

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate April 27, 2021

**FOLEY:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-eighth day of the One Hundred Seventh Legislature, First Session. Our chaplain for today is Senator Erdman. Please rise.

**ERDMAN:** Thank you, Lieutenant Governor. Let's pray. Father, we thank you for this day. We thank you that your mercies are new every morning. We appreciate that. Your word says that one plants and one waters and God gives the increase. And we pray that would be with our agricultural people. We pray that you would ease our anxieties because of the lateness of the planting and the season that we're in. We thank you that those tilling the soil and those producing the products that we eat and the food that we-- we enjoy, we pray you keep them safe. We also pray for those first responders, that you'd be with them and keep them safe as well and those who protect us in law enforcement. We appreciate that we live in the greatest country on earth. Help us to understand what our founding principles were founded upon, upon your word, about what is right and what is good. And we just pray that you would help us to make decisions that are pleasing to you. At the end of the day, we can say it was good to have been here. We ask these things in Jesus' name. Amen.

**FOLEY:** Thank you, Senator Erdman. I recognize Senator Stinner for the Pledge of Allegiance.

**STINNER:** Please stand for the Pledge of Allegiance. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

**FOLEY:** Thank you, Senator Stinner. I call to order the sixty-eighth day of the One Hundred Seventh Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

**FOLEY:** Thank you, Mr. Clerk. Do you have any corrections for the Journal?

**ASSISTANT CLERK:** No corrections this morning.

**FOLEY:** Thank you, sir. Any messages, reports or announcements?

**ASSISTANT CLERK:** None at this time, Mr. President.

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**FOLEY:** Thank you. Members, Senator Geist would like us to recognize Dr. Rachel Blake of Lincoln, Nebraska, serving today as family physician of the day. Dr. Blake is with us on the north balcony. Doctor, if you could please rise, we'd like to welcome you to the Nebraska Legislature. Members, we're on LB432. I think you're well aware of where we are on that bill, but I'll ask Senator Linehan and Senator Machaela Cavanaugh, if they'd like a minute or so each, just to kind of refresh us on where we are. Senator Linehan, if you'd like a minute, you may refresh us on where we are.

**LINEHAN:** Good morning, everybody. So I don't think any of you are not going to remember because we-- hasn't been 12 hours since we left, it doesn't seem. We are on the income tax revenue priority bill and it has several pieces. There's income tax parity, corporate with individual. There's the GILTI pared back. Again, the fiscal note on the GILTI is wrong. That goes back and recoups everything we've already gotten. We-- in committee, we took the back taxes out of it and it's just going forward. We have Senator Albrecht's stillbirth legislation, which would provide a tax credit for stillbirth. There was some discussion last night about what if the child lives for a day or half a day. That is a live child. There's a tax credit for that child. So there's no-- like if a child lives even for a few hours, there's a tax credit. So that is a concern that I heard last night that we could address further this morning during discussion.

**CLEMENTS:** Apprentices.

**LINEHAN:** Apprentices-- and Senator McDonnell has two bills in there. One is to treat apprenticeships like we do everything else for secondary education-- tuition, books. So that's Senator McDonnell's bill. And then the other bill of Senator McDonnell's is the firemen-- if they get the benefits. It doesn't say they have to get the benefits, it doesn't say that it's required. It's just if they would get the benefits, it isn't taxable income. Just like when you get benefits for your insurance coverage, health insurance coverage, it's not a taxable benefit on your income taxes.

**FOLEY:** Thank you, Senator Linehan.

**LINEHAN:** Thank you.

**FOLEY:** Senator-- Senator Machaela Cavanaugh, if you'd like a couple of minutes to refresh us.

**M. CAVANAUGH:** Well, thank you, Lieutenant Governor. I am going to actually pull my motion. Thank you.

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**FOLEY:** The motion to recommit has been pulled. We're back on LB432 with the pending amendment. Senator Matt Hansen, I believe you have an amendment pending. Was it your intent to withdraw that amendment?

**M. HANSEN:** That is correct.

**FOLEY:** Thank you. That amendment is withdrawn. Senator Machaela Cavanaugh, do you have an amendment pending also that you would like to withdraw?

**M. CAVANAUGH:** Yes, I'll withdraw. Thank you.

**FOLEY:** The Machaela Cavanaugh amendment has now been withdrawn. Senator John Cavanaugh, you are recognized for a point of order.

