLION OF UNUSED FUNDS. LB89 UPDATES AND STRENGTHENS OUR ADC PLAN WITH TWO MAJOR CHANGES, AND THESE ARE THE CHANGES THAT YOU WOULD SEE IN THE BILL. FIRST, LB89 ADDRESSES THE SO-CALLED, QUOTE, CLIFF EFFECT, WHICH CAUSES FAMILIES TO LOSE ACCESS TO ADC WHEN THEIR INCOME GOES UP. THIS BILL ESTABLISHES A STRUCTURE TO GRADUALLY TAKE THEM OFF ADC ASSISTANCE. IT DOESN'T MAKE SENSE THAT A SMALL HOURLY WAGE INCREASE SHOULD DISQUALIFY ALL ASSISTANCE IN HELPING THE FAMILIES. THE CLIFF EFFECT DISCOURAGES PEOPLE FROM LEAVING THE SYSTEM. SECOND, LB89 ALSO ADDRESSES THE BENEFIT LEVEL FOR ADC HOUSEHOLDS, A LEVEL THAT HAS NOT BEEN CHANGED FOR 30 YEARS. I'M GOING TO REPEAT THAT. THE MAXIMUM LEVEL OF ASSISTANCE HASN'T CHANGED IN 30 YEARS. AND WE HAVE \$50 MILLION OF UNUSED FEDERAL FUNDS? IT WOULD ENSURE THAT FAMILIES ARE ABLE TO PROVIDE FOR THEIR CHILDREN'S BASIC NEEDS, SUCH AS FOOD, RENT, AND CLOTHING. THIS PROGRAM IS RESTRICTED TO FAMILIES WITH A VERY LOW INCOME. FOR A FAMILY OF THREE, THIS MEANS EARNING NO MORE THAN \$755 PER MONTH. IF YOU EARN MORE THAN THAT A MONTH, YOU'RE NOT ELIGIBLE FOR THIS PROGRAM. AFTER A 20 PERCENT DISREGARD OF ANY EARNED INCOME, ALL ABLE-BODIED INDIVIDUALS ON ADC MUST ENGAGE IN WORK REQUIREMENTS. LB89 PUTS IN A PHASE PLAN THAT WOULD RAISE THE MAXIMUM PAYMENT EVERY TWO YEARS UNTIL IT IS AT 70 PERCENT. A MAJOR ISSUE BEFORE THE LEGISLATURE'S STATE PLANNING COMMITTEE HAS BEEN CHILDREN IN POVERTY. AND WE HAVE DISTRIBUTED FOR YOU A CHART. AND I WOULD LIKE FOR YOU TO TAKE A LOOK AT THAT CHART AND FIND YOUR DISTRICT, AND THAT WILL TELL YOU THE PERCENTAGE OF CHILDREN UNDER THE AGE OF SIX IN POVERTY. ONE REPORT THAT THE PLANNING COMMITTEE REVIEWS IS THIS PERCENTAGE, AND WE ARE CONTINUING TO LOOK AT CHILDREN IN POVERTY. TWO YEARS AGO, THE STATE AVERAGE WAS 19.6 PERCENT, AND YOU'LL SEE THAT IN THE MIDDLE OF THE CHART, HAS GROWN TO 20.8 PERCENT. CHILD POVERTY IS AN ISSUE IN BOTH RURAL AND URBAN AREAS OF THE STATE. CHILD POVERTY IS NOT RESTRICTED TO ONLY ONE SIZE OF COMMUNITY. A STRONG ADC PROGRAM SHOULD BE THE PRIORITY OF THIS LEGISLATURE, USING THE TANF FUNDS AS THEY WERE INTENDED TO

STRENGTHEN AND KEEP FAMILIES TOGETHER AND HELPING THEM OUT OF POVERTY. THANK YOU, MR. PRESIDENT. [LB89]

SENATOR KRIST: THANK YOU, SENATOR CAMPBELL. AS THE CLERK STATED, THERE ARE NO COMMITTEE AMENDMENTS. THE FLOOR IS NOW OPEN FOR DEBATE. THOSE WISHING TO SPEAK: SENATOR CRAWFORD, SENATOR KOLTERMAN, SENATOR COOK, AND SENATOR CAMPBELL. SENATOR CRAWFORD, YOU ARE RECOGNIZED. [LB89]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT, AND GOOD MORNING. COLLEAGUES. I RISE IN SUPPORT OF LB89 AND I WOULD LIKE TO THANK SENATOR CAMPBELL FOR HER TIRELESS WORK ON THIS ISSUE TO ADDRESS THIS VERY IMPORTANT ISSUE FOR OUR STATE. IN MY TIME HERE, I'VE HAD THE PRIVILEGE OF SERVING ON THE HEALTH AND HUMAN SERVICES COMMITTEE. AS A COMMITTEE MEMBER, WE HEAR OVER AND OVER AGAIN THE IMPACT OF OUR LOW MAXIMUM PAYMENT FOR ADC RECIPIENTS. I WANT TO STRESS TO MEMBERS THAT THE ADC PROGRAM IS A BLOCK GRANT PROGRAM. AND MANY TIMES WE, AS ADVOCATES FOR STATE POWERS, EMPHASIZE THE IMPORTANCE THE FEDERAL GOVERNMENT OF HAVING BLOCK GRANT PROGRAMS, BECAUSE WE SAY THAT WE WILL BE BETTER STEWARDS, THAT WE UNDERSTAND THE STATE. SO, PLEASE, MAKE THIS PROGRAM A BLOCK GRANT PROGRAM AND ALLOW US TO MAKE THESE DECISIONS. AND SO, COLLEAGUES, TODAY SUPPORT FOR LB89 IS VERY CRITICAL TO SHOW THAT WE ARE WILLING TO BE GOOD STEWARDS OF A BLOCK GRANT PROGRAM, THAT IF WE HAVE THE AUTHORITY TO MAKE DECISIONS ABOUT HOW TO SPEND THIS MONEY IN OUR STATE FOR OUR OWN PEOPLE, THAT WE WILL MAKE GOOD CHOICES AND RESPONSIBLE CHOICES. AND AS SENATOR CAMPBELL HAS ALREADY POINTED OUT, REALLY THE AUDITOR'S REPORT ABOUT THE \$50 MILLION THAT WE'VE ACCUMULATED FROM THIS BLOCK GRANT RAISES SERIOUS QUESTIONS ABOUT OUR STEWARDSHIP THUS FAR. AND PASSING LB89 RETURNS US TO A SITUATION WHERE WE ARE BEING GOOD STEWARDS OF THIS MONEY TO MAKE SURE THAT THE MONEY IS USED TO HELP OUR CHILDREN IN POVERTY AND MAKE SURE THAT IT IS ALSO HELPING TO ENSURE THAT WE WERE HELPING PEOPLE TO GET OUT OF POVERTY AND BECOME SELF-SUFFICIENT. AND THAT'S A KEY PROVISION OF LB89 AS WELL. DURING MY FIRST YEAR HERE, WE HEARD FROM PARENTS WHO HAD TO RELY ON FAMILY AND FRIENDS FOR MONEY FOR DIAPERS AND FOR...ON FOOD PANTRIES FOR BASIC GROCERIES BECAUSE THE \$293 A MONTH THEY RECEIVE ON ADC PAYMENTS DOES NOT COME EVEN CLOSE TO MEETING THE BASIC NEEDS OF THEIR FAMILIES. ONE BRAVE WOMAN TESTIFIED THAT OUT OF DESPERATION SOME MONTHS SHE HAD TO CUT UP HER SON'S BLANKETS TO

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MAKE DIAPERS. ANOTHER MOM TESTIFIED THAT SOME MONTHS HER SUPPLY OF DIAPERS WAS SO LOW SHE WAS FORCED TO RATION THEM AND SOMETIMES KEEP A WET DIAPER ON HER DAUGHTER WHICH SHE OBVIOUSLY WAS HEARTBROKEN TO HAVE TO DO. THESE ARE MOST ASSUREDLY NOT THE OUTCOMES WE WANT FOR OUR CHILDREN. AND WITH \$50 MILLION STORED UP FROM OUR BLOCK GRANT RESPONSIBILITY CLEARLY NOT GOOD STEWARDSHIP OF THOSE MONIES. FURTHERMORE, OUR LOW MAXIMUM PAYMENTS PUT CHILDREN AT GREATER RISK FOR INVOLVEMENT IN OUR CHILD WELFARE SYSTEM. ACCORDING TO VOICES FOR CHILDREN'S KIDS COUNT REPORT, PHYSICAL NEGLECT MADE UP 83 PERCENT OF ALL SUBSTANTIATED MALTREATMENT CASES IN 2013, A GREATER NUMBER OF CASES THAN ANY OTHER TYPE OF MALTREATMENT COMBINED. THIS NEBRASKA PERCENTAGE IS HIGHER THAN THE NATIONAL AVERAGE, ACCORDING TO A 2011 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES REPORT. OUR LOW ADC RATE MAKES IT VERY DIFFICULT TO ENSURE PROPER CARE FOR OUR CHILDREN, WHICH THEN PUTS THEM AT RISK FOR BEING INVOLVED IN OUR CHILD WELFARE SYSTEM. AS A COUNTRY, WE HAVE LONG RECOGNIZED THE LINK BETWEEN EXTREME POVERTY AND CHILD WELFARE. THIS IS WHY ONE OF THE FOUR KEY GOALS OF THE TEMPORARY ASSISTANCE TO NEEDY FAMILY'S PROGRAM IS TO KEEP CHILDREN IN THEIR OWN HOME AND OUT OF THE CHILD WELFARE SYSTEM. OUR CURRENT POLICY IS OUT OF STEP WITH THE ACTUAL COST OF ENSURING THAT WE CAN KEEP THESE CHILDREN IN THEIR OUR OWN HOME. AND AS ONE OTHER COMPARISON TO MAKE TO YOU, WHEN A CHILD IS TAKEN OUT AND PUT IN A FOSTER CARE SETTING... [LB89]

SENATOR KRIST: ONE MINUTE. [LB89]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT...AND PUT IN A FOSTER CARE SYSTEM, THE STATE PAYS BETWEEN \$600 TO OVER \$700 A MONTH PER CHILD IN THAT FOSTER CARE SYSTEM. SO, AGAIN, KEEPING THESE CHILDREN IN THEIR OWN HOME IS OBVIOUSLY NOT ONLY WHAT WE WOULD HOPE TO HAPPEN FOR THOSE FAMILIES AND FOR THOSE CHILDREN, BUT WHEN THEY ARE IN SITUATIONS WHERE THEY ARE NOT ABLE TO BE CARED FOR BECAUSE THESE PAYMENTS ARE SO LOW, IT ENDS UP PUTTING THEM IN THE FOSTER CARE SYSTEM WHERE WE PAY TWICE OR MORE PER CHILD TO ACTUALLY PROVIDE FOR FOSTER CARE TREATMENT FOR THOSE CHILDREN. AND, AGAIN, THE BILL AS SENATOR CAMPBELL NOTED, THE BILL ALSO INCLUDES CLIFF-EFFECT PROVISIONS TO ENSURE THAT WE'RE ABLE FOR THESE FAMILIES TO TRANSITION OUT OF POVERTY AND TO SELF-SUFFICIENCY WHICH IS THE GOAL THAT ALL OF US SHARE. THANK YOU, MR. PRESIDENT. [LB89]

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SENATOR KRIST: THANK YOU, SENATOR CRAWFORD. SENATOR KOLTERMAN, YOU ARE RECOGNIZED. [LB89]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT, GOOD MORNING, COLLEAGUES. I. TOO. RISE IN SUPPORT OF THIS BILL. THIS BILL CAME OUT OF COMMITTEE 7-0. I'M A NEW PERSON ON HEALTH AND HUMAN SERVICES, AND LET ME JUST TELL YOU THAT IT'S BEEN AN EXTREMELY LARGE LEARNING CURVE FOR ME. BUT I WILL TELL YOU THAT SENATOR CAMPBELL HAS WORKED TIRELESSLY ON THIS BILL FOR SEVERAL YEARS, AS I UNDERSTAND IT. WHEN THIS FIRST CAME TO US, WE WERE LOOKING AT A \$90 MILLION EXPENDITURE OVER THE BIENNIUM, THAT'S INCLUDING GENERAL FUNDS, AS WELL AS FEDERAL FUNDS. AND SENATOR CAMPBELL LOOKED AT THAT AND SAID, WHOA, THIS ISN'T RIGHT, THERE'S SOMETHING WRONG HERE. WENT BACK TO HEALTH AND HUMAN SERVICES, STARTED DOING SOME MORE RESEARCH; THE FISCAL OFFICE GOT INVOLVED AND THEY CAME OUT WITH A NEW FISCAL NOTE THAT HAD NOTHING TO DO WITH GENERAL FUNDS FROM THE STATE OF NEBRASKA. AND INDEED THE AUDITOR HAD SUGGESTED THAT WE SPEND THE MONIES BECAUSE WE WERE NOT DOING OUR JOB THAT WAS GIVEN TO US. AND SO WHEN WE'RE TALKING ABOUT \$19 MILLION OVER THE BIENNIUM, IT'S ALL COMING FROM FEDERAL FUNDS, FROM THE TANF FUNDS THAT HAVE BEEN ALLOCATED TO US IN THE BLOCK GRANT. AND I THINK IT'S TIME, AFTER 30 YEARS, THAT WE SUPPORT THIS AND GET BEHIND THESE PEOPLE. AND I REALLY LIKE THE FACT THAT THE CLIFF EFFECT IS IN THERE SO THAT AS THEY DO TRANSITION OUT OF THE WELFARE SYSTEM, THEY HAVE AN OPPORTUNITY TO START BEING PAYERS OF TAXES INSTEAD OF USERS OF TAXES. SO I WOULD ENCOURAGE YOU TO SUPPORT THIS BILL. AND THANK YOU FOR YOUR TIME. [LB89]

SENATOR KRIST: THANK YOU, SENATOR KOLTERMAN. SENATOR COOK, YOU'RE RECOGNIZED. [LB89]

SENATOR COOK: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. I RISE IN SUPPORT OF LB89. I, TOO, SERVE AND AM VERY PROUD AND PRIVILEGED TO SERVE WITH SENATOR CAMPBELL ON THE HEALTH AND HUMAN SERVICES COMMITTEE AS I HAVE FOR THE LAST FIVE YEARS. AND I ALSO AM PROUD TO SERVE AS THE CHAIR OF THE PLANNING COMMITTEE FOR THIS BODY. IT'S A STATUTORY COMMITTEE WHERE WE LEARN ABOUT THE TRENDS THAT ARE ACTUALLY IN PLACE IN THE STATE OF NEBRASKA. ONE OF THE MOST DISTURBING TRENDS IDENTIFIED SINCE I BEGAN MY SERVICE ON THE PLANNING COMMITTEE, IS THE TREND FOR MORE THAT'S AN INCREASE IN THE <u>NU</u>MBER OF CHILDREN LIVING IN POVERTY IN THE STATE OF NEBRASKA