**J. CAVANAUGH:** Yes. Thank you, Mr. Lieutenant Governor. I would move to divide the question on the AM774.

**FOLEY:** Thank you, Senator. It's the ruling of the Chair that the question is divisible. Would the parties please come to the desk for discussion of how we can divide that? Members, the key senators have agreed on a division of the question. Mr. Clerk, if you could announce the first division.

**CLERK:** Mr. President, there has, as-- as you've ordered, a division of the committee amendments and the four components. We're currently working on that division. The first component will be AM1150-- AM1150, which is essentially, I believe, Senator Albrecht's LB597. Senator Linehan, is that where you want to go? OK. Mr. President, AM1150 is an amendment.

**FOLEY:** Senator Linehan, you are recognized to explain the division, this first division.

**LINEHAN:** Thank you, Mr. President. Good morning, colleagues. AM1150 is LB597, which was introduced by Senator Albrecht. It creates a refundable credit against the individual income tax to parents of a stillborn child. So I've got some information, I think, that helps clear up some questions from last night. Although the general rule is that a child has to live with you half the year, you can treat a deceased child who died that year as if he or she had lived half the year with you, and thus, can claim the dependent on that year's taxes. So a child that lives even for a short time can be claimed as a credit on income taxes. And again, it was before the last administration package, the Biden administration package. We used to have a \$2,000 credit for children up to 18. Now it is-- on your federal taxes, now

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it is \$3,000 for any child over six and 35-- up to 18-- and any child six and under is \$3,500. It might be \$3,600, so-- but that's been increased. A stillbirth is already defined legally and medically as the loss of an unborn child at 20 weeks. That's a legal and medical definition. So I-- I don't know if there's-- I will see if there's a lot of debate on that. I'm here, Senator Albrecht's here; we can answer any questions you have. Thank you very much.

**FOLEY:** Thank you. Debate is now open on the matter. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you. I will not be supporting this motion. I understand what this-- or this amendment. I understand what this bill is intending to do. However, I don't-- I don't know how this is-- is the right path for helping families. I think most families would say that paid sick leave during this time would be the most valuable, to have time with your family and time for recovery. And so I-- if we're going to-- if we're serious about wanting to help people who have gone through something horrible like a stillbirth, we should be doing something that actually helps them, which is giving them paid sick leave. And I believe there is a bill on the floor for paid sick leave, which I would encourage everyone to support that bill if that's what we're trying to do with this. If we're trying to help families that have suffered a loss, then paid sick leave so that they can have the time to take would be much more useful than this amendment. So I will not be voting for this amendment. Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Albrecht.

**ALBRECHT:** Thank you, President Foley. I just rise to, again, let people know what LB597 does. It does create a refundable tax credit for the parent of a stillborn child in the moment-- in the amount, I'm sorry-- of \$2,000. The credit can be claimed for the taxable year in which the stillbirth occurred if the child advanced to at least the 20th week of gestation, they would have been a dependent of the individual claiming the credit, and a fetal death certificate was issued. If a child is born alive and lives only a few days or moments and then dies, you can claim the child on your tax return, as Senator Linehan had explained earlier. If the child was born alive and then dies, although the general rule that the child has to live with you for half the year, you can treat a deceased child who died that year if he or she had lived half the year with you, and thus, claim as a dependent on that year's taxes. This is according to the IRS and H&R Block that I reviewed last night. While 20 weeks-- why the 20 weeks gestation? A stillbirth is already defined legally and medically as a loss of an unborn child at 20 weeks of gestation and beyond in the

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Nebraska Revised State Statute of 71-606. In Nebraska, when a child-- when a stillbirth occurs, which is defined as an unborn child that has reached 20 weeks of gestation, the state automatically issues a death certificate. And have any other states done this? Yes, at least five other states have enacted similar legislation: Minnesota, North Dakota, Missouri, Arizona, and Michigan. Why is this bill needed? In addition to incurring expenses, preparing for a child, and paying medical and hospital bills, parents who experienced a stillbirth have added expenses such as paying for funerals, burial, grief counseling, and the loss of income from time taken off work. There's no parent that should ever have to bury a child. But after paying medical and hospital bills for a stillbirth, many families find themselves without the finances to afford a proper funeral or burial for their child. For families who experience a stillbirth, this tax credit could be the difference between whether they can have a funeral and burial for their child or not. There's nothing that we can do to take away the loss these families have experienced, but we can acknowledge the special dignity and humanity of the child and provide some financial relief to grieving families in need. And why is this refundable? Why a refundable tax credit? Again, there's no amount of money that can ever compensate for the loss of a child. And that's not what this bill is about. The refundable tax credit will most directly help and provide financial relief to the grieving families in need. This is not only practically-- this not only practically helps families who will incur real expenses as a result of a stillbirth, but ensures that every parent has an opportunity to properly honor their child's life with a funeral and burial that they otherwise may not be able to afford. Thank you for your time.

**FOLEY:** Thank you, Senator Albrecht. Senator Blood.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I-- I'm just still not convinced on this and I just-- I go back to when Senator Slama was in front of Government Committee and I asked her about a bill and her response was: Senator Blood, I write legislation based on facts, not feelings. But what I think is really interesting is that we kind of flip-flop around on that here on the floor. Really depends on who has the bill, and what the issue is, and whether they're trying to guilt you into supporting something or not. I have nothing but compassion for anybody who loses a child. No matter at what point of the pregnancy, that child was important to you. But with that said, I don't understand why we keep referring to federal exemptions when what we're bringing forward is a state exemption. And I'm not seeing the same type of compassion in other areas. I feel compassionate and sad when somebody that's impoverished loses a loved

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one and can't afford to bury that loved one. I feel compassionate and sad when you have a child that's disabled who actually languishes for years before they die and then you have those hospital bills that you have to pay and you have to make the decision, how do I bury my child and how do I get our family out of debt at the same time? Because whether we like it or not, the funeral business is a business that makes a lot of money here in Nebraska and every other state in the United States. I-- I still remember a story-- and I won't say who, but it was in Senator Halloran's district-- of a woman who took her child and put it in a shoe box and buried it in her flower garden. I'll never forget that story of when she lost her child and her family was so desperate, that was all she could think to do. And it broke her heart when they had to move away from that house. And whether that's legal or not legal, that's an issue for another day. But I've heard a lot of stories like that. And I think the women in this body tend to hear more stories like that. We talk about how they get the tax break at the federal level, but do you know what kind of hoops you have to jump through? So the-- the deceased child must meet the usual legal requirements to be claimed as a dependent on your income tax return. We've already said that. But if you're claiming a deceased infant, you have to meet certain requirements. That means the birth has to be classified as a live birth with an issued birth certificate. Now they also have to have a Social Security number. Not all states give you a Social Security number at the time of birth. So here not only have you lost a child, but you're choosing to use a federal, not a state deduction and now you have to try and get additional information to write that off on your taxes. It's funny that we-- again, I feel like we're giving more value to one child over another child and I'm not sure I'm OK with that. I might be OK if we could expand this and make it fair and even across the board, but I've not heard any-- any solutions that would show me that you're willing to do that. I just-- I worry, as I know Senator Cavanaugh does, about the children with disabilities, especially when I look at my military families. I see such a high rate, for some reason, of military families that have children with disabilities. And I see so many of those children, unfortunately, languish for many, many years. And of course, the parents love their child and they want their child to be around as long as possible. But the stress,--

**FOLEY:** One minute.

**BLOOD:** --both financially and emotionally, is overwhelming. But yet I don't see us putting the same effort into helping those families here in Nebraska. And you can say that we help people all the time in Nebraska. And I don't disagree, but there are a lot of financial

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burdens for a lot of families that are struggling that I don't think we address, but yet we want to address this. And we keep referring it, comparing it to the-- the federal deduction; we're talking about a state deduction. I need you to show me where else we're doing this in state statute because I don't think this is equitable. Thank you, Mr. Speaker.

**FOLEY:** Thank you, Senator Blood. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. So kind of following up on some of the things that Senator Blood was saying, the practicality of this is very complicated for families. And I pulled up LB258-- that's the safe and sick leave bill that would provide sick leave for-- for families-- and the fiscal note is the same. So it's about \$300,000 to pass this bill or it's about \$300,000 to pass the tax credit bill. The thing with the safe and sick leave is that it's-- they get to use it right away. They don't have to-- they don't have to wait until they're filing their income taxes and they don't have to get a Social Security number and a death certificate and all of those things. They can-- they can just take the time off with this paid sick leave. And the fiscal note is the same. Some additional concerns I have about LB257-- or I'm sorry. I'm sorry, Senator Albrecht, I forgot what the number was, but AM1150, I'll just go with that. An additional concern that I have-- and if-- if Senator Albrecht wants to speak to this concern, I would yield her the remainder of my time. But what-- what happens if you're not married and the biological father wants to take this tax credit, but the mother is taking the tax credit? Like how is that reconciled? And what is the legality of that? I don't know. If you-- would you like to answer or-- I would yield you my time. You can answer if you'd like. I yield my time to Senator Albrecht.