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BETWEEN THE TIME THAT THE 2000 CENSUS WAS CALCULATED AND THE 2010 CENSUS WAS CALCULATED. YOU'VE RECEIVED FROM THE PAGES A HANDOUT. IT'S GOT SENATOR CAMPBELL'S INITIALS AND HER DISTRICT NUMBER AT THE TOP. AND IT SAYS FIGURE ONE: CHILDREN UNDER 6 YEARS BELOW 100 PERCENT OF POVERTY AS A PERCENTAGE OF THE POPULATION FOR WHOM POVERTY IS DETERMINED FOR NEBRASKA LEGISLATIVE DISTRICTS; THAT'S DISTRICT BY DISTRICT, YOU CAN SEE IT BROKEN OUT. IN MY CASE, IN LEGISLATIVE DISTRICT 13, THAT IS 30 PERCENT, MORE THAN 30 PERCENT OF THE CHILDREN LIVING IN POVERTY, IN A STATE THAT IS EXTREMELY PROSPEROUS. AND I SPEAK AS SOMEBODY REPRESENTING THE GREATER METROPOLITAN OMAHA AREA WHICH IS CONSIDERED NATIONALLY AMONG THE MOST PROSPEROUS CITIES PER CAPITA. WHAT I WOULD LIKE TO USE THE BALANCE OF MY FIVE MINUTES ON IS OFFERING FOR THE BODY THE DEFINITION OF POVERTY FROM WHICH WE ARE OPERATING. THIS INFORMATION COMES FROM A PRESENTATION THAT WAS BROUGHT TO US BY JERRY DEICHERT, WHO IS IN CHARGE... OR DOES THE RESEARCH THERE AT THE CENTER FOR PUBLIC AFFAIRS RESEARCH AT THE UNIVERSITY OF NEBRASKA, OMAHA. AND THE TITLE OF THE PRESENTATION GIVEN TO US IN AUGUST OF 2013 WAS: WHO ARE NEBRASKA'S CHILDREN IN POVERTY? THIS NEXT SLIDE THAT I WANT TO SHARE WITH YOU IS VERY IMPORTANT. BECAUSE IN MY CASE, I CAME FROM THE GENERATION WHERE THE GENERATION BEFORE WERE CHILDREN OF THE DEPRESSION. AND IN THE CASE OF MY FAMILY, PEOPLE LIVED IN THE COUNTRY, THEY MADE DO. WE DIDN'T SUFFER. BUT PEOPLE HAVE AN IDEA ABOUT WHAT IT MEANS TO BE POOR THAT IS DIFFERENT FROM WHAT IT MEANS TO BE POOR, OR THE DEFINITION OF POVERTY THAT WE'RE WORKING ON. SO I'LL SHARE THAT WITH YOU. THERE ARE TWO MEASURES, THE CONDITION WHERE PEOPLE'S BASIC NEEDS FOR FOOD, CLOTHING, AND SHELTER ARE SIMPLY NOT BEING MET. POVERTY IS GENERALLY OF TWO TYPES. FIRST, ABSOLUTE POVERTY IS SYNONYMOUS WITH DESTITUTION AND OCCURS WHEN PEOPLE CANNOT OBTAIN ADEOUATE RESOURCES MEASURED IN TERMS OF CALORIES OR NUTRITION TO SUPPORT A MINIMAL LEVEL OF PHYSICAL HEALTH. THE SECOND ONE IS THE ONE I'M GOING TO FOCUS ON. RELATIVE POVERTY OCCURS WHEN PEOPLE DO NOT ENJOY A CERTAIN MINIMAL LEVEL OF LIVING STANDARDS AS DETERMINED BY GOVERNMENT AND ENJOYED BY THE BULK OF THE POPULATION THAT VARY FROM COUNTRY TO COUNTRY, SOMETIMES WITHIN THE SAME COUNTRY. AND THAT IS THE DEFINITION THAT WE'RE LOOKING AT. SENATOR CRAWFORD SHARED AN EXAMPLE OF A FAMILY THAT WAS NOT... [LB89]

SENATOR KRIST: ONE MINUTE. [LB89]

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SENATOR COOK: THANK YOU...NOT ABLE TO PURCHASE DIAPERS. WHEN WE TALK ABOUT POVERTY IN THE STATE OF NEBRASKA, AS YOU CAN SEE FROM FIGURE ONE, IT HAS DO WITH NOT HAVING ENOUGH RESOURCES TO MAKE IT FROM MONTH TO MONTH. AND AS SENATOR CAMPBELL BROUGHT UP, THERE ARE...THERE IS A POOL OF MONEY THAT IS DEDICATED, IF YOU WILL, TO ADDRESSING THIS ISSUE ESTABLISHED AND REESTABLISHED THROUGH WHAT WAS PASSED BY THE NATIONAL CONGRESS AND SIGNED BY PRESIDENT CLINTON AS A PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY ACT AND IT ENDED WELFARE AS WE KNEW IT. SO THE IDEA THAT THIS IS JUST KIND OF EXTRA MONEY TO KICK AROUND AND PAY FOR CABLE AND PAY FOR CELL PHONES AND SMART PHONES, THAT IS NOT WHAT WE'RE TALKING ABOUT. GOING BACK TO THE DEFINITION OF POVERTY... [LB89]

SENATOR KRIST: TIME, SENATOR, SORRY. SENATOR CAMPBELL, YOU'RE RECOGNIZED. [LB89]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. I JUST WANT TO COVER A FEW THINGS AND THEN WE'LL GO BACK TO PEOPLE WHO HAVE COMMENTS OR QUESTIONS. I WANT TO STATE WHAT THE GOALS OF TANF ARE BECAUSE SOMEBODY SAID--WHAT CAN YOU USE THIS MONEY FOR? THE GOALS OF TANF THAT HAVE BEEN PUT OUT BY THE FEDERAL GOVERNMENT AND THEN STATES LOOK AT ARE TO PROVIDE ASSISTANCE TO NEEDY FAMILIES SO CHILDREN MAY BE CARED FOR IN THEIR OWN HOMES OR THE HOMES OF RELATIVES. NUMBER TWO, TO PROMOTE JOB PREPARATION, WORK, AND MARRIAGE; AND WE'VE TALKED ABOUT THAT. NUMBER THREE, TO REDUCE THE INCIDENCE OF OUT OF WEDLOCK PREGNANCIES: TO ENCOURAGE THE FORMATION AND MAINTENANCE OF TWO-PARENT FAMILIES. TANF FUNDS ARE USED BY STATES SOMEWHAT DIFFERENTLY, IT DEPENDS ON THE NEEDS IN THE STATE. BUT GENERALLY, THEY FALL INTO TWO CATEGORIES. THEY FALL INTO FUNDS THAT CAN BE USED FROM A CHILD WELFARE STANDPOINT, CHILDREN THAT HAVE NEGLECT OR HAVE BEEN ABUSED OR TO HELP THOSE FAMILIES AS THEY BEGIN TO REBUILD, AND HOPEFULLY THEN CAN CARE FOR THEIR CHILDREN. IT PROVIDES ASSISTANCE FOR SOMEONE WHILE THEY ARE LOOKING FOR WORK, WORKING, OR IN EDUCATION. AND FOR THE SENATORS, NOT MANY OF US PROBABLY REMEMBER, BUT SENATOR HARMS WAS THE ONE WHO PUT INTO PLACE THAT YOU COULD USE THE TANF FUNDS AND ONE OF THE CRITERIA WOULD BE THAT IF YOU WENT TO SCHOOL, IF YOU WERE GETTING AN EDUCATION, WHICH IS SO IMPORTANT TO PEOPLE AS THEY ARE SEEKING JOBS. THERE ARE FEDERAL LIMITATIONS. THE FEDERAL TIME LIMIT IS 60 MONTHS--IN A LIFETIME. SO TO THINK THAT PEOPLE ARE JUST GOING TO SIT HOME AND COLLECT THIS MONEY IS NO LONGER TRUE.

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THAT'S WHY TANF WAS INSTITUTED IN 1996 TO SAY, WE NO LONGER HAVE WELFARE FOR A LIFETIME. WE WANT TO PUT INTO PLACE A FUND THAT BUILDS GOOD SOLID WAY FOR PEOPLE TO PREPARE AND TO GET WORK. MOST STATES HAVE ADOPTED THE FIVE-YEAR-TIME LIMIT, NOT VERY MANY EXCEPTIONS. AND THE REST, PRETTY MUCH THE STATES BUILD THEIR PROGRAM. FEDERAL LAW DOES REQUIRE WORK. HALF OF THE FAMILIES RECEIVING TANF ASSISTANCE IN A STATE MUST BE ENGAGED IN A WORK ACTIVITY FOR AT LEAST 30 HOURS A WEEK, AND 90 PERCENT OF TWO-PARENT FAMILIES MUST BE ENGAGED AND WORK FOR AT LEAST 35 HOURS PER WEEK. IF IT IS FOUND THAT YOU ARE NOT PURSUING A JOB, IN A JOB, PREPARING A JOB, GOING TO SCHOOL, YOU CAN BE KICKED OFF THIS PROGRAM. SO THE FEDERAL LAW IS PRETTY STRINGENT HERE AS TO WHAT WE'RE TRYING TO DO TO HELP FAMILIES WHO ARE IN POVERTY GET OUT OF POVERTY. THANK YOU, MR. PRESIDENT. [LB89]

SENATOR KRIST: THANK YOU, SENATOR CAMPBELL. (VISITORS INTRODUCED.) THOSE STILL WISHING TO SPEAK: SENATOR PANSING BROOKS, SENATOR KINTNER, SENATOR JOHNSON, AND SENATOR COOK. SENATOR PANSING BROOKS, YOU ARE RECOGNIZED. [LB89]

SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT. I WOULD JUST LIKE TO THANK SENATOR CAMPBELL FOR BRINGING FORWARD LB89. I RISE IN SUPPORT OF LB89. POVERTY IS ONE OF THE TOP ISSUES FOR MY DISTRICT. I'VE MENTIONED BEFORE THAT 36 PERCENT OF MY DISTRICT LIVE AT OR BELOW \$25,000 HOUSEHOLD INCOME. FROM SENATOR CAMPBELL'S SHEET WITH THE GRAPH, YOU CAN SEE THAT ALL OF US HAVE ISSUES OF POVERTY. TWENTY-EIGHT PERCENT OF THE CHILDREN IN MY DISTRICT LIVE BELOW 100 PERCENT OF THE POVERTY LEVEL. THAT'S OVER ONE IN FOUR CHILDREN. I THINK THAT'S UNREASONABLE AND WE NEED TO WORK TO HELP THOSE CHILDREN. THERE'S NO REASON NOT TO USE THE \$50 MILLION IN TANF FUNDS. THIS IS A BLOCK GRANT THAT WE ARE NOT SPENDING. WE HAVE A WONDERFUL OPPORTUNITY HERE, COLLEAGUES, TO HELP THOSE WHO ARE IN NEED IN OUR STATE. THIS BENEFITS WORKING MOTHERS. IT HELPS PEOPLE TO MEET THEIR BASIC NEEDS, AND IT HELPS PEOPLE FROM GOING DEEPER INTO POVERTY. I ALSO THINK THAT IT HELPS TO ALLOW CHILDREN TO STAY WITH THEIR PARENTS IN THEIR OWN HOMES. THAT IS A POLICY THAT WE NEED TO PROMOTE AT ALL COSTS, I BELIEVE, AND THERE'S NO COST IN THIS REGARD. THIS HELPS TO BATTLE THE CLIFF EFFECT. A PERSON CAN GET A MINIMUM WAGE JOB AND RETAIN A SMALL AMOUNT OF SUPPORT. IN 2014, (GAVEL) THANK YOU, MR. PRESIDENT. IN 2014, 14,000 PEOPLE RECEIVED AID TO DEPENDENT CHILDREN. OF THOSE, 11,500, ABOUT 11,500 WERE CHILDREN. PLEASE, TO ME THIS IS A NO-BRAINER. WE NEED

TO PASS LB89 AND USE THE TANF FUNDS THAT ARE ALREADY AVAILABLE FOR OUR NEBRASKA CHILDREN WHO ARE IN NEED. THANK YOU VERY MUCH, MR. PRESIDENT. [LB89]

SENATOR KRIST: THANK YOU, SENATOR PANSING BROOKS. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB89]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. YOU KNOW, WHEN I FIRST SAW THE FIRST FISCAL NOTE ON THIS THING, I ABOUT HAD A HEART ATTACK. AND NOW I SEE A NEW FISCAL NOTE. SO I THOUGHT WE HAD A BIG HEAPING PILE OF COW DUNG HERE AND I WAS GOING TO TRY TO STOP THE LEGISLATURE FROM STEPPING INTO IT. BUT NOW I LOOK AT THIS FISCAL NOTE, IT LOOKS A LITTLE BIT BETTER. AND I'VE TALKED TO SENATOR KOLTERMAN AND SENATOR RIEPE ABOUT IT A LITTLE BIT. AND I WOULD LIKE TO ASK SENATOR CAMPBELL A COUPLE OF QUESTIONS, SEE IF WE CAN FLESH A FEW THINGS OUT IF SHE'LL YIELD. [LB89]

SENATOR KRIST: SENATOR CAMPBELL, WILL YOU YIELD TO A QUESTION? [LB89]

SENATOR CAMPBELL: CERTAINLY. [LB89]

SENATOR KINTNER: SO THESE FUNDS HAVE TO BE SPENT WITHIN FIVE YEARS, IS THAT CORRECT? IS THAT...DO I HAVE IT RIGHT? HOW LONG DO WE HAVE TO SPEND TANF FUNDS? [LB89]

SENATOR CAMPBELL: WELL, WE CAN SPEND...WE CAN KEEP THEM FOR A LONG TIME. THE FIVE-YEAR LIMIT IS HOW LONG ANY INDIVIDUAL IN THEIR LIFETIME. [LB89]

SENATOR KINTNER: OKAY. OKAY. SO IT'S NOT USE IT OR LOSE IT? IT WILL SIT THERE UNTIL YOU FIND SOMETHING. WHAT'S THE LAST THING WE SPENT TANF FUNDS ON? [LB89]

SENATOR CAMPBELL: WELL, WE SPEND TANF FUNDS ANNUALLY, SENATOR KINTNER. AND WE HAVE A GREAT REPORT THAT THE FISCAL OFFICE DID. AND WE SPEND THEM, AS I'VE TALKED ABOUT, CHILD WELFARE, EDUCATION, HELPING THESE PEOPLE EDUCATION, JOB PREPARATION, AND THIS CASH ASSISTANCE THAT I'M TALKING ABOUT. WE SPEND ANNUALLY, BUT WE'VE

NEVER SPENT THE TOTAL AMOUNT. AND EACH YEAR WE GET APPROXIMATELY \$57.7 MILLION IN A BLOCK GRANT ANNUALLY. SO YOU WOULD SAID TO ME--HOW DO WE ACCUMULATE \$50 MILLION? IT'S BECAUSE WE'RE GETTING THAT AMOUNT EVERY SINGLE YEAR. [LB89]

SENATOR KINTNER: SO IT WILL JUST ACCUMULATE UNTIL WE FIND SOMETHING TO SPEND IT ON? [LB89]

SENATOR CAMPBELL: CORRECT. [LB89]

SENATOR KINTNER: ARE THERE COMPETING PROJECTS THAT WE COULD SPEND IT ON THAT ARE OUT THERE? AND YOU CHOSE THIS AS THE BETTER ONE, OR ARE THERE NOT? [LB89]

SENATOR CAMPBELL: SENATOR KINTNER, THERE IS PROBABLY A NUMBER OF PROGRAMS THAT ONE MIGHT LOOK AT. BUT ONE REMEMBERS THAT THE CORE COMPONENT OF THE TANF FUNDS, THE INTENT IN 1996 WAS THE ADC AID TO DEPENDENT CHILDREN AND NEEDY FAMILIES. SO THAT'S ITS CORE, AND THAT'S WHY I CHOSE THAT. [LB89]

SENATOR KINTNER: WE HAVE SOME PRETTY ENTERPRISING SENATORS IN HERE, AND THEY HAVE SOME INGENIOUS WAYS OF SPENDING TAXPAYER MONEY. IF THERE'S A WAY TO SPEND IT, THEY'LL FIGURE IT OUT. SO THERE'S HASN'T BEEN ANY OTHER PROPOSALS TO SPEND THE REST OF THE TANF FUNDS? THAT...THAT...THAT YOU THINK HAVE MERIT? [LB89]