**FOLEY:** Senator Albrecht, you've been yielded 3:00, if you care to use it.

**ALBRECHT:** OK, I'm sorry. I was talking with somebody. So are you just asking me about if the-- if the mother was not married?

**M. CAVANAUGH:** Yes and so if there's a dispute over if the biological father wanted to take the tax credit.

**ALBRECHT:** Well, I would say that it would probably get pretty much in the weeds there. Just the mother, I would say, would get the credit because, first of all, you'd probably have to prove paternity sometimes. I mean, there could be a lot of different issues with that.

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So I would say it would be the mother being able to take the tax credit.

**M. CAVANAUGH:** So that's not clear in how it's written, though. I guess that's my-- that's a concern I have on the logistics of it, but I've yielded you my time, so I'll let you speak if you'd like.

**ALBRECHT:** Well, again, I think for your question, that would be up, of course, to the state to decide. I'm sure they have to be able to have a certificate from the hospital. They would have to have all the necessary paperwork. And-- and quite frankly, the mother would probably have to be working to be able to claim the credit as well. So there's already rules in place for those type of things. And to Senator Blood, the reason we're talking about the federal monies is because that was a question that was asked yesterday. That's why it was addressed by Senator Linehan and myself. But this is about helping all families, with this particular bill, for the \$2,000 credit from the state of Nebraska. And many other states are doing it as well and that's why we believe that this is a good bill. Thank you.

**FOLEY:** Thank you, Senator Albrecht. Senator Hunt, you are recognized.

**HUNT:** Thank you, Mr. Lieutenant Governor. I have a few things to say on this issue. And I'll get through what I want to say and then I'll-- I'll let you all vote this through so you can get your right-to-life bona fides. But I oppose bills that define a fetus-dependent tax credit or fetus-dependent legislation where there's only a benefit that you get depending on the existence of the fetus because these bills are an attempt to give some legal recognition to fetuses in our tax law. And logically, as we've seen happen in other states, that would then be used as a reason to give legal recognition to them in criminal law or in healthcare law. Senator Albrecht said herself, just a few minutes ago, that this bill, to her, is about acknowledging the humanity of the child, which underlies my concern that the purpose of this bill is to create a legal precedent to define personhood before a child is born. In thinking about these personhood bills, there are two basic issues to consider. First, what are the medical facts about conception and personhood? Second, what are the legal implications of a personhood law? The medical facts are that a fertilized egg, if it implants into a uterus, can grow and become a fetus. But the fertilized egg only attaches to the uterine wall in about two-thirds of the cases. There's also in vitro fertilization, which many people in the body are intimately familiar with, which allows the process of fertilization to occur outside the uterus, meaning that fertilized eggs can be created and maintained outside of the uterus without ever being implanted until they are put in a uterus. And so some scientists

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argue, from a religious basis, that human life begins at the moment of fertilization, since from that point on a human being could be an embryo, a human being could develop from the embryo. Other scientists argue that human life begins when the embryo attaches to the uterus or when a heartbeat begins. Of course, this question of when life begins is not the same as acting-- asking when an embryo or a fetus should be granted the same rights as a born person. There's a distinction between when a group of cells is considered living and when it deserves human rights and civil rights and all of the things that come with personhood and that's what's in play with this amendment. To the extent that courts have considered this matter, there have been many cases, but typically they have been cases where the state has tried to force a woman into mandatory bed rest or even a cesarean section because the state has found that that procedure may be in the best interest of her fetus. In a leading case, *In re A.C.*, the District of Columbia Court of Appeals held that, "-- courts do not compel one person to permit a significant intrusion upon his or her bodily integrity for the benefit of another person's health. We hold that in virtually all cases the question of what is to be done is to be decided by the patient-- the pregnant woman-- on behalf of herself and the fetus." So with that decision, the court recognized, as the court did in *Roe v. Wade*, that a competent living individual ought to have rights superior to an embryo or a fetus. So given that finding in the courts, what are the implications of a personhood law? If an embryo once created,--

**FOLEY:** One minute.

**HUNT:** --whether it's in utero or created outside, you know, *ex utero* in the case of something like *in vitro* fertilization, then we can also conclude things like the parents may be able to claim a deduction as a minor child for that fetus. It could make *in vitro* fertilization illegal since, in the case of embryos with, you know, fatal medical diagnoses or embryos that are no longer wanted for reproduction processes, then they could be destroyed or they could be damaged in the IVF process. Some forms of birth control that prevent implantation, such as IUDs and the morning after pill, could be illegal. And perhaps all forms of contraception would be illegal since they could be said to inhibit the creation of a living being. Women could lose their constitutional rights to make decisions about their own bodies and lives and fertility. If a woman had an ectopic pregnancy or some other condition where it was medically necessary to end the pregnancy,--

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**FOLEY:** Senator Hunt, you may-- you may continue in your second opportunity.

**HUNT:** Thank you, Mr. Lieutenant Governor. If a woman had an ectopic pregnancy or some other condition where it was medically necessary to end the pregnancy for the health of the woman, that may be prohibited or perhaps the physician would be liable for criminal prosecution. This is a law that-- and a bill that certainly we know has traction in many states, including Nebraska. Any such law like that would be challenged because it's in direct conflict with the findings of Roe v. Wade and the U.S. Supreme Court, of course. But all of these things, all of these protections and rights that hold up the bodily autonomy of women are decided by courts. They're decided by-- by our legal system. You know, as-- as the Lieutenant Governor himself said on his Facebook page-- you know, he maybe wasn't a big fan of Trump, but at least we packed the courts. At least we got the courts full of pro-life judges and anti-abortion judges who can change the law, because that's ultimately the goal of the anti-abortion right, which this amendment from Senator Albrecht seeks to strengthen. Also, if we recognize embryos as having personhood, women would basically be seen as transport and delivery systems, where their primary function during pregnancy, whether the pregnancy is planned and wanted or whether it's accidental or the product of rape or incest, is to produce a living child, no matter the medical condition of the child or the desire of the woman to have the child. Women who have stillbirths or miscarriages could be prosecuted for murder, which has already happened in several states. And no embryonic stem cell research would be allowed since creation of an embryonic stem cell line is done by removing the inner mass from an embryo, thereby destroying reproductive capacity. This would be true even if the fertilized egg were medically inappropriate for reproductive use because it carried a lethal disease and even if the person who created the embryo no longer wanted to use it for reproductive purposes. Under the law, they could be prohibited from asking that it be destroyed and they would have to pay to keep it in a freezer forever. This is the logical conclusion of bills and policies that recognize personhood of a fetus. Fetal protection statutes also encouraging-- they also encourage the policing of pregnancy and the criminalization of women who have, you know, complicated pregnancies that are typically outside their control. If fetal protection bills or personhood bills do not exempt the woman herself, then they can encourage the policing of pregnancy by those who are attempting to control the conduct of pregnant women. Over the last 20 years, we've seen numerous women subjected to prosecution or civil lawsuits for engaging in conduct that is potentially harmful to a fetus. If fetal protection laws or personhood

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laws without adequate exceptions for the rights of the mother are adopted, then state or local officials might feel licensed to prosecute a woman who smokes or drinks during pregnancy or drives over the speed limit or doesn't wear a seatbelt or engages in other things that may or may not be harmful to the formation of the fetus. We can also expect to see more criminal prosecutions or child abuse or neglect proceedings brought against women who make childbirth choices that doctors or judges disapprove of. There's one famous court case in the past where Kentucky officials charged a midwife and her clients with reckless homicide in the death of a fetus during a home birth. And just this year, a Wisconsin judge ordered the detention of a woman who had disclosed her intention to give birth at home over a doctor's objection.

**FOLEY:** One minute.

**HUNT:** Such prosecutions and lawsuits for prenatal negligence infringe upon women's constitutional rights to privacy, equal protection, and due process. And all of these things come down the pike when we start getting into personhood. Bills like this treat women differently simply because they're pregnant, which subjects them to standards that do not apply to anybody else. I would also criticize supporters of this bill for supporting a fetus-dependent exemption after recent GOP tax-- you know, GOP tax changes and tax breaks have eliminated so many other tax credits that apply to other families with children. Senator Blood did a really great job articulating the hypocrisy of legislation like this when we offer a state benefit for the loss of a pregnancy, but not other kinds of maternal loss. And I'll continue on that point on my next time on the mike. Thank you.