SENATOR CAMPBELL: SENATOR KINTNER, WE HAVE HAD, ABOUT TWO YEARS AGO, WE HAD SOME PROPOSALS AND WE BROUGHT...SENATOR CRAWFORD HAD ONE AND THE LEGISLATURE APPROVED IT. ONE OF THE THINGS ON MY LIST FOR WHEN COURTNEY PHILLIPS COMES, AS THE NEW CEO OF DHHS, IS TO SIT DOWN AND LOOK AT WHAT ARE WE SPENDING TANF FUNDS ON; WHAT KIND OF COMPREHENSIVE PLANS SHOULD WE HAVE? BECAUSE THAT'S WHAT THE STATE AUDITOR WAS SAYING--YOU NEED A COMPREHENSIVE PLAN FOR WHAT YOU NEED TO SPEND THIS ON. SO, ARE YOU SAYING, YES, WE NEED A REVIEW OF THIS? I TOTALLY AGREE WITH YOU. [LB89]

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SENATOR KINTNER: OKAY, SO MAYBE SOME PRIORITIES AND THINGS AFTER...MAKES SENSE TO ME. AFTER WE DO THIS, HOW MUCH WILL WE HAVE LEFT IN TANF FUNDS? WOULD YOU KNOW THAT NUMBER? [LB89]

SENATOR CAMPBELL: WELL, IF WE JUST LOOK AT THE AMOUNT THAT'S IN RESERVE, WE WOULD HAVE ON IT...RIGHT NOW WE'D HAVE \$40 MILLION LEFT, BECAUSE THIS WOULD TAKE \$10 MILLION ON AN ANNUALIZED BASIS. AND THEN REMEMBER, WE'RE GOING TO GET ANOTHER \$57.7 (MILLION) ON AN ANNUALIZED BASIS. SO WE HAVE THE MONEY TO LOOK LONG RANGE AND PLAN COMPREHENSIVELY. AND QUITE HONESTLY, SENATOR, I THINK THAT NEEDS TO BE DONE. [LB89]

SENATOR KRIST: ONE MINUTE. [LB89]

SENATOR KINTNER: THANK YOU, SENATOR CAMPBELL. I THINK WE HAVE PEOPLE DOZING OFF IN THE PEANUT GALLERY UP THERE. THEY KNOW MORE ABOUT TANF THAN THEY EVER WANTED TO KNOW. I APPRECIATE YOU ENLIGHTENING. I KNOW MORE NOW TOO. THANK YOU, MR. PRESIDENT. [LB89]

SENATOR KRIST: THANK YOU, SENATOR KINTNER AND SENATOR CAMPBELL. SENATOR JOHNSON, YOU'RE RECOGNIZED. [LB89]

SENATOR JOHNSON: THANK YOU, MR. PRESIDENT. I TOTALLY UNDERSTAND THE NEED AND APPRECIATE THE NEED FOR THE ADC PROGRAMS. AND SENATOR KINTNER HAS KIND OF OUTLINED A LITTLE BIT OF WHAT I WANTED TO REFERENCE AND...BUT I WOULD ASK IF SENATOR CAMPBELL WOULD YIELD TO A QUESTION? [LB89]

SENATOR KRIST: SENATOR CAMPBELL, WILL YOU YIELD? [LB89]

SENATOR CAMPBELL: CERTAINLY. [LB89]

SENATOR JOHNSON: WELL, IT WOULD APPEAR THAT WE HAVE FUNDS TO SUPPORT THIS PROGRAM AND OTHER PROGRAMS. WHAT I'VE HEARD IN THE LAST TWO YEARS IN THIS BODY, AS WE'VE TALKED ABOUT EXPANSION OF HEALTH CARE, IS WHAT HAPPENS IF THE FEDERAL MONEY ISN'T THERE, THEN DOES IT SHIFT OVER TO STATE MONEY? DO YOU SEE ANY RISK OF THIS <u>Floor Debate</u> March 18, 2015

HAPPENING? AND IF WE DO...IF WE DON'T GET THAT \$57 MILLION, WILL THIS PROGRAM CONTINUE TO BE FULLY FUNDED BY THE FEDERAL? [LB89]

SENATOR CAMPBELL: SENATOR JOHNSON, SINCE THE INCEPTION IN 1996 OF THE TANF BLOCK GRANT FUNDING TO STATES, THE FEDERAL GOVERNMENT HAS NEVER TAKEN FUNDS AWAY. TANF HAS ALWAYS BEEN THERE. THIS IS THE FEDERAL GOVERNMENT'S WAY TO PARTNER WITH THE STATE. AND HERE WE ARE REALLY TALKING ABOUT AID TO CHILDREN, WHICH IS VERY DIFFERENT THAN THE HEALTH CARE ISSUES WE'RE LOOKING AT. [LB89]

SENATOR JOHNSON: THAT DEFINITELY ANSWERS MY QUESTION. SO THE THREAT OF THIS COMING BACK TO BE A BURDEN ON THE STATE IS BASICALLY NOT GOING TO HAPPEN, IS THAT CORRECT? [LB89]

SENATOR CAMPBELL: SENATOR JOHNSON, I DO NOT ANTICIPATE THAT THE FEDERAL GOVERNMENT WOULD MOVE AWAY FROM THIS, AS MUCH AS THEY HAVE EMPHASIZED GETTING PEOPLE BACK TO WORK. [LB89]

SENATOR JOHNSON: THANK YOU. THAT ANSWERED MY QUESTION. THANK YOU, MR. SPEAKER. [LB89]

SENATOR KRIST: THANK YOU, SENATOR JOHNSON AND SENATOR CAMPBELL. SENATOR COOK, YOU'RE RECOGNIZED. [LB89]

SENATOR COOK: THANK YOU, MR. PRESIDENT, AND GOOD MORNING AGAIN, COLLEAGUES. I WANTED TO COMPLETE MY THOUGHT FROM THE INFORMATION THAT WAS PRESENTED TO THE PLANNING COMMITTEE IN AUGUST OF 2013, ABOUT WHAT THE DEFINITION OF POVERTY IS AS IT RELATES TO ELIGIBILITY FOR PROGRAMS SUCH AS TANF. THE CENSUS BUREAU MEASURES POVERTY IN THREE WAYS. IT'S A MEASURE OF ABSOLUTE POVERTY. THE CENSUS BUREAU USES A SET OF MONEY INCOME THRESHOLDS THAT VARY, BY NECESSITY, BY FAMILY SIZE AND COMPOSITION TO DETERMINE WHO IS IN POVERTY. FOR EXAMPLE, THEY WOULDN'T SAY A FAMILY OF TWO EARNING "X" IS AT THE SAME POVERTY LEVEL AS FAMILY OF FOUR EARNING THE SAME NUMBER OF DOLLARS. AND THIRD, IF A FAMILY'S TOTAL INCOME IS LESS THAN THE FAMILY'S THRESHOLD, THEN THE FAMILY AND EVERY INDIVIDUAL IN IT IS CONSIDERED IN POVERTY. ANOTHER POINT THAT I WOULD LIKE TO SHARE BEFORE I YIELD MY TIME IS WHEN WE HAVE THESE CONVERSATIONS, CERTAINLY WITHIN THE <u>PL</u>ANNING COMMITTEE AND WITHIN HEALTH AND HUMAN SERVICES AND

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SOMETIMES IN CASUAL CONVERSATIONS ON THE FLOOR, IT OFTEN ARISES THIS IDEA THAT THE STATE OF NEBRASKA'S COST OF LIVING IS SUCH THAT WE NEEDN'T REFERENCE THE NATIONAL POVERTY THRESHOLDS. WELL, THE STATE OF NEBRASKA, THE COST OF LIVING IS ESTIMATED TO BE, LET'S SAY, 89 PERCENT OF WHAT A TYPICAL, LET'S CALL IT A MEDIAN COST OF LIVING. SO IT'S CERTAINLY NOT 50 PERCENT OR 35 PERCENT; AND IT'S CERTAINLY NOT ENOUGH TO...FOR A STRUGGLING FAMILY TO REALLY MAKE THAT MUCH MORE OUT OF THEIR EARNINGS FOR A FAMILY, A TYPICAL FAMILY SIZE WHICH IS 3, WHO WOULD ACCESS THESE KINDS OF FUNDS. SO I WANTED TO ADD THOSE POINTS ABOUT WHAT WE REALLY MEAN WHEN WE TALK ABOUT FAMILIES, STRUGGLING FAMILIES, CHILDREN IN POVERTY, VERSUS SOME OF THE PERCEPTIONS THAT EXIST. AND WITH THAT, I WOULD YIELD THE BALANCE OF MY TIME TO THE CHAIR. THANK YOU, MR. PRESIDENT. [LB89]

SENATOR KRIST: THANK YOU, SENATOR COOK. SENATOR SCHUMACHER, YOU ARE RECOGNIZED. [LB89]

SENATOR SCHUMACHER: THANK YOU, MR. CHAIRMAN. THIS, INDEED, IS AN INTERESTING DISCUSSION, BECAUSE THERE'S NOTHING THAT HAPPENS IN A VACUUM. TODAY WE'VE HEARD ABOUT MOTHERS WHO'VE GOT TO TEAR UP CLOTH IN ORDER TO MAKE DIAPERS, AND ALL KINDS OF OTHER TEAR-JERKING KIND OF THINGS. AND JUST A COUPLE OF WEEKS AGO, WE HEARD ABOUT WHAT WAS RATIONAL PLAN, AT LEAST I THOUGHT, BY SENATOR NORDOUIST TO ACTUALLY MAKE MONEY, ABOUT \$10,000, \$12,000 BY EFFECTIVELY EDUCATING YOUNG WOMEN, AND MAYBE NOT SO YOUNG WOMEN, ABOUT FINANCIAL RESPONSIBILITY AND FAMILY PLANNING RESPONSIBILITY. WE TURNED THAT IDEA DOWN. TODAY, WE HAVE THE FLIP SIDE OF THE COIN. WE'VE GOT THIS TALK ABOUT POVERTY. WE'VE GOT THIS TALK ABOUT WE HAVE TO HELP THESE CHILDREN WHO ARE FINDING THEMSELVES IN THIS SITUATION. LET'S TALK A LITTLE BIT ABOUT WHAT SENATOR COOK RAISED, JUST A LITTLE BIT AGO, ABOUT POVERTY. A MOM OR A SINGLE PERSON MAY NOT BE IN POVERTY AT A JOB THAT MAKES \$20,000 A YEAR; ADD ONE CHILD, MAY OR MAY NOT BE IN POVERTY. BUT YOU ADD TWO OR THREE MORE AND SUDDENLY YOU HAVE A BUNCH OF PEOPLE IN POVERTY. I REALLY HAVE REAL PROBLEMS IN ANY SYSTEM THAT REINFORCES THAT CYCLE. AND I CAN'T GET IT OUT OF MY SYSTEM THAT BY PUTTING MORE MONEY INTO THE SYSTEM, WE CAN BREAK THE CYCLE. EVEN THOUGH I CAN'T GET IT OUT OF MY SYSTEM EITHER THAT WE SHOULD HAVE KIDS IN NEED. BUT WE HAVE TO DO WHAT WE DO SO LITTLE OF IN THIS BODY, AND THAT IS COME UP WITH A COHESIVE PLAN OF ATTACK. WE CAN RAISE THESE LIMITS; WE CAN TAKE AWAY THE CLIFF EFFECT, AND WILL WE

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HAVE SOLVED A PROBLEM? NO. WE SHOULDN'T HAVE ANYBODY IN THE SITUATION IN THE ECONOMY THAT HAS 2.9 PERCENT UNEMPLOYMENT. EVERYBODY SHOULD HAVE A JOB. BUT YET, WE'RE STRUGGLING WITH THIS. I THINK I'M GOING TO SUPPORT THIS BILL, BUT I FEEL THE SUPPORT MAY BE JUST NOT ACCOMPLISHING VERY MUCH UNLESS WE HAVE A COMPREHENSIVE PLAN FOR DEALING WITH THIS. AND UNLESS WE'RE ABLE TO OVERCOME OUR EMOTIONAL RELUCTANCE TO DO THINGS THAT NEED TO BE DONE IN ORDER TO EFFECTIVELY MAKE SURE THAT CHILDREN BORN INTO THIS WORLD, IN THIS STATE, DO NOT FIND THEMSELVES INTO THIS FIX. AND THE ONLY WAY WE CAN DO THAT IS BY MAKING SURE THAT THE PARENTS THAT BRING THEM INTO THIS WORLD ARE FULLY PREPARED TO TAKE CARE OF THEM WHEN THEY DO. AND THIS BILL DOESN'T DO THAT, IT'S A STOP GAP. THE BILL WE REJECTED THE OTHER DAY MADE AN EFFORT AT IT. BUT WE DON'T HAVE A COMPREHENSIVE PLAN FOR DEALING WITH THIS, AND SO MANY OTHER THINGS. AND THAT, FUNDAMENTALLY, IS PART OF THE LACK OF DESIGN IN THIS BODY. I THINK I'M GOING TO SUPPORT THIS. BUT BOY. IT SURE IS NOT ENOUGH. AND IT'S JUST NOT FIXING A PROBLEM. IT'S SIMPLY PATCHING A TIRE. THANK YOU. [LB89]

SENATOR KRIST: THANK YOU, SENATOR SCHUMACHER. (VISITORS INTRODUCED.) SENATOR LARSON, YOU'RE RECOGNIZED. [LB89]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. LB89 HAS BROUGHT UP AN INTERESTING CONCEPT, WAYS ... A WAY TO POSSIBLY HELP CHILDREN OUT OF POVERTY. WELL, I'M NOT DENYING THAT LB89 PROBABLY WILL HELP THAT, BUT THERE ARE OTHER WAYS AS WELL. ONE OF THOSE IS OUR EDUCATIONAL SYSTEM AND THIS IS SOMETHING THAT WE ARE NOT ADDRESSING. THERE ARE THINGS THAT WE CAN DO IN THIS LEGISLATURE TO HELP THOSE DISADVANTAGED PEOPLE THAT COME FROM THE CHILDREN UNDER 6 YEARS AND BELOW, 100 PERCENT OF POVERTY, AS A PERCENTAGE OF THE POPULATION, THOSE TOP DISTRICTS THAT WE SEE HANDED OUT ON LB89, A NUMBER OF THEM ARE IN OMAHA OR IN LINCOLN. AND THERE ARE SOLUTIONS OUT THERE TO HELP PROVIDE MORE EDUCATIONAL OPPORTUNITIES FOR STUDENTS. YET, WE CONTINUE TO NOT WANT TO ADDRESS THAT. THERE ARE MULTIPLE WAYS THAT WE CAN WORK TO BUILD PEOPLE AND HELP THEM GET OUT OF POVERTY. LB89 IS PROBABLY ONE OF THOSE, YES. BUT WHY ARE WE JUST DOING ONE AND NOT THE OTHER? YOU KNOW, CHARTER SCHOOLS HAVE CONTINUED TO WORK IN NUMEROUS PLACES ACROSS THIS COUNTRY, YET, WE'RE ONE OF EIGHT STATES THAT DON'T HAVE THEM. WE SHOULD BE GIVING THESE PARENTS WHO ARE LOOKING AND ARE WORKING OR GOING TO SCHOOL TRYING TO GET BETTER, WE SHOULD GIVE THEM THE OPTION, OR AT LEAST THE ABILITY, TO SEND THEIR