**FOLEY:** Thank you, Senator Hunt. Senator Machaela Cavanaugh, you are recognized for your third opportunity.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. So I pulled up AM1150, and I'm well aware that very few people are listening on the floor this morning, which is really unfortunate because I think that this is an important conversation about this-- this amendment. And I think we are very quick to say: Well, this does something good for families that are suffering from a tragedy. And that's what this seeks to do, absolutely. I think that Senator Albrecht's intent is to help families that are grieving, but the execution is not there. So if you have a stillborn in January of 2022, you will get this tax credit when you file your taxes in the spring of 2023. So this will not serve the immediate need of covering funeral expenses. This will not serve the immediate need of lost wages for time away from work to grieve. Those are two very important things right there that aren't going to happen.

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I do think that this is an opportunity for a conversation about creating a state fund for funeral services for families, not just for stillbirths, but when you can't afford a funeral, we should have a fund for that, that people can apply for, like a grant. I think that is-- is a great way to serve the purpose of this bill without creating a tax credit that also is going to be complicated to use. Also, you're going to have to know to use it. Also, you're going to have to file income taxes. If you don't file income taxes because you don't make enough money, then you don't get this tax credit. OK, so this also-- the way that it is written, it says the Nebraska Revenue Act of 1967 shall be allowed to the parent-- parent of a stillborn child. What does it mean to be the parent of a stillborn child? Is it the one that gives birth? Is it the one who inseminated the-- the egg to begin with? Is it the one who is going to be the-- would have been the stepparent or the adoptive parent if it's a same-sex couple? What if it's a same-sex couple-- two women-- and it's the embryo-- it's the egg of one woman implanted in the body of the other woman and they keep their incomes separate? Who gets the tax credit? Maybe they broke up as a result of this horrific event. And a year later, who gets the tax credit? It's very, very unclear. And there are clearer ways that we can work together to help families. I just really wish you all were listening because you're going to vote for this--

**FOLEY:** One minute.

**M. CAVANAUGH:** --just because-- thank you. You're going to vote for this just because you want to espouse that you are pro-life. So you're going to-- you're going to do something that's not necessarily thought-- as thoughtful as it-- as it could be. And this is my last time talking, so I guess-- and Senator Hunt probably, I think, has one time left talking. So we're going to go to a vote on this soon. And this is going to need 25 votes to be added to this Revenue package. So 25 people need to decide that this is the right course of action. This isn't-- if you don't vote for this, that doesn't mean that you don't support families that have had-- suffered a stillbirth. If you do vote for this, that doesn't mean you support families that have suffered a stillbirth. It means you support a tax credit that is going to be very cumbersome to execute. Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Blood.

**BLOOD:** Thank you, Mr. Speaker-- or excuse me, Mr. President. Fellow senators, friends all, there are so many things I have issue with, with this bill, and it's not the-- the intent that-- of helping somebody, that's not the issue I have. Senator Cavanaugh, some of us are listening. You actually built upon some of what I wanted to talk

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about. I'm looking at the mechanics of this bill and I'm hoping that I can tap a lawyer here in the body. So I'm going to ask that Senator Lathrop yield to a question.

**FOLEY:** Senator Lathrop, would you yield, please?

**LATHROP:** Yes.

**BLOOD:** Senator Lathrop, I'm sorry I didn't give you a heads-up. Can you sue in Nebraska for somebody's embryo?

**LATHROP:** Say it again?

**BLOOD:** Can a-- can somebody in Nebraska sue for an embryo? Like if I'm a man and my wife decides or my significant other decides to freeze her embryos and she decides she wants to dispose of them, can I sue for that?

**LATHROP:** I have no idea. Little-- a little bit outside of my--

**BLOOD:** OK.

**LATHROP:** --wheelhouse.

**BLOOD:** Have you read this particular bill?

**LATHROP:** Have I read this particular bill?

**BLOOD:** Yes.

**LATHROP:** Well, I got here and I did a couple of things before I read this,--

**BLOOD:** OK.

**LATHROP:** --so no.

**BLOOD:** So figuratively then, we'll go with, if-- if the woman has a stillborn child, gives birth to a stillborn child, and the mate is no longer in the picture, could there be legal issues with who actually gets this tax deduction at the end of the year? I mean, how could-- I couldn't find it within the bill. How do we know who gets that tax deduction? Because it takes two people to make a baby. Is that clear to you in this legislation?