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KIDS TO THEY SHOULD HAVE THE CHOICE TO SEND THEIR KIDS TO ANY SCHOOL THAT THEY WANT. AND WE DON'T HAVE THAT RIGHT NOW. AND IF WE CONTINUE TO FALL BEHIND, BECAUSE WE ARE FALLING BEHIND, THEY WILL CONTINUE TO SUFFER. AND WE WILL CONTINUE TO SEE THE CYCLE OF POVERTY, REGARDLESS OF WHAT LB89 DOES. THE CYCLE OF POVERTY IS BEST FOUGHT WITH EDUCATION. AND PROVIDING A QUALITY EDUCATION, AN EDUCATIONAL OPPORTUNITY FOR ALL STUDENTS, NOT JUST THOSE IN MILLARD WEST, NOT JUST THOSE IN THE OMAHA BURKE, OR THE FAMILIES THAT MAY LIVE IN THOSE COMMUNITIES OF RALSTON OR LINCOLN SOUTHWEST, THE MORE, WE'LL CALL THEM AFFLUENT PARTS OF LINCOLN AND OMAHA, BUT ALL OF LINCOLN AND OMAHA. AND ALL THE STATE, FOR THAT MATTER. WE CAN USE \$10 MILLION IN FEDERAL FUNDS. AND YES, THAT WILL HELP, BUT IT DOESN'T SOLVE THE TRUE CULTURAL PROBLEM THAT IS THE CYCLE OF POVERTY. THE ONLY WAY TO TRULY SOLVE THAT IS TO CONTINUE TO IMPROVE OUR EDUCATIONAL SYSTEM AND GIVE PEOPLE THE OPPORTUNITIES TO BUILD. YOU DO THAT THROUGH EDUCATION. AND WE ARE NOT DOING THAT RIGHT NOW IN THIS STATE. I CONTINUE TO SAY...I CONTINUE TO SAY THAT VERY RARELY DO I AGREE WITH PEOPLE ALONG THE LINES OF PRESIDENT OBAMA, SENATOR CORY BOOKER, SENATOR CHARLES SCHUMER, NANCY PELOSI. BUT ON EDUCATION, THIS IS AN ISSUE THAT WE CAN AGREE ON. BECAUSE THEY REALIZED THE WAY TO BREAK THE CYCLE OF POVERTY IS EDUCATION. THIS IS A BIPARTISAN ISSUE ALL THE WAY ACROSS THIS COUNTRY, EXCEPT IN NEBRASKA. THIS IS AN ISSUE THAT THE TWO PARTIES IN A BITTER PARTISAN DIVIDE IN WASHINGTON, BITTER PARTISAN DIVIDE ACROSS THE ENTIRE COUNTRY, EDUCATION, CHARTER SCHOOLS, THINGS LIKE TEACH FOR AMERICA IS WHERE THE PARTIES AGREE, EXCEPT HERE. WE WANT TO TALK ABOUT PARTISAN ISSUES IN THE LEGISLATURE? THIS IS ONE OF THEM. YEAH, LET'S GIVE THOSE PEOPLE A HAND UP. LET'S GIVE THEM A LEG UP. BUT THE ONLY WAY TO DO THAT ISN'T JUST THROUGH MONEY, ADC, THINGS OF THAT NATURE. [LB89]

SENATOR KRIST. TIME, SENATOR. [LB89]

SENATOR LARSON: ...WHICH ARE IMPORTANT AND ARE HELPFUL. IS THAT TIME OR...? [LB89]

SENATOR KRIST: TIME SENATOR, YES. SENATOR LARSON, YOU'RE NEXT IN THE QUEUE. ONE SECOND, PLEASE, ANNOUNCEMENT, MR. CLERK. [LB89]

ASSISTANT CLERK: MR. PRESIDENT, AN ANNOUNCEMENT: THE JUDICIARY WILL HOLD AN EXECUTIVE SESSION AT 11:00 IN ROOM 2022. [LB89]

SENATOR KRIST: SENATOR LARSON, YOU'RE NEXT IN THE QUEUE. [LB89]

SENATOR LARSON: THERE'S MULTIPLE WAYS TO HELP PEOPLE ESCAPE THE CYCLE OF POVERTY, AND THE BEST WAY IS TO PROVIDE AN EDUCATION, AND A QUALITY EDUCATION. WE CAN LOOK AT CHARTER SCHOOLS, ESPECIALLY THE VERY SUCCESSFUL ONES, KIPP SUCCESS ACADEMY. THEY'RE SENDING OVER 90 PERCENT OF THEIR KIDS RECEIVE A COLLEGE EDUCATION, AND NEARLY 100 PERCENT OF THEIR CHILDREN ARE ON FREE AND REDUCED LUNCHES. YET, THEY GO AND GET THAT COLLEGE EDUCATION, IT'S MORE THAN LIKELY THEY'RE NOT GOING TO CONTINUE THROUGH THAT CYCLE OF POVERTY. EDUCATION IS THE TRUE AND ABSOLUTE WAY TO HELP PEOPLE IN THAT CYCLE. WE CAN DO THINGS LIKE THIS THAT SUPPLEMENT. BUT IF YOU'RE EDUCATED AND YOU CAN MOVE ON AND BECOME COLLEGE EDUCATED, NOW, YOU DON'T HAVE TO BECOME...HAVE THAT COLLEGE DEGREE, WE'VE SEEN THE MARK ZUCKERBERGS, THE BILL GATES OF THE WORLD THAT ARE JUST FANTASTICALLY BRILLIANT, BUT FOR THE MOST PART IT DOES TAKE THAT COLLEGE EDUCATION. YET, WE CONTINUE TO LIMIT THE OPPORTUNITIES FOR HIGH SCHOOL STUDENTS, ELEMENTARY STUDENTS, MIDDLE SCHOOL STUDENTS IN THIS STATE TO WHERE THEY DON'T HAVE THE OPPORTUNITIES TO GROW AT THAT YOUNG AGE AND PREPARE THEMSELVES FOR COLLEGE AND THEY CONTINUE TO FALL INTO THIS CYCLE. AND WE WILL CONTINUE TO SEE THIS CYCLE, REGARDLESS OF HOW MUCH MONEY WE SPEND ON OTHER ISSUES UNTIL WE START TO HAVE FUNDAMENTAL CHANGES WITHIN OUR EDUCATIONAL SYSTEM. I TALKED TWO HOURS ON THIS ... WELL, NOT QUITE, ABOUT AN HOUR AND A HALF ON THIS ISSUE EARLIER THIS SESSION, A WEEK OR SO AGO. AND IT'S SOMETHING THAT I SAID I WOULD CONTINUE TO TALK ABOUT. I THOUGHT THIS BILL WAS AN APPROPRIATE TIME TO DISCUSS THE ISSUE, IF WE WANT TO TALK ABOUT WAYS TO PULL PEOPLE OUT OF POVERTY. WE PASSED LB438 LAST YEAR. WE GET TO NOW RECOGNIZE THREE "NEEDS IMPROVEMENT" SCHOOL DISTRICTS BECAUSE EVERY OTHER SCHOOL DISTRICT IS EITHER EXCELLENT, GREAT, OR GOOD BY THE STATE BOARD'S GRADING SCALE. BUT THOSE THREE "NEEDS IMPROVEMENT" SCHOOL DISTRICTS, WE CAN RECOGNIZE THEM, START TO TRY TO HELP THEM IN SOME WAY, SHAPE, OR FASHION. ACROSS THIS COUNTRY, PEOPLE ARE PUTTING A MARKET TO EDUCATION AND DOING IT THE RIGHT WAY IN CREATING SCHOOLS IN UNDERSERVED COMMUNITIES TO COMBAT THE CYCLE THAT IS THERE. AND THEY ARE WORKING. I'M NOT GOING TO SAY EVERY SINGLE ONE WORKS, BECAUSE IT DOESN'T. BUT THERE ARE PROVEN MODELS, THERE'S

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PROVEN WAYS TO WRITE THE LEGISLATION THAT ARE WORKING ACROSS THIS COUNTRY YET...AND IN A BIPARTISAN MANNER, YET WE DECIDE THAT WE DON'T NEED THAT. WE'RE GOING TO DIVIDE THIS ALONG PARTY LINES AND NOT SUPPORT SOMETHING THAT IS WORKING. AND IT'S FRUSTRATING BECAUSE WE ARE LEAVING CHILDREN BEHIND. LB89 WORKS TO SOLVE THE ISSUE TO A CERTAIN EXTENT, BUT IT DOESN'T SOLVE THE ROOT OF THE PROBLEM. AND THAT ROOT IS EDUCATION. AND I'M GOING TO CONTINUE TO STAND UP ON OTHER BILLS THROUGHOUT THE SESSION WHEN WE'RE DOING X OR Y AND TALK ABOUT IT. [LB89]

SENATOR KRIST: ONE MINUTE. [LB89]

SENATOR LARSON: NOW I DON'T WANT TO HOLD KATHY'S BILL UP TODAY...SENATOR CAMPBELL'S, I'M SORRY, SO I'LL STOP. BUT IF WE'RE ACTUALLY GOING TO THINK ABOUT HOW WE END THIS CYCLE, LET'S ACTUALLY THINK. IT'S NOT JUST DUMPING MORE MONEY IN, IT'S NOT ABOUT THREE "NEEDS IMPROVEMENT" SCHOOL DISTRICTS. IT'S ABOUT FUNDAMENTAL CHANGES OF THE SYSTEM AND GIVING PARENTS MORE OPTIONS ON HOW THEY WANT TO EDUCATE THEIR KIDS, NOT RESTRICTING ON HOW THEY EDUCATE THEIR KIDS. LET'S GIVE THE PARENTS OPTIONS REGARDLESS OF WHAT THE NSEA AND THE TEACHER'S UNION MAY SAY. PARENTS KNOW BEST. THEY WANT WHAT'S BETTER FOR THEIR KIDS AND IF THEY'RE GOING TO ESCAPE POVERTY IN THAT CULTURAL CYCLE, THEY DO IT THROUGH EDUCATION, YET WE IGNORE THEM. THANK YOU. [LB89]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: TIME, SENATOR. THANK YOU, SENATOR LARSON. OTHER SENATORS WISHING TO BE RECOGNIZED? SEEING NONE, SENATOR CAMPBELL, YOU'RE RECOGNIZED TO CLOSE ON THE ADVANCEMENT OF LB89. [LB89]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. I UNDERSTAND AND APPRECIATE SENATOR SCHUMACHER'S COMMENTS ON THE FLOOR WITH REGARD TO LB89. BUT UNLESS WE ADDRESS THE CLIFF EFFECT, UNLESS WE LOOK AT WHAT THAT MAXIMUM PAYMENT IS THAT WE HAVEN'T CHANGED FOR 30 YEARS, WE'RE GOING TO CONTINUE TO SEE PEOPLE LANGUISH IN ASSISTANCE PROGRAMS. WHERE I DO AGREE WITH SENATOR SCHUMACHER IS THAT WE NEED A COMPREHENSIVE LOOK AT ALL OF THE PROGRAMS THAT WE HAVE ENACTED TO ADDRESS POVERTY, AND PARTICULARLY CHILDREN IN POVERTY. AND, IN

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FACT, SENATOR MELLO HAS A BILL THAT WOULD DEVELOP A TASK FORCE TO TAKE A LOOK AT ALL OF OUR PROGRAMS, WHAT WE'RE SPENDING ON POVERTY, AND WE ARE CONSIDERING ATTACHING THAT BILL TO LB89 WHEN IT GETS TO SELECT. BECAUSE WHAT SENATOR SCHUMACHER IS ADDRESSING IS EXACTLY WHAT WAS IN THE AUDITOR'S REPORT. AND AGAIN I QUOTE: DHHS SHOULD ALSO DEVELOP A COMPREHENSIVE PLAN AND WORK WITH THE NEBRASKA LEGISLATURE TO SET A REASONABLE RESERVE AND DETERMINE THE BEST USE OF THOSE FUNDS. THE DHHS RESPONSE WAS--WE WOULD NOTE THAT THE BENEFIT LEVEL FOR ADC HOUSEHOLDS IS SET BY THE NEBRASKA LEGISLATURE AND CANNOT BE ADJUSTED WITHOUT CHANGES TO STATE STATUTES. THAT'S WHAT WE'RE DOING TODAY. IT'S A STEP, BUT A LOT MORE HAS TO BE DONE IN RESPONSE TO SENATOR SCHUMACHER'S QUESTION. AND HE SHOULD HOLD US ACCOUNTABLE TO GET TO WORK ON THE QUESTIONS HE'S ASKING. BUT LB89 IS MUCH OVERDUE TO USE THE TANF FUNDS WISELY. WITH THAT, MR. PRESIDENT, I WILL CLOSE AND ASK FOR A YES VOTE ON LB89. [LB89]

SENATOR GLOOR: THANK YOU, SENATOR CAMPBELL. MEMBERS, THE QUESTION BEFORE US IS THE ADVANCEMENT OF LB89 TO E&R INITIAL. THOSE IN FAVOR VOTE AYE; THOSE OPPOSED, VOTE NAY. HAVE ALL VOTED WHO CARE TO? RECORD, MR. CLERK. [LB89]

ASSISTANT CLERK: 26 AYES, 0 NAYS ON THE MOTION TO ADVANCE THE BILL, MR. PRESIDENT. [LB89]

SENATOR GLOOR: LB89 IS ADVANCED. MR. CLERK. [LB89]

ASSISTANT CLERK: MR. PRESIDENT, SOME ITEMS FOR THE RECORD: A POTENTIAL CONFLICT OF INTEREST STATEMENT FROM SENATOR CRAIGHEAD; AMENDMENTS TO BE PRINTED TO LB324 FROM SENATOR CRAIGHEAD. NEW A BILLS: LB382A BY SENATOR COOK AS WELL AS LB465A BY SENATOR BURKE HARR, (READ LB382A AND LB465A BY TITLE FOR THE FIRST TIME). (LEGISLATIVE JOURNAL PAGES 899-901.) [LB324 LB382A LB465A]

MOVING TO THE NEXT BILL, MR. PRESIDENT, LB498, INTRODUCED BY... [LB498]

SENATOR GLOOR: THANK YOU, MR. CLERK. A MINUTE, PLEASE. (VISITORS INTRODUCED.) MR. CLERK. [LB498]

ASSISTANT CLERK: MR. PRESIDENT, LB498, INTRODUCED BY SENATOR HADLEY (READ TITLE.) THE BILL WAS READ FOR THE FIRST TIME ON JANUARY 21; REFERRED TO THE TRANSPORTATION COMMITTEE. THAT COMMITTEE PLACED THE BILL ON GENERAL FILE WITH COMMITTEE AMENDMENTS. (AM413, LEGISLATIVE JOURNAL PAGE 605.) [LB498]

SENATOR KRIST PRESIDING

SENATOR KRIST: SPEAKER HADLEY, YOU'RE RECOGNIZED. [LB498]

SPEAKER HADLEY: MR. PRESIDENT, MEMBERS OF THE BODY, I APPRECIATE YOUR INTEREST IN LB498. LAST YEAR WE PASSED LB814, IN 2014, THAT DEALT WITH SALES TAX ON ATVs AND SUVs (SIC-UTVs). AND WE INADVERTENTLY CHANGED THE COLLECTION POINT FOR THE SALES TAX. AND GIVEN HINDSIGHT, WHICH HAPPENS EVERY NOW AND THEN, WE PROBABLY DIDN'T DO AS GOOD A JOB LAST YEAR, AND I TAKE FULL RESPONSIBILITY FOR THAT. IF A PERSON FROM IOWA NOW COMES INTO NEBRASKA WITH THEIR PICKUP TRUCK AND STOPS AT A COMPUTER STORE AND PICKS UP A COMPUTER, THEY PAY SALES TAX ON IT, BECAUSE THEY PURCHASED IT IN NEBRASKA AND PICKED IT UP IN NEBRASKA. IF THEY STOPPED AT NEBRASKA FURNITURE MART AND PICK UP A TV AND PUT IT IN THE PICKUP TRUCK, THEY PAY SALES TAX ON THAT BECAUSE THEY PICKED IT UP IN NEBRASKA. IF THEY STOP AND BUY AN ATV AND PUT IT IN THE BACK END OF THEIR PICKUP TRUCK, THEY PAY NO SALES TAX TO THE STATE OF NEBRASKA. THEY HAVE TO GO BACK TO IOWA AND THEY WILL BE PAYING IOWA SALES TAX ON AN ITEM THEY PICKED UP IN THE STATE OF NEBRASKA, BASICALLY, PERSONAL PROPERTY. LB498, WITH THE AMENDMENT, RETURNS STATE AND LOCAL USE TAX COLLECTION OF NEW AND USED TO THE RETAILER. IN ESSENCE. THE SAME SYSTEM AS BEFORE THE PASSAGE OF LB814 IN 2014. THIS IS THE SYSTEM THAT IS USED BY EVERY STATE AROUND NEBRASKA: SOUTH DAKOTA, WYOMING, COLORADO, KANSAS, MISSOURI, AND IOWA. I WANT TO BE VERY CLEAR, WE'RE NOT CHANGING ANY OF THE RULES AS FAR AS TAX EXEMPTIONS. THERE WILL STILL BE AN AG TAX EXEMPTION THAT IF AN ITEM IS USED FOR AGRICULTURAL PURPOSES, IT IS EXEMPT FROM SALES TAX. WE'RE NOT CHANGING THAT WHATSOEVER. SO THE DEALER WILL COLLECT ON NEW SALES AND USED SALES OF ATVs AND SUVs (SIC-UTVs); REMIT THAT TO THE STATE OF NEBRASKA WHERE IT WILL BE APPROPRIATELY DESIGNATED. PRIVATE SALES WILL BE COLLECTED BY THE COUNTY TREASURER WHEN A BUYER FILES FOR A CERTIFICATE OF TITLE AND ONE-TIME REGISTRATION. THE PURCHASER HAS TO PAY STATE AND LOCAL USE TAX, THE COUNTY TREASURER WHAT'S THEN 30 DAYS. TAX IS DETERMINED ON THE POINT OF DELIVERY, WHERE IT WAS

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DELIVERED TO THE BUYER. COUNTY TREASURERS WILL BE...REGISTER THE ATV AND SUV (SIC-UTVs), AND THEY WILL COLLECT SALES AND USE TAX ON PRIVATE SALES AND WHEN NO PROOF OF TAXES ARE PAID TO ... AS PROVIDED BY THE BUYER. THERE WILL BE A ONE-TIME REGISTRATION FEE. NEW AND USED ATVs AND UTVs WILL BE REGISTERED WITHIN 30 DAYS OF PURCHASE, AND ALL COMMERCIAL ATVs AND AG ATVs AND UTVs WILL BE REGISTERED. THERE IS AN \$8 FEE; \$7 OF IT STAYS TO THE COUNTY, \$1 GOES TO THE MOTOR VEHICLE CASH FUND. THIS IS TO REIMBURSE THE COUNTIES FOR THE TIME AND EFFORT OF DOING THIS. MOST STATES, WILL ALSO REGISTER ATVs. THERE WILL BE A STICKER PROVIDED TO THE ATV SO THERE WILL BE PROOF OF OWNERSHIP. AND THEY WOULD ALSO RECEIVE A TITLE. THEY HAVE BEEN RETIRED SINCE 2004, THE TITLE, SO THAT IS NOT CHANGED. AGAIN, THIS IS NOT A NEW TAX. IT IS EXACTLY THE SAME TAX WE HAVE RIGHT NOW. THE ONLY DIFFERENCE IS THE POINT OF COLLECTION ON NEW AND USED SALE OF ATVs AND UTVs THAT ARE SOLD BY A DEALER, THE TAX WILL BE RETURNED AND COLLECTED BY THE DEALER. THANK YOU, MR. PRESIDENT. [LB498]

SENATOR KRIST: THANK YOU, SPEAKER HADLEY. AS THE CLERK STATED, THERE ARE COMMITTEE AMENDMENTS. SENATOR SMITH, AS THE CHAIR, YOU'RE RECOGNIZED TO OPEN. [LB498]

SENATOR SMITH: THANK YOU, MR. PRESIDENT. AND GOOD MORNING, COLLEAGUES. SPEAKER HADLEY DID A GREAT JOB OF PROVIDING THE OVERVIEW OF THE BILL AND TOUCHED ON THE AMENDMENT AS WELL. VERY SIMPLY, THE AMENDMENT RETAINS THE CURRENT REQUIREMENT THAT SALES TAX DUE ON AN ATV, UTV, SHALL BE COLLECTED BY THE COUNTY TREASURER WHEN THE VEHICLE IS REGISTERED. THE AMENDMENT PROVIDES THAT FOR SALES OF AN ATV OR UTV MADE BY A DEALER, THE SALES TAX SHALL BE COLLECTED BY THE DEALER AT THE TIME OF THE PURCHASE. AND COLLEAGUES, THAT'S THE EXTENT OF THE AMENDMENT. THANK YOU, MR. PRESIDENT. [LB498]

SENATOR KRIST: THANK YOU, SENATOR SMITH. THE FLOOR IS NOW OPEN FOR DEBATE FOR AM413 AND LB498. SEEING NO ONE WISHING TO SPEAK, SENATOR SMITH, YOU'RE RECOGNIZED TO CLOSE. SENATOR SMITH WAIVES CLOSING ON THE AMENDMENT. THE QUESTION IS THE ADOPTION OF AM413: ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. PLEASE RECORD, MR. CLERK. [LB498]

ASSISTANT CLERK: 29 AYES, 0 NAYS ON THE ADOPTION OF COMMITTEE AMENDMENTS, MR. PRESIDENT. [LB498]

SENATOR KRIST: THE AMENDMENT IS ADOPTED. SEEING NO ONE WISHING TO SPEAK, SENATOR HADLEY, YOU'RE RECOGNIZED...I'M SORRY, SENATOR BLOOMFIELD, YOU POPPED IN THERE, YOU'RE RECOGNIZED. [LB498]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. COLLEAGUES, THERE'S ANOTHER THING THAT THIS BILL DOES. IT AFFECTS RURAL NEBRASKA A LITTLE BIT. UNDER THE CURRENT SYSTEM, IF WE GO INTO TOWN AND BUY AN ATV, THEN WE GO TO OUR COURTHOUSE TO REGISTER IT IN OUR HOME COUNTY, WHERE OUT IN THE COUNTRY, WE PAY 5.5 PERCENT SALES TAX. UNDER THIS BILL, UNDER THIS CHANGE, WE WILL PAY THE CITY SALES TAX AS WELL, WHICH WE HAVE BEEN EXEMPTED FROM CURRENTLY. SENATOR HADLEY, IF SENATOR HADLEY WOULD YIELD TO A QUESTION? [LB498]

SENATOR KRIST: SENATOR HADLEY WILL YIELD? [LB498]

SPEAKER HADLEY: YES. [LB498]

SENATOR BLOOMFIELD: SENATOR HADLEY, AM I CORRECT IN THAT STATEMENT? [LB498]

SPEAKER HADLEY: YOU ARE CORRECT. AND SENATOR BLOOMFIELD, BUT IT CAN WORK THE REVERSE WAY, THAT RIGHT NOW SOMEBODY FROM OMAHA GOES OUT TO A SMALL TOWN AND BUYS AN ATV, AND, BASICALLY, THEY WOULD NOT...UNDER THE NEW SYSTEM, THEY WOULD NOT PAY SALES TAX AT THAT SMALL TOWN AND THEY COULD BRING IT BACK TO OMAHA. AND UNDER THE CURRENT SYSTEM WE HAVE, THEY WOULD HAVE TO PAY SALES TAX IN OMAHA. SO IT WORKS BOTH WAYS, BUYING AND...FROM SMALL TO BIG AND BIG TO SMALL. [LB498]

SENATOR BLOOMFIELD: OKAY. CURRENTLY, IF I BUY A PIECE OF MACHINERY IN IOWA AND TAKE IT HOME, I PAY SALES TAX IN THE COUNTY. UNDER THIS CHANGE, IF SOMEONE FROM IOWA COMES TO NEBRASKA AND PAYS SALES TAX ON THIS UNIT WHERE THEY BUY IT, ARE THEY GOING TO BE PAYING SALES TAX AGAIN IN IOWA WHEN THEY GET IT BACK? [LB498] <u>Floor Debate</u> March 18, 2015

SPEAKER HADLEY: NO. BASICALLY, IT'S PART OF THIS STREAMLINED SALES TAX AGREEMENT THAT WE'RE MEMBERS OF WITH SOME 25 OTHER STATES. YOU, BASICALLY, ONLY PAY SALES TAX ONCE. SO IF...IF...LET ME REVERSE IT, AND SAY YOU GO TO IOWA AND BUY AN ATV THERE FROM A DEALER, YOU WILL PAY IOWA SALES TAX. YOU COME TO NEBRASKA TO TITLE IT AND GET THE REGISTRATION, YOU SHOW PROOF THAT YOU'VE PAID THE SALES TAX IN IOWA, YOU WILL NOT PAY IT IN NEBRASKA THEN. [LB498]

SENATOR BLOOMFIELD: OKAY. JUST TO GET THIS ON THE RECORD, IF I BUY IT IN IOWA AND THEY DELIVER IT TO NEBRASKA, I PAY NEBRASKA SALES TAX, IS THAT CORRECT? [LB498]

SPEAKER HADLEY: NO. BECAUSE IN ESSENCE, YOU WOULD HAVE TO DO THAT WHEN YOU GO TO REGISTER IT, YOU WOULD HAVE TO THEN PAY IT AT THE COUNTY OFFICE, NOT AT THE IOWA DEALER. [LB498]

SENATOR BLOOMFIELD: SO IF THEY DELIVER IT IN NEBRASKA, I AVOID THE IOWA SALES TAX AND, IN FACT, PAY THE NEBRASKA SALES TAX? [LB498]

SPEAKER HADLEY: THAT'S CORRECT, SENATOR BLOOMFIELD. [LB498]

SENATOR BLOOMFIELD: THAT'S WHAT I WANTED TO GET ON THE RECORD. AND THE IDEA THAT THIS IS GOING TO COST, PROBABLY, THE RURAL PEOPLE THAT BUY THIS EQUIPMENT, THAT EXTRA LITTLE PIECE OF SALES TAX WHEN THEY PAY THE CITY TAX ON WHAT THEY PURCHASED INSTEAD OF PAYING THE STATE RATE OF 5.5 PERCENT. THANK YOU, MR. PRESIDENT. [LB498]

SENATOR KRIST: THANK YOU, SENATOR BLOOMFIELD AND SENATOR HADLEY. SEEING NO ONE ELSE IN THE QUEUE, SENATOR HADLEY, YOU'RE RECOGNIZED TO CLOSE ON YOUR BILL. [LB498]

SPEAKER HADLEY: YES, I WILL CLOSE VERY QUICKLY. AGAIN, THIS IS NOT A NEW TAX. IT'S JUST A NEW PLACE TO COLLECT IT. WE ACTUALLY HOPE THAT WE WILL INCREASE THE SALES TAX COLLECTION BECAUSE IT MAKES IT EASIER FOR THE DEALER TO COLLECT AND FOR THE PERSON TO PAY IT. AG IS ALWAYS EXEMPT FROM SALES TAX, BASICALLY ON THESE TYPES OF PURCHASES. THE FARMER TO FILL OUT FORM 13 AT THE TIME OF PURCHASE FROM THE DEALER, SO THIS DOES

NOT IMPACT ANY AGRICULTURAL USE OF AN ATV OR SUV (SIC-UTV). I WOULD APPRECIATE YOUR GREEN VOTE ON LB498. [LB498]

SENATOR KRIST: THANK YOU, SPEAKER HADLEY. YOU'VE HEARD THE CLOSING ON LB498, THE QUESTION IS THE ADVANCEMENT OF LB498 TO E&R INITIAL. ALL THOSE IN FAVOR, AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH TO? PLEASE RECORD, MR. CLERK. [LB498]

ASSISTANT CLERK: 32 AYES, 0 NAYS ON THE MOTION TO ADVANCE THE BILL, MR. PRESIDENT. [LB498]

SENATOR KRIST: LB498 ADVANCES. (VISITORS INTRODUCED.) NEXT ITEM, MR. CLERK. [LB498]

ASSISTANT CLERK: MR. PRESIDENT, THE NEXT BILL IS LB367 INTRODUCED BY SENATOR GROENE. (READ TITLE.) THE BILL WAS READ FOR THE FIRST TIME ON JANUARY 15, REFERRED TO THE GOVERNMENT COMMITTEE. THAT COMMITTEE PLACED THE BILL ON GENERAL FILE WITH NO COMMITTEE AMENDMENTS. [LB367]

SENATOR KRIST: THANK YOU, MR. CLERK. GOOD MORNING, SENATOR GROENE. YOU'RE RECOGNIZED TO OPEN ON YOUR BILL. [LB367]

SENATOR GROENE: THANK YOU, SPEAKER, PRESIDENT. I HAVE BEEN INVOLVED WITH THE PETITION PROCESS FOR YEARS. I ALWAYS BELIEVED MY SIX-GRADE GOVERNMENT TEACHER TOLD ME TO GET INVOLVED IN OUR PROCESS AND I ALWAYS HAVE. BACK IN '06, I...LITTLE HISTORY, I DID A PETITION TO CONTROL SPENDING IN THE STATE OF NEBRASKA AND I'M CONTINUING THAT TRADITION DOWN HERE. BUT THERE WAS A FIGHT, WHICH THERE IS BETWEEN THE LEGISLATURE AND THE PEOPLE, ON PETITION RIGHTS. AND PART OF THAT FIGHT BROUGHT ABOUT IN '08 A BILL TO RESTRICT PETITIONERS SO THEY COULD NOT BE PAID BY THE SIGNATURE, WHICH IS AGAINST FREE SPEECH. AND IN NEBRASKA, YOU KNOW, OUR LITTLE HISTORY, OUR UNIQUE SYSTEM OF GOVERNMENT, THE UNICAMERAL LEGISLATURE IS A ONE HOUSE, WHILE THE CITIZENS OF NEBRASKA ARE THE SECOND HOUSE. THE FOUNDING FATHERS OF NEBRASKA MADE THIS CLEAR IN ARTICLE THREE OF THE NEBRASKA CONSTITUTION. WHERE IN ARTICLE THREE IT POINTS OUT THEIR SHARED POWER BETWEEN THE LEGISLATURE AND THE PEOPLE. IN SECTION ONE, LEGISLATIVE AUTHORITY, HOW VESTED POWER, INITIATIVE POWER OF THE