**LATHROP:** Well, I-- just a--

**BLOOD:** No, I'm sorry--

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**LATHROP:** --second ago--

**BLOOD:** --to put you on the spot.

**LATHROP:** --I told you I hadn't read it, so I will have to say I'll--  
I'll read it and then be prepared to answer that question.

**BLOOD:** I-- and I--

**LATHROP:** But that--

**BLOOD:** --apologize for putting you on the spot.

**LATHROP:** --that you make a good point. If a-- if a couple is not a  
couple and they're not husband and wife and this deduction comes up, I  
think that'd be a great question for the Chair of Revenue.

**BLOOD:** And I appreciate it. And again, I'm sorry to put you on the  
spot, but I'm not a lawyer.

**LATHROP:** No, that's all right.

**BLOOD:** But there's a lot in this room, so I hit up the first one I  
saw, so I apologize.

**LATHROP:** Or I think Clements does tax returns.

**BLOOD:** Well, there you go. Thank you, Senator. I go back to when we  
were talking about helping first responders over the last five years,  
when we wanted to extend benefits to their families. And Senator  
Albrecht stood up and said: You know, in my community, we'll have like  
a pancake feed or a fundraiser and we help our own. I always remember  
that because she stood on this mike, multiple times on multiple bills,  
and said it's not necessary to have this bill because this is a  
situation where we can help our own. So if it's about compassion and  
helping somebody who's given birth to a stillborn infant, where is  
that speech? Why are we not helping our own? So I find this whole  
thing very confusing. I am concerned about the implementation of this.  
It still needs work. And I feel that if you vote for this, you're  
voting for a bill that's not done, that needs to have certain things  
addressed. We're just assuming that the woman gets the tax write-off.  
And why is that? Well, because any time we talk about anything that  
has to do with pregnancy, the entire burden falls on that woman's  
shoulders, with every piece of legislation we pass that pertains to a  
woman's body. But like it or not, this brings up the issue of who gets  
the tax deduction. And I'm--

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**FOLEY:** One minute.

**BLOOD:** --not seeing that clear in statute. Did you say time or one minute? All right. Legislation based on feelings, I always say, like, any time we have a bill named after somebody, we should take a step back and really look at it. I'm kind of feeling that way about this bill as well. Is this good legislation or is this us pandering, saying we're either pro-life or that, as compassionate policy makers, we must do this? But only on the certain things that we select because we don't have compassion for first responders' families when we want to extend their benefits. And we don't have compassion for the people that have children with disabilities who are languishing towards death. We're saying, well, why don't they get a second job and help pay for those services that they can't afford to feed the rest of their family? We really just-- I just get really confused on this floor because I hear one thing and then another thing out of the same people who support bills like this.

**FOLEY:** That's time, Senator. That's time.

**BLOOD:** And I'm confused. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Blood. Senator Hunt for your third opportunity.

**HUNT:** Thank you, Mr. Lieutenant Governor. Colleagues, we went late last night, until 8:15 p.m., debating tax bills. And a lot of people didn't want to have an abortion conversation this year. But Senator Albrecht has brought us the abortion conversation by putting this bill into a tax bill where it frankly doesn't belong. And the family values people are here out in the lobby now and the Catholic Conference people are here out in the lobby now. And they weren't here yesterday because they didn't think that I was going to have a problem with this. And everybody thought that they could slip in this personhood bill into a tax bill and get away with it and nobody would notice. That will probably work, that will probably be successful, but some things need to be said on the record so that Nebraskans understand what has happened here and so the record reflects, you know, the-- the strategy that-- that happened to get this bill into the package. Senator Machaela Cavanaugh raised some very smart points-- and I do hope people were listening-- around problems with the language of this bill. And I think that, between General File and Select File, we need to resolve those problems because when we have anti-abortion bills, those bills need a lot of scrutiny. The language needs to be very tight. And this bill is not there yet because it was slipped in and not scrutinized and not-- not well written. This is a model bill