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REFERENDUM, THE LEGISLATIVE AUTHORITY OF THE STATE SHALL BE VESTED IN THE LEGISLATURE CONSISTING OF ONE CHAMBER. THE PEOPLE RESERVE FOR THEMSELVES THE POWER TO PROPOSE LAWS AND AMENDMENTS TO THE CONSTITUTION AND TO ENACT OR REJECT THE SAME AT THE POLLS, INDEPENDENT OF THE LEGISLATURE, WHICH POWER SHALL BE THE CALLED THE POWER OF THE INITIATIVE. AND THEN OUR SECOND POWER IS THE POWER TO REFERENDUM WHERE WE CAN REMOVE LAWS THAT ARE ALREADY IN EXISTENCE BY THE REFERENDUM. BUT THE KEY LINE IS, THEY'RE INDEPENDENT OF THE LEGISLATURE. SENATOR NORRIS, WHEN HE STARTED THE UNICAMERAL, HE DID IT BY INITIATIVE IN THE '30s. HE WENT AROUND STATEWIDE WITH HIS MODEL T OR MODEL A, WHICHEVER IT WAS, AND GATHERED SIGNATURES. BUT HE FOUND THAT HE COULD NOT DO IT ALONE AND SOME OF HIS VOLUNTEERS COULD NOT DO IT ALONE. SO TO QUOTE FROM A NEBRASKA LAW REVIEW ARTICLE WRITTEN BY KIM ROBAK, WHICH ALL OF US KNOW, TEAMS WERE FORMED...THIS IS HOW HE GOT THE UNICAMERAL INITIATIVE ON THE BALLOT. TEAMS WERE FORMED TO GARNER SIGNATURES IN SUPPORT. STILL THE IDEAL DID NOT SEEM TO TAKE HOLD. CIRCULATORS WERE SO HARD TO FIND THAT THE GROUP ENDED UP PAYING PEOPLE TO GATHER SIGNATURES A NICKEL PER NAME. AT THAT TIME, YOU RECRUITED COLLEGE KIDS, THEY WENT OUT, MADE SOME EXTRA MONEY, AND GOT SIGNATURES ON THE BALLOT. THE LEGALITY OF THIS ISSUE ALSO HAS A PROBLEM. IN MY INVOLVEMENT IN PETITION DRIVE, I HAVE SUED THE STATE OF NEBRASKA A COUPLE OF TIMES BECAUSE OF LAWS PUT ON BY THE LEGISLATURE TO RESTRICT THE PEOPLE'S RIGHT TO INITIATIVE. IN BOTH INSTANCES, ACCESS OF PETITIONERS, I WON. AND THEN ANOTHER ONE ABOUT WHO I COULD FREELY ASSOCIATE WITH ACROSS STATE LINES TO GATHER PETITIONS, I WON. THE PROBLEM FOR THE TAXPAYERS IN NEBRASKA IS WHEN YOU WIN IN FEDERAL COURT, THE TAXPAYERS OF NEBRASKA HAVE TO PAY THE LEGAL BILL. I THINK BETWEEN THEM TWO CASES, IT COST THE TAXPAYERS OVER A HALF A MILLION DOLLARS. THIS ITEM, A PAY PER SIGNATURE, AND I'M NOT DOING THIS TO THROW THREATS, I'M JUST DOING IT FOR FACTS, FOLKS. I HOPE YOU VOTE ON THIS BECAUSE OF YOUR TRUE BELIEF THAT THE PEOPLE SHOULD...ARE THE SECOND HOUSE OF THE LEGISLATURE. BUT COLORADO HAD A SIMILAR PROVISION IN THEIR LEGISLATION. BY THE WAY, WE'RE NOT THE ONLY STATE THAT HAS A PETITION RIGHT. AND THEY TOOK IT TO COURT. AND ON...JUST RECENTLY, NOT TOO LONG AGO, THE COURT...THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO, JUDGE PHILIP A. BRIMMER, THE COURT PRESIDED OVER THE TRIAL ON MAY 14 TO MAY 24, 2012. THE TRIAL ADDRESSED ONE PRINCIPLE ISSUE WHETHER THE STATE OF COLORADO'S LIMITATION ON PER SIGNATURE COMPENSATION FOR PETITION CIRCULATORS VIOLATES THE FIRST AMENDMENT TO THE UNITED STATES CONSTITUTION.

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EVIDENCE AT THE PRELIMINARY INJUNCTION HEARING ESTABLISHED THAT THE STATUS WOULD DETER MOST CIRCULATORS FROM WORKING IN COLORADO AND WOULD RAISE THE COST OF QUALIFYING A MEASURE FOR STATEWIDE VOTE. THE COURT ALSO FOUND THAT THE SECRETARY FAILED TO ESTABLISH THAT THE PAY PER SIGNATURE COMPENSATION WAS CONNECTED TO A LIKELIHOOD OF CIRCULATOR FRAUD. JUST A COUPLE MORE QUOTES. THE TESTIMONY AT THE TRIAL ESTABLISHED THAT THAT RULE WOULD SIGNIFICANTLY DECREASE THE EFFICIENCY OF THE SIGNATURE GATHERING CAMPAIGNS. I ALWAYS TRY TO MAKE THE POINT ABOUT, WE'VE HAD ARGUMENTS ABOUT PETITIONERS. PETITIONERS THIS, PETITIONERS NOT BEING CORRECT IN WHAT THEY SAY. THE PETITION LAW, OUR STATE CONSTITUTION ISN'T ABOUT HUMANS GETTING SIGNATURES. IT'S ABOUT YOUR ABILITY AS A CITIZEN TO HAVE ACCESS TO A PETITION TO SIGN. AND WHEN WE PUT RESTRICTIONS ON PETITIONERS, IT LIMITS HOW MANY PETITIONS ARE OUT THERE FOR A CITIZEN TO LOCATE AND SIGN. THAT, I BELIEVE, INTERFERES WITH THE FACT THAT INDEPENDENT OF THE LEGISLATURE. THE PEOPLE SHOULD BE ABLE TO PETITION THEIR GOVERNMENT. WHAT'S FUNNY ABOUT THIS, THIS IS ABOUT THE MOST NONPARTISAN ISSUE THERE IS. BECAUSE EVERY...EVERY PETITION OUT THERE IS AN ISSUE. YOU'LL HAVE PEOPLE ON BOTH SIDES OF THE POLITICAL AISLE WILLING TO PETITION THEIR GOVERNMENT ON AN ISSUE. THE LAST ONE WAS THE MINIMUM WAGE. I SIGNED THAT PETITION. WHEN IT GOT ON THE BALLOT, I DID NOT VOTE FOR IT BECAUSE I BELIEVE THAT STRONGLY IN THE PETITION PROCESS THAT THE PEOPLE SHOULD HAVE A CHANCE TO VOTE ON ISSUES. I TALKED TO THE ORGANIZERS OF THAT PETITION DRIVE. IT COST THEM NINE DOLLARS A SIGNATURE TO GET THAT ISSUE ON THE BALLOT. THIS LITTLE LINE IN OUR LAW ABOUT NOT PAYING PETITIONERS BY THE SIGNATURE JUST ABSOLUTELY DESTROYS GRASS-ROOTS EFFORTS TO GET AN ISSUE ON THE BALLOT. BECAUSE NOW YOU HAVE TO HIRE A PETITION COMPANY TO COME IN AND MANAGE YOUR PETITION, WHILE IF YOU CAN DO IT PER SIGNATURE, YOU CAN CONTRACT WITH INDIVIDUALS TO GO OUT AND GET SIGNATURES. WHEN YOU CHECK THE SIGNATURE TO BE TRUE, YOU PAY THEM A DOLLAR A SIGNATURE. IT'S CALLED THE FREE MARKET. I MADE MOST OF MY LIVING ON A COMMISSION. A LOT OF FOLKS HAVE IN REAL ESTATE AND INSURANCE. THERE'S NO HARM IN THE FREE MARKET SYSTEM TO PAY ANYBODY BY A COMMISSION METHOD. SO ANYWAY, MY...I THINK THAT WE NEED TO EQUALIZE THE EQUAL POWER OF THE PEOPLE AND THE LEGISLATURE AGAIN AND REMOVE THIS RESTRICTION FROM OUR LAWS. THERE HASN'T BEEN A GRASS-ROOTS EFFORT MADE TO BALLOT SINCE I THINK THE MARRIAGE ISSUE BACK WHEN. BUT IT HAS REALLY BROKEN THE BACK OF PEOPLE TRYING TO TAKE PART IN THEIR GOVERNMENT THROUGH THE PETITION PROCESS, THE RESTRICTIONS THAT HAVE BEEN ADDED TO THOSE

INDIVIDUALS. SO, I WOULD HOPE YOU WOULD SUPPORT ME IN THIS ISSUE. AND LET'S GET SOME GRASS ROOTS JUST LIKE SENATOR NORRIS DID IN THE 1930s, WHEN WE GET WOUND UP AS NEBRASKANS AND WE BELIEVE IN AN ISSUE, THAT WE CAN GET IT ON THE BALLOT. THANK YOU. [LB367]

SENATOR KRIST: THANK YOU, SENATOR GROENE. THE FLOOR IS NOW OPEN FOR DEBATE. SENATOR SCHUMACHER, YOU ARE RECOGNIZED. [LB367]

SENATOR SCHUMACHER: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE BODY. A GOVERNMENT THAT FEARS ITS PEOPLE HAS GOT A REAL PROBLEM. AND OUR CURRENT STATE OF PETITION LAW IN THE STATE OF NEBRASKA IS REFLECTIVE OF A GOVERNMENT THAT WAS AFRAID OF ITS PEOPLE. THAT'S NOT THE LEGISLATURE I'M TALKING ABOUT. I'M TALKING ABOUT A GROUP OF LOCAL GOVERNMENTS WHO WERE AFRAID OF ... I THINK IT WAS SENATOR GROENE WAS INVOLVED IN THE PROCESS OF PEOPLE PUTTING REGULATIONS ON HOW THEY RAISE MONEY. JUST A LITTLE HISTORY OF THE PETITION PROCESS DATES BACK TO LIKE 1912. PEOPLE PUT IN THE CONSTITUTION SOMETHING VERY SIMPLE, THE FIRST RIGHT RESERVED IS A RIGHT TO PETITION. THE RIGHT OF THE PEOPLE TO ACT AS A LEGISLATURE IN THE EVENT THE LEGISLATURE, FOR WHATEVER INTERNAL REASONS AND REASONS FROM THE ROTUNDA, IS UNABLE TO ACT RESPONSIBLY TO PUBLIC DESIRE AND PUBLIC CONCERN. ONE OF THE MECHANISMS THAT DEVELOPED WAS PAY BY THE SIGNATURE. IT WORKED. PEOPLE WERE ACCOUNTABLE. YOU COULD GRADE THEIR SIGNATURES. YOU COULD PAY THEM A REASONABLE AMOUNT OF MONEY AND ANYBODY COULD ORGANIZE TO DO IT. YOU DIDN'T HAVE TO DEAL WITH A CALIFORNIA, OUT-OF-STATE CIRCULATING FIRM TO BRING OUT-OF-STATE PEOPLE IN TO TRY TO CIRCULATE. YOU COULD USE YOUR OWN PEOPLE. PEOPLE WHO WERE CONCERNED OR PEOPLE WHO FELT NEBRASKA NEEDED A CHANGE. AND YOU DIDN'T HAVE TO BE A MULTI-BILLIONAIRE TO DO IT. IT WAS AN ORDINARY THING, AS SENATOR GROENE SAYS. AND THE PETITION PROCESS WORKED, PAID BY THE SIGNATURE, UNTIL 2006. IN 2006 THERE WAS AN EFFORT, SOME OF US WOULD AGREE WITH IT AND SOME DISAGREE, TO CONTROL TAXES. MUNICIPALITIES WERE EXTREMELY CONCERNED BECAUSE THEY DON'T WANT TAXES CONTROLLED BY THE PEOPLE DIRECTLY. THEY SHOULD, BECAUSE SOME OF THE PROPERTY TAX CONSTERNATION WE'RE SEEING NOW ARISES BY THE FACT THAT LOCAL GOVERNMENT WAS NOT PROPERLY RESTRAINED OR AT LEAST WASN'T CONSCIOUS OF THE NEED TO RESTRAIN ITSELF. AND WHAT HAPPENED IN THAT YEAR WASN'T ABOUT GAMBLING OR ANYTHING, BECAUSE THERE WASN'T SUCH A RESISTANCE TO GAMBLING, IT WAS TAXES. BECAUSE GAMBLING WAS 2004 AND 2006, OR 2004 AND 2002, RATHER. THIS WAS 2006. THE MUNICIPALITIES

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BEGAN TO HIRE PEOPLE TO INTERFERE WITH THE PETITION CIRCULATORS. THEY WERE CALLED BLOCKERS, AND TO TRY TO MESS UP ACCESS TO THE PETITION. THE PETITION ENDED UP BEING VOTED DOWN BY THE VOTERS, IF I REMEMBER RIGHT, BUT THERE WAS AN EFFORT TO STOP IT BEFORE THE SIGNATURES HAPPENED. AND ONCE THE MUNICIPALITIES REALIZED THAT PUBLIC SENTIMENT AGAINST PROPERTY TAXES WAS HIGH ENOUGH THAT THEY BETTER BE CONCERNED INSTEAD OF DEALING WITH THE PROPERTY TAX ISSUE, DEALING WITH THE SPENDING ISSUE, THEY DECIDED TO DEAL WITH THE INITIATIVE PETITION ISSUE BECAUSE THEY COULD KEEP THINGS UNDER CONTROL DOWN HERE IN THIS BODY, BUT COULDN'T AMONG THE PEOPLE. AND SO THEY CAME TO THE LEGISLATURE AND THEY MADE PETITION CIRCULATORS LOOK BAD, UNJUSTIFIABLY BAD. AND THEIR STRATEGIC ATTACK AT THE PETITION PROCESS WAS TO REMOVE ITS MOST VALUABLE TOOL, AND THAT WAS PAYMENT BY THE SIGNATURE. WITHOUT THAT, YOU DON'T HAVE COMMAND AND CONTROL IN YOUR ORGANIZATION, YOU DON'T KNOW WHERE YOU'RE AT IN YOUR PETITION GATHERING PROCESS, YOU'VE GOT TO HIRE REAL EXPENSIVE OUT-OF-STATE PEOPLE, AND THEY KNEW IT WOULDN'T WORK AND THEY'VE BEEN BASICALLY SUCCESSFUL. THE ONLY ONE THAT'S WORKED SINCE THEN, EVEN THOUGH WE SAW MULTIPLE ONES BEFORE THEN... [LB367]

SENATOR KRIST: ONE MINUTE. [LB367]

SENATOR SCHUMACHER: ...WAS ONE FINANCED BY AN EXTREMELY WEALTHY NEBRASKAN. SO THE LEGISLATURE PASSED IT, THE RESTRICTION ON PAY BY THE SIGNATURE, THE GOVERNOR VETOING IT, AND IT WAS OVERRIDDEN BECAUSE OF PRESSURE FROM PEOPLE WHO DIDN'T WANT TO BE ACCOUNTABLE TO THE PROPERTY TAXPAYER. WE'RE HERE TODAY, AND SENATOR GROENE KNOWS WHAT HE'S TALKING ABOUT, TO RESTORE THE PETITION PROCESS, AND GIVE BACK THE ABILITY FOR THAT COMMAND AND CONTROL IN A PETITION DRIVE AT A REASONABLE RATE. AND YOU HAVE TO DO IT IF YOU'RE GOING TO DEAL WITH THE BLOCKERS, EVEN THOUGH THE BILLIONAIRE PETITION FOR MINIMUM WAGE WAS NOT CONFRONTED WITH BLOCKERS. HAD IT BEEN, IT VERY WELL COULD HAVE BEEN A DIFFERENT STORY. THIS IS A VALUABLE TOOL. THERE'S BEEN NO DEMONSTRABLE HARM FOR PETITION PAID BY THE SIGNATURE. WE NEED TO ADDRESS THIS SERIOUSLY. IT'S THE PEOPLE'S FIRST RIGHT. THEY SAID SO, AND WE'RE OBLIGATED TO ENFORCE IT. THANK YOU. [LB367]

SENATOR KRIST: THANK YOU, SENATOR SCHUMACHER. SENATOR MURANTE, YOU'RE RECOGNIZED. [LB367]

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SENATOR MURANTE: THANK YOU, MR. PRESIDENT AND MEMBERS, GOOD MORNING. I RISE IN STRONG SUPPORT OF LB367, AND I THANK SENATOR GROENE FOR BRINGING IT THROUGH THE GOVERNMENT, MILITARY AND VETERANS AFFAIRS COMMITTEE. THIS BILL WAS PRESENTED TO THE GOVERNMENT COMMITTEE AND WAS ADVANCED TO GENERAL FILE OVERWHELMINGLY. I THINK SENATOR GROENE IS ON THE RIGHT TRACK HERE. IT'S BEEN SAID BEFORE, BUT IT NEEDS TO BE REITERATED, I BELIEVE, THAT THE RIGHTS TO PETITION THE GOVERNMENT, THE RIGHT OF THE PETITION INITIATIVE PROCESS, IS IN THE CONSTITUTION OF THE STATE OF NEBRASKA, AND IT'S THE FIRST RIGHT RESERVED TO THE PEOPLE. SO WHEN THE PEOPLE OF NEBRASKA WENT AND WROTE THEIR CONSTITUTION AND RATIFIED IT, AND THEY HAD A LONG LIST OF THINGS TO PRIORITIZE AS, WHICH RIGHTS WERE IMPORTANT, THE ONE THEY SAID WAS FIRST, THE ONE THEY SAID WAS FOREMOST, WAS THE RIGHT TO PETITION THE GOVERNMENT. AND THAT IS UNIQUELY IMPORTANT TO THE STATE OF NEBRASKA WITH THE ONE HOUSE UNICAMERAL LEGISLATURE, WHERE THE PEOPLE ARE LITERALLY THE SECOND HOUSE. IT'S BEEN SAID BEFORE. IT WILL BE SAID AGAIN, THAT THE PEOPLE OF NEBRASKA UNDERSTAND THE IMPORTANCE OF THE PETITION INITIATIVE PROCESS. I THINK IT'S IMPORTANT TO NOTE THAT SENATOR GROENE COMES AT THIS FROM THE PERSPECTIVE OF NOT OF ANY PARTICULAR IDEOLOGY. I DON'T THINK HE HAS ANY PARTICULAR INTEREST IN SEEING ONE ISSUE OR ANOTHER PLACED ON THE BALLOT. THE MOST RECENT PETITION INITIATIVE TO BE PLACED ON THE BALLOT CERTAINLY WAS NOT ONE, I BELIEVE, THAT SENATOR GROENE SUPPORTED. I CERTAINLY DIDN'T. BUT THAT'S WHAT THE PEOPLE WANTED. THAT'S WHAT THEY WANTED. THAT'S THE PETITION THAT THEY SIGNED. AND THAT WAS THE ISSUE THAT THEY VOTED FOR. AND THAT'S THE WAY GOVERNMENT SHOULD WORK. THE PEOPLE FURTHER WENT AND INTRODUCED FURTHER PIECES OF CONSTITUTIONAL LAW WHICH SAID THAT IF THEY PUT SOMETHING IN THE CONSTITUTION, IT TAKES A SUPER MAJORITY OF THIS LEGISLATURE TO TAKE IT OUT OR TO CHANGE IT. THEY HAVE SAID OVER AND OVER AGAIN THAT CONSIDERING THE UNICAMERAL LEGISLATURE AND CONSIDERING THE SYSTEM OF GOVERNMENT THAT WE HAVE, IT'S VERY IMPORTANT THAT WE MAKE THE PETITION INITIATIVE PROCESS ACCEPTABLE, ACCESSIBLE TO THE AVERAGE NEBRASKAN. THIS DOES THAT. AND THE PETITION INITIATIVE PROCESS SHOULD NOT BE ACCESSIBLE ONLY TO BILLIONAIRES, TO LABOR UNIONS, BUT OTHER ORGANIZATIONS THAT HAVE SEEMINGLY ENDLESS AMOUNTS OF MONEY, BUT THAT'S THE SYSTEM WE HAVE TODAY. IT HAS BEEN ESTIMATED AND HAS BEEN TESTIFIED IN THE GOVERNMENT COMMITTEE THAT IT COSTS ONE MILLION DOLLARS TO PUT AN ISSUE ON THE BALLOT. THAT TAKES AWAY THE ABILITY OF THE AVERAGE NEBRASKAN TO PETITION THEIR GOVERNMENT. THE REASON THE NUMBER IS

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THAT HIGH, IS BECAUSE OVER THE YEARS THIS LEGISLATURE HAS PUT MORE AND MORE BARRIERS IN-BETWEEN THE VOTERS AND THE VOTER'S ABILITY TO ENACT LAWS BY PETITION. WE'VE PASSED LAWS WHICH HAVE BEEN RULED UNCONSTITUTIONAL. THE PEOPLE OF NEBRASKA VOTED TO SAY THAT THE NUMBER OF SIGNATURES REQUIRED TO PLACE EITHER A STATUTORY CHANGE OR A CONSTITUTIONAL CHANGE ON THE BALLOT WAS BASED ON THE NUMBER OF VOTES IN THE PREVIOUS GUBERNATORIAL ELECTION. A SUPREME COURT RULING UNDID THAT AND MADE IT A PERCENTAGE OF REGISTERED VOTERS IN THE STATE, ALMOST DOUBLING THE BURDEN OF NEBRASKANS, MAKING IT ALMOST IMPOSSIBLE FOR AN EVERYDAY NEBRASKAN TO COME UP WITH AN IDEA TO SELL IT TO HIS NEIGHBORS, AND TO PUT IT ON THE BALLOT AND GET IT ENACTED INTO LAW. THIS IS ONE SMALL STEP, I BELIEVE, AND A VERY REASONABLE, A MODEST STEP TO MAKE THE PETITION INITIATIVE PROCESS MORE ACCESSIBLE TO NEBRASKANS. SENATOR GROENE HAS OUTLINED LITIGATION IN OTHER STATES, HE'S ALREADY MENTIONED IT. IT'S TRUE THAT PROHIBITIONS AGAINST PAYING BY SIGNATURE HAS BEEN THROWN OUT IN SEVERAL OTHER STATES. [LB367]

SENATOR KRIST: TIME, SENATOR. [LB367]

SENATOR MURANTE: THANK YOU, MR. PRESIDENT. [LB367]

SENATOR KRIST: THANK YOU, SENATOR MURANTE. COLLEAGUES, THE SPEAKER WOULD LIKE TO MAKE AN ANNOUNCEMENT. SENATOR HADLEY. [LB367]

SPEAKER HADLEY: THANK YOU, MR. PRESIDENT. I WOULD LIKE TO MAKE A FLOOR ANNOUNCEMENT. A REMINDER THAT WE WILL BEGIN FULL DAY DEBATE NEXT MONDAY, MARCH 23. WE'LL BE RECESSING EACH DAY AROUND NOON AND RECONVENING AT 1:30. FOR THE FIRST TWO WEEKS OF FULL DAY SESSION, I ANTICIPATE ADJOURNING NO LATER THAN 5:00. ADDITIONALLY, PLEASE KEEP IN MIND THAT WE WILL FOLLOW THE TRADITION OF WORKING THROUGH THE LUNCH HOUR ON THE LAST DAY OF THE WORK WEEK, DEPENDENT, AND I WANT TO REEMPHASIZE THIS, DEPENDENT ON THE DAY'S PROGRESS WE WILL ADJOURN EARLY TO MID-AFTERNOON. THANK YOU, MR. PRESIDENT. [LB367]

SENATOR KRIST: THANK YOU, SENATOR HADLEY. (VISITORS INTRODUCED.) SENATOR MORFELD, YOU ARE RECOGNIZED. [LB367]

SENATOR MORFELD: THANK YOU, MR. PRESIDENT. I'M CERTAINLY IN SUPPORT OF THE INITIATIVE AND PETITION PROCESS AND MAKING IT EASIER. I DO HAVE A FEW QUESTIONS FOR SENATOR GROENE, IF HE WOULD YIELD TO THEM. [LB367]

SENATOR KRIST: SENATOR GROENE, WILL YOU YIELD? [LB367]

SENATOR GROENE: YES, I WILL. [LB367]

SENATOR MORFELD: SENATOR GROENE, YOU'VE OPERATED A LOT OF THESE DIFFERENT PETITION DRIVES, INITIATIVE DRIVES, CORRECT? [LB367]

SENATOR GROENE: I DID TWO. [LB367]

SENATOR MORFELD: YOU DID TWO. AND I GUESS A I'M JUST A LITTLE CURIOUS AS TO MY ONLY CONCERN WITH PAYING PER SIGNATURE IS THAT IT COULD CREATE SOME, OH, I DON'T KNOW, PERHAPS SOME MOTIVATION TO MAKE UP SIGNATURES, SIMPLY BECAUSE YOU'RE BEING PAID PER SIGNATURE. HAS THAT BEEN SEEN IN OTHER STATES? [LB367]

SENATOR GROENE: NEVER BEEN PROVED. IT WAS IN OHIO ONE TIME, I THINK IT WAS CAUGHT, AND PROVEN. BUT IN THE STATE OF NEBRASKA, DON'T QUOTE ME, BUT I'M SURE THE SECRETARY OF STATE HAS NEVER CAUGHT AN INSTANCE WHERE SOMEBODY PURPOSEFULLY FORGED SIGNATURES. THERE HAVE BEEN TIMES WHEN PEOPLE HAVE ACCIDENTALLY SIGNED TWO DIFFERENT PETITIONS. BUT THAT WAS BY COMMON HUMAN ERROR. [LB367]

SENATOR MORFELD: OKAY. SO THERE REALLY HASN'T BEEN ANY WIDESPREAD PROBLEMS OR ANYTHING LIKE THAT IN OTHER STATES? I COULDN'T FIND ANY, JUST IN A REGULAR GOOGLE SEARCH, BUT. [LB367]

SENATOR GROENE: NO. WHEN WE WERE FIGHTING THIS AND THE PEOPLE WHO WANTED TO RESTRICT KEPT MAKING THOSE CLAIMS, I DID THAT SAME RESEARCH AND I THINK I...THIS HAS BEEN SIX YEARS AGO OR EIGHT YEARS AGO, I REMEMBER FINDING SOMETHING IN OHIO, BUT IT WAS CAUGHT. [LB367]

SENATOR MORFELD: OKAY. AND SO WHEN YOU RUN THESE AND PEOPLE BRING IN THEIR SIGNATURES, AS A PERSON RUNNING THE PETITION AND INITIATIVE <u>DR</u>IVE, DO YOU GO THROUGH THOSE OR IS THERE SOME CHECKS AND

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BALANCES WITH THE FOLKS THAT ARE GOING OUT AND POUNDING THE PAVEMENT AND GETTING THESE? [LB367]

SENATOR GROENE: AS YOU KNOW, ANY OF US THAT RAN FOR OFFICE YOU CAN GO TO THE COUNTY CLERK AND YOU CAN GET THE LIST OF THE REGISTERED VOTERS IN YOUR COUNTY. NOW, WHEN YOU DO A STATEWIDE PETITION, YOU HAVE TO HAVE A PETITION FOR EACH COUNTY. SO, YOU GO TO THE COUNTY CLERK, YOU GET THE LIST, YOU SIT AT A TABLE, AND YOU GO THROUGH THE LIST AND SEE IF THEY'RE REGISTERED VOTERS. YOU CROSS OUT THE ONES THAT AREN'T REGISTERED OR REGISTERED IN ANOTHER COUNTY AND THEN YOU ONLY PAY THE ONES...THE PEOPLE, THE ONES WHO ARE LEGITIMATE. [LB367]

SENATOR MORFELD: OKAY. [LB367]

SENATOR GROENE: NOW, YOU DON'T HAVE TO DO THAT WHEN YOU PAY BY THE HOUR WHEN YOU ELIMINATED THAT. THEY COULD DO WHATEVER THEY WANTED TO CLAIM THEY WERE JUSTIFYING THEIR HOURLY PAY. AND BECAUSE WHEN YOU PAID PER SIGNATURE, IT MADE THEM RESPONSIBLE BECAUSE THEY WEREN'T GOING TO GET PAID UNLESS THEY'VE GOT A LEGITIMATE SIGNATURE. [LB367]

SENATOR MORFELD: OKAY. AND BASED ON YOUR EXPERIENCE, BY NOT BEING ABLE TO PAY PER SIGNATURE, HOW MUCH PRODUCTIVITY DECREASE, I MEAN, AS FAR AS BRINGING SIGNATURES IN? I MEAN, WHAT WAS THE AVERAGE...AND PERHAPS YOU DON'T HAVE THE NUMBERS, BUT IF YOU DON'T AND EVEN IF IT'S JUST AN ESTIMATE OR A GUESS. [LB367]

SENATOR GROENE: WHAT I'VE...THANK YOU, SENATOR. WHAT I'VE HEARD, IS IT'S LIKE ANY PROCESS OF HIRING SOMEBODY. YOU HAVE A PROBATIONARY PERIOD, BUT YOU DON'T HAVE THAT IN THE PETITION PROCESS. YOU GOT THEM ON THE PAYROLL. THEY GO OUT FOR A WEEK AND THEY COME IN WITH FIVE SIGNATURES. YES, YOU HIRED THEM, BUT YOU PAID \$200 A SIGNATURE. AND WITH THE PAY PER SIGNATURE, YOU ELIMINATED THAT. PRODUCTIVITY WAS REWARDED, LACK OF PRODUCTIVITY WAS NOT. THIS HAS STRICTLY DRIVEN UP THE COST OF DOING...THE GRASS-ROOTS EFFORT TO DO A PETITION DRIVE IN THE STATE OF NEBRASKA. IT JUST MAKES IT PROHIBITIVE. [LB367] <u>Floor Debate</u> March 18, 2015

SENATOR MORFELD: THANK YOU, SENATOR. THAT CLEARS UP A LOT OF QUESTIONS THAT I HAD, AND I RISE IN SUPPORT OF THIS LEGISLATION. THANK YOU. [LB367]

SENATOR KRIST: THANK YOU, SENATOR MORFELD AND SENATOR GROENE. (VISITORS INTRODUCED.) CONTINUING WITH DEBATE, THOSE STILL WISHING TO SPEAK, SENATOR BLOOMFIELD, SENATOR SCHUMACHER AND SENATOR SCHEER. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB367]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. COLLEAGUES, FIRST BEFORE I ADDRESS THIS BILL, I WANT TO THANK EACH AND EVERY ONE OF YOU. I CIRCULATED A RESOLUTION THIS MORNING CONGRATULATING THE WINNEBAGO BASKETBALL TEAM AND I TURNED IT IN WITH 49 SIGNATURES ON IT. THANK YOU ALL VERY MUCH. NOW, BACK TO THE BILL AT HAND. SENATOR GROENE BROUGHT THIS BEFORE THE GOVERNMENT COMMITTEE. HE HAD A COUPLE OTHER BILLS THAT ALSO PERTAINED TO THE PETITION SYSTEM. I DISAGREED WITH HIM ON THOSE. THIS ONE, I VOTED FOR. I THINK THIS NEEDS TO HAPPEN. SO, THANK YOU, SENATOR GROENE FOR BRINGING THIS, AND I DO SUPPORT THE BILL. AND MR. PRESIDENT, I WOULD LIKE TO YIELD THE REMAINDER OF MY TIME TO SENATOR KINTNER. [LB367]

SENATOR KRIST: SENATOR KINTNER, 4:00. [LB367]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. I STRONGLY BELIEVE IN OUR REPUBLICAN FORM OF GOVERNMENT THAT OUR ELECTED OFFICIALS SHOULD BE ELECTED AND WE CAN HOLD THEM ACCOUNTABLE, AND I THINK THAT'S THE RIGHT FORM OF GOVERNMENTS. BUT, YOU KNOW WHAT? I LISTENED TO SENATOR GROENE, I LIKE THE IDEA. I WOULDN'T MIND SMACKING DOWN THE UNIONS A LITTLE BIT WHEN THEY GO OUT AND BUY SOMETHING ON TO THE BALLOT, OR RICH LIBERALS THAT GIVE A BUNCH OF MONEY. YOU KNOW WHAT, I THINK THE CITIZENS WHO DON'T HAVE A UNION BEHIND THEM, OR A RICH LIBERAL WITH MONEY BEHIND THEM, OUGHT TO HAVE A WAY TO GET A TAX LIMITATION INITIATIVE ON THE BALLOT, OR MAYBE A SPENDING LIMITATION INITIATIVE ON THE BALLOT. I THINK THERE'S REAL POSSIBILITIES HERE. SENATOR SCHUMACHER SAID A GOVERNMENT THAT FEARS ITS PEOPLE HAS GOT A REAL PROBLEM. WELL, I WOULD CHANGE THAT A LITTLE BIT. A GOVERNMENT THAT FEARS ITS PEOPLE OR WHEN THE GOVERNMENT FEARS ITS PEOPLE, YOU HAVE LIBERTY. AND I THINK THAT GOVERNMENT SHOULD FEAR THE PEOPLE.

AND WHEN THE GOVERNMENT FEARS THE PEOPLE, WE'RE ALL BETTER OFF. THANK YOU, MR. PRESIDENT. [LB367]

SENATOR KRIST: THANK YOU, SENATOR KINTNER AND SENATOR BLOOMFIELD. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB367]

SENATOR SCHUMACHER: THANK YOU, MR. CHAIRMAN. I WANTED TO RESPOND A LITTLE BIT TO SENATOR MORFELD'S QUESTIONS AS TO HOW THIS REALLY WORKS IN A PAY BY THE SIGNATURE CAMPAIGN. YOU HAVE PEOPLE THAT ARE RECRUITED. GENERALLY THEY'RE PEOPLE WHO WANT TO MAKE A LITTLE EXTRA MONEY AND THEY ARE GIVEN A BRIEFING ON THE LAW AND WHAT THEY'RE SUPPOSED TO DO. THERE ARE CERTAIN STEPS THAT THEY'RE SUPPOSED TO DO, AND MOST OF THEM ARE VERY SERIOUS ABOUT TRYING TO FOLLOW EXACTLY THOSE STEPS. EVERY ONCE IN A WHILE SOMEBODY WILL STUMBLE, BUT IN A NONMATERIAL WAY. AND THEY GO OUT AND MAKE THEMSELVES AVAILABLE FOR PEOPLE TO APPROACH AT VARIOUS PUBLIC LOCATIONS. A LOT OF TIMES THEY ARE HASSLED BY PEOPLE WHO ARE IN THE OPPOSITION AND IN THE CASE OF 2006 BY HIRED PEOPLE, PEOPLE SPECIFICALLY DESIGNED TO FIND AND HASSLE THEM. THEY GET THE SIGNATURES, THEY GOT TO GET NAMES, THEY GOT TO GET BIRTHDAYS, THEY GOT TO GET ADDRESSES, AND THEY GOT TO GET FIVE DIFFERENT THINGS THAT ARE IDENTIFIERS, AND THOSE PETITIONS ARE THEN BROUGHT IN TO A CENTRAL FACILITY IN THAT COMMUNITY WHERE THEY ARE GRADED. THEY'RE USUALLY GRADED WITH A COMPUTER PROGRAM SO THEIR INFORMATION CAN BE COMPARED, AND THE SIGNATURE TENTATIVELY VERIFIED BY THE PETITION CIRCULATING OPERATION AND THEN THEY ARE PAID. AND THAT IS A WAY TO KEEP THINGS VERY STRAIGHT AND WHY THERE HAS BEEN VIRTUALLY NO PETITION SIGNATURE FRAUD IN THIS STATE FOR YEARS, EVEN THOUGH HUNDREDS OF THOUSANDS OF SIGNATURES HAVE BEEN GATHERED FOR VARIOUS PETITIONS. IN FACT, MILLIONS, I THINK, IT WOULD BE SAFE TO SAY. AND SO, THAT'S HOW THE MECHANISM WORKS. IF YOU'RE OUT THERE USING NEBRASKA MONEY TO RAISE SIGNATURES, YOU DON'T WANT TO PAY FOR SIGNATURES THAT ARE GOING TO EMBARRASS YOUR DRIVE, YOU DON'T WANT TO PAY FOR SIGNATURES THAT ARE NO GOOD, YOU'RE GOING TO CHECK THEM BEFORE YOU PAY. AND THAT'S WHY IT WAS SO EFFECTIVE. AND BY DOING IT THAT WAY, YOU KNEW HOW MANY GOOD SIGNATURES YOU PROBABLY HAD AND WHETHER OR NOT YOU HAD TO WORK HARDER OR WHETHER OR NOT YOU MET YOUR GOAL IN VARIOUS AREAS OF THE STATE. THAT'S HOW IT WORKS. AND THAT'S HOW IT WORKS FAR BETTER THAN THE HIRE SOMEBODY FROM CALIFORNIA AND PAY THEM A MILLION DOLLARS TO DO A STATUTORY PETITION. CONSTITUTIONAL PETITIONS ARE 30 PERCENT HIGHER BECAUSE YOU

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NEED 10 PERCENT RATHER THAN 7 PERCENT OF THE VOTE, OF THE REGISTERED VOTERS, IN ORDER TO DO IT. SO, I STRONGLY SUPPORT SENATOR GROENE'S DEFENSE OF THE PETITION PROCESS. IT'S NECESSARY IN THE DEMOCRACY THAT WE KNOW THAT IF WE MISBEHAVE HERE OR GET TOO FAR SEPARATED FROM THE PEOPLE, THAT THE PEOPLE WILL BE ABLE TO TAKE US TO TASK WITH THE ISSUE AT HAND AT THE BALLOT BOX. AND THAT MAY NOT BE COMFORTABLE IN ALL SITUATIONS, BUT IT'S A NECESSARY THING FOR THIS BODY TO HAVE IN THE BACK OF ITS HEAD WHEN IT GOES OFF AND STARTS MAKING DECISIONS WHICH MAY NOT BE IN SYNC WITH THE MAJORITY OF THE PEOPLE. I STRONGLY SUPPORT LB367, AND I KNOW THAT SENATOR KINTNER WANTED ANY EXTRA TIME IF I HAD IT. I DON'T KNOW IF HE STILL WANTS THAT OR NOT, BUT I WOULD YIELD IT. HE DOESN'T WANT IT, RIGHT? THANK YOU. HE SPARED US A COUPLE MINUTES. [LB367]

SENATOR KRIST: THANK YOU, SENATOR SCHUMACHER. SENATOR SCHEER YOU'RE RECOGNIZED. [LB367]

SENATOR SCHEER: THANK YOU, MR. PRESIDENT. I ACTUALLY WAS GOING TO SPEAK ON ESSENTIALLY THE SAME ITEM AS SENATOR SCHUMACHER, BUT THE RULES HAD CHANGED OVER THE LAST SEVERAL YEARS, AND I WOULD ASK THAT SENATOR GROENE, IF HE WOULD YIELD, JUST TO GIVE US A BRIEF EXAMPLE OF WHAT HAS CHANGED, IF HE WOULD, PLEASE. [LB367]

SENATOR KRIST: SENATOR GROENE, WILL YOU YIELD? [LB367]

SENATOR GROENE: A LITTLE HISTORY AGAIN. YES, I WILL YIELD. THANK YOU, SENATOR SCHEER. BASICALLY BEEN A LITTLE BIT OF A CIVIL WAR BETWEEN LEGISLATURE AND THE PEOPLE, PETITION PROCESS. BASICALLY IT STARTED WHEN THE PEOPLE PUT TERM LIMITS ON THE LEGISLATURE. YOU THAT WERE AROUND AND UNDERSTOOD THE HISTORY, THERE WAS FOUR ATTEMPTS, THREE TIMES OVERTURNED BY THE SUPREME COURT. PEOPLE GOT UPSET, VOTED OUT A SUPREME COURT CHIEF JUSTICE. THE NEXT TIME IT CAME TO THE SUPREME COURT, GUESS WHAT? THEY SAID IT WAS CONSTITUTIONAL. THAT'S LOVELY AMERICAN POLITICS. BUT DURING THAT PROCESS, IT WAS ALWAYS UNDERSTOOD THAT TO GET A LAW CHANGED OR AMENDMENT TO THE CONSTITUTION, YOU HAD 7 PERCENT OF THOSE, OF THE ELECTORATE IN THE LAST GOVERNOR'S ELECTION. WE ALWAYS UNDERSTOOD THAT TO BE ELECTORATE TO BE SOMEBODY WHO ACTUALLY VOTED. SO IT WAS 70 PERCENT OF, LET'S SAY, 500,000 PEOPLE WHO VOTED IN THE GOVERNOR'S ELECTION. AND

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FOR THE CONSTITUTIONAL AMENDMENT IT WAS 10 PERCENT OF WHO VOTED TO GET AMENDMENT ON THE BALLOT. REMEMBER, IT'S JUST ON THE BALLOT SO PEOPLE CAN VOTE ON IT. WELL, WHAT HAPPENED, THE SUPREME COURT DID SAY THE DEFINITION OF AN ELECTORATE BASICALLY WAS A REGISTERED VOTER. THAT JUST DOUBLED. AND THEN OTHER THINGS HAPPENED SINCE THEN. WE CAME UP WITH MOTOR VOTER REGISTRATION. WE CAME UP WITH HUGE DRIVES TO REGISTER VOTERS. WE GOT PEOPLE REGISTERED TO VOTE THAT NEVER PLANNED TO EVER VOTE. BUT IT DROVE UP THE NUMBER OF THE PETITIONS...OF THE SIGNATURES YOU HAD TO GET TO GET STUFF ON THE BALLOT TO THE POINT NOW IT'S ALMOST PROHIBITIVE. BUT THEN WHEN YOU START RESTRICTING THOSE ELECTORATE PEOPLE'S ABILITY TO FIND A PETITION TO SIGN, BECAUSE THEY ARE UPSET ABOUT SOMETHING, NOW WE ARE TALKING ABOUT LAWS THAT RESTRICT THE PEOPLE'S RIGHTS. AND THAT'S THE HISTORY IF YOU'RE LOOKING FOR IT, SENATOR SCHEER. [LB367]

SENATOR SCHEER: THAT IS. THANK YOU VERY MUCH. I GUESS BASED ON THE INFORMATION WE'VE HEARD TODAY, YOU KNOW, I DON'T KNOW THAT ANY HARM CAN COME WITH ALLOWING PEOPLE TO SIMPLY EXPRESS THEIR INTEREST IN VOTING ON A PARTICULAR ITEM THAT THEY CHOOSE TO UTILIZE THIS PROCESS. IT IS APPARENT THAT IT WOULD BE VERY DIFFICULT TO GET THE NUMBER OF SIGNATURES WITHOUT SOME TYPE OF REIMBURSEMENT TO THE FOLKS THAT ARE COLLECTING THOSE, AND FOR THAT PURPOSE I WOULD SUPPORT LB367. THANK YOU, MR. PRESIDENT. [LB367]

SENATOR KRIST: THANK YOU, SENATOR SCHEER AND SENATOR GROENE. SEEING NO ONE ELSE IN THE QUEUE, SENATOR GROENE YOU'RE RECOGNIZED TO CLOSE ON YOUR BILL. [LB367]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. JUST A COUPLE OF COMMENTS, ONE IRONIC ONE. IT WAS THE LEAGUE OF MUNICIPALITIES TO BE HONEST, AS SENATOR SCHUMACHER SAID, THAT MADE AN ISSUE OF IT. THEY TRIED TO RESTRICT WHERE PETITIONERS COULD STAND ON PUBLIC PROPERTY, AND IT WAS ALL OVER THE FACT THAT THEY WERE AFRAID THAT THE PETITION AT THAT TIME TO CONTROL STATE SPENDING THAT THEY WOULD LOSE THEIR STATE AID TO LOCAL GOVERNMENTS. THE IRONIC THING WAS THEY BEAT THE PETITION BACK, BUT YOU GUYS, THIS BODY, STILL TOOK AWAY THEIR STATE AID TO LOCAL GOVERNMENTS. SO A LITTLE POETIC JUSTICE. BUT ANOTHER THING WE TALKED EARLIER ABOUT PEOPLE ON MEDICAID AND AID TO DEPENDENT CHILDREN. BELIEVE IT OR NOT, THOSE ARE THE TYPE OF PEOPLE WE HIRED TO DO PETITION DRIVES. THEY WERE HUNGRY, THEY WANTED TO WORK, THEY

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COULDN'T GET A JOB BECAUSE MAYBE SOMETHING IN THEIR PAST KEPT THEM FROM GETTING A JOB, BUT WHEN THEY HAD AN OPPORTUNITY TO GO OUT AND GET SIGNATURES, THEY DID IT AND THEY DID A GOOD JOB. IT GOT THEM OUT OF THEIR HOMES, BECAUSE REMEMBER, I DON'T CARE IF YOU DON'T HAVE A CLEAN SHIRT TO PUT ON AND YOU GOT A PETITION TO SIGN, I'M GOING TO SIGN IT, BECAUSE IT'S ACCESS TO THAT PETITION THAT THE PEOPLE WANT. IT'S NOT ABOUT THE PETITIONER HOLDING THAT CLIPBOARD. IT'S ABOUT YOUR ACCESS, BECAUSE YOU HEARD ABOUT THIS DRIVE TO PUT SOMETHING ON THE BALLOT. BUT YOU COULDN'T FIND A PETITION, BECAUSE GOVERNMENT RESTRICTED THE AMOUNT OF PEOPLE THAT COULD WALK THE STREETS, KNOCK ON YOUR DOOR, AND TAKE PART IN THE AMERICAN PROCESS OF DEMOCRACY. IT'S A WONDERFUL THING. I MEAN, WE TALK ABOUT PEOPLE GETTING INVOLVED IN THEIR GOVERNMENT. HOW BETTER TO DO THAT THAN TO TAKE ONE ISSUE THAT DRIVES THEM, THAT DRIVES THEM, AND ALL OF A SUDDEN THEY GET INVOLVED. AND THE NEXT THING, YOU KNOW, THEY'RE VOTING BECAUSE THEY MADE A DIFFERENCE. WHY WOULD WE WANT TO RESTRICT IT? IT'S TIME FOR THIS BODY TO CALL A TRUCE BECAUSE IT'S BEEN A CIVIL WAR OVER THE PETITION AND IT ALL GOES BACK TO TERM LIMITS, TO SAY LET'S BE EOUAL, EQUAL AGAIN BETWEEN THE CITIZENS OF NEBRASKA, THE SECOND HOUSE. AND THIS IS JUST ONE SMALL STEP TO MOVE IN THAT DIRECTION. SO, I THANK YOU AND I WOULD APPRECIATE YOUR SUPPORT TO CLEAN THIS UP A LITTLE BIT. THANKS. [LB367]

SENATOR KRIST: COLLEAGUES, YOU'VE HEARD THE CLOSING ON LB367. THE QUESTION IS THE ADVANCEMENT OF LB367 TO E&R INITIAL. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH TO? PLEASE RECORD, MR. CLERK. [LB367]

ASSISTANT CLERK: 38 AYES, 0 NAYS ON THE MOTION TO ADVANCE THE BILL, MR. PRESIDENT. [LB367]

SENATOR KRIST: LB367 ADVANCES. ANY ANNOUNCEMENTS OR ITEMS FOR THE RECORD? [LB367]

ASSISTANT CLERK: MR. PRESIDENT NEW A BILLS: (READ LB89A AND LB137A BY TITLE FOR THE FIRST TIME.) NEW RESOLUTIONS: LR125 BY SENATOR BLOOMFIELD AND OTHERS; AND LR126 BY SENATOR McCOY. NAME ADDS: SENATOR McCOLLISTER TO LB47; SENATOR MELLO, NORDQUIST AND KOLTERMAN TO LB323; SENATOR McCOLLISTER TO LB437; SENATOR COOK TO

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LB405; SENATOR McCOLLISTER TO LB623; SENATORS COOK, HOWARD, WATERMEIER, JOHNSON AND STINNER TO LB323. [LB89A LB137A LR125 LR126 LB47 LB323 LB437 LB405 LB623]

AND FINALLY, A PRIORITY MOTION. SENATOR FRIESEN WOULD MOVE TO ADJOURN UNTIL THURSDAY, MARCH 19, 2015, AT 9:00 A.M.

SENATOR KRIST: YOU'VE HEARD THE MOTION. ALL THOSE IN FAVOR AYE. OPPOSED, NAY. WE ARE ADJOURNED UNTIL TOMORROW MORNING AT 9:00.