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that's been introduced and passed in several other states and I'm confused about why it's \$2,000. In every other state where it was introduced and passed, it was also \$2,000. So my question is: What's so magical about the \$2,000 number? If this is a concern about the health of the women and their children and it was coming from a place of moral and intellectual consistency, then supporters of this bill would support things like paid family leave. They would support things like expanding SNAP, which is really a benefit for the children of that family, not for the recipient of the SNAP EBT card. Senator Albrecht says that this is all about helping families, but it doesn't help-- she said it's about helping all families, but it is not about helping all families because this doesn't help all families. The families who benefit from this can't even get the tax credit when they need it. It looks, from my examination of the bill, that women can only get this if they're employed. What would help all families is paid family leave. What would help all families is universal healthcare and access to prenatal services so that women who choose to become pregnant and carry children can get the services they need to have a healthy pregnancy. What would help all families is expanding SNAP to make sure that the children women do have can get nutritious, healthy meals to stay healthy. We would support the ability of women to take paid time off when they give birth so they can bond with those babies, so they can develop their families, so they can take care of their children. And we would also support paid leave when they miscarry or when they adopt and for the father so they can build those families together. Senator Blood did a great job articulating the hypocrisy of legislation like this when we offer a state benefit for the loss of a pregnancy, but no other kind of maternal loss. Senator Albrecht, when she validates the need for this bill, she doesn't just cite the trauma and tragedy of the stillbirth, of a miscarriage, but the cost. And obviously we know that there's an astronomical cost associated with medical expenses and funeral expenses and other costs, but that goes for all kinds of maternal loss. So if we do want to help all families,--

**FOLEY:** One minute.

**HUNT:** --why are we only focusing on the fetus? You know why, you know why. I don't even have to ask that. You can never put a dollar amount on the loss of a pregnancy. You can never pay someone back. The state cannot pay someone back for the pain and suffering that they endure when they lose a loved one, when they lose a pregnancy that was wanted and loved and intentional. And I respect and sympathize with the emotional dimensions of this issue, but every effort must be made to make sure that fetal protection does not pave the way for government

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actions that threatens a woman's right to reproductive choice. That's what this bill does. The bill is not applied equitably. It's not ready. It's not finished. It needs work. It got slipped in and we're not ready to pass this type of policy.

**FOLEY:** That's time.

**HUNT:** Thank you.

**FOLEY:** Thank you, Senator Hunt. Senator Blood, for your third time.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I just want to say on the record that I've had multiple male senators-- and I'm not going to throw you under the bus-- come up to me and say: You know, Senator Blood, I don't disagree with some of the things that you've said, but I'm a man and I don't really understand all of this and I'm not really comfortable speaking for or against it, so I'm just going to vote for it. You do you, but I'm going to keep track of all the times you stand and talk about things being bad legislation and how they don't work as far as the way it's written because what's good for the goose-- so I just want to point that out that if you think that there's problems with the way that this bill is written, don't write about the-- don't-- don't vote based on the compassionate issue that we're talking about. Vote on the fact that this bill needs help. With that, I would yield any time that I have left to Senator Cavanaugh.

**FOLEY:** Thank you, Senator Blood. Senator Cavanaugh, just under 4:00.

**M. CAVANAUGH:** Thank you. Thank you, Senator Blood. Yeah, that's a great point. Like if you don't understand something, that's not a reason to vote for it. A turn of phrase that is used a lot in this body that I-- I chuckle at every time somebody says it is unintended consequences. But if ever there were an unintended consequences-- or I guess unintended outcomes-- it's this bill. This bill seeks to do something that, in its heart-- in the heart of the introducer-- is-- is good. It's-- it's just-- it doesn't do it. It creates bureaucracy, more bureaucracy around a tragedy. It creates paperwork. It creates filing the right form on your taxes. It creates getting a death certificate and a Social Security number, I believe, is necessary as well. It creates a lot of barriers. We could-- we can help these families in different ways that-- that have fewer barriers. And it costs \$300,000 a year. So if we're going to spend \$300,000 a year helping families that have suffered a loss, let's-- let's do it in a way that doesn't have so many barriers, and open up for litigation, and disputes over who gets the credit. Who gets the tax credit? Is it

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the mother? Is it the person who gives birth to the stillborn or is it somebody else? Not to mention we didn't even talk and we don't have time to talk about if you are the birthing parent and you are a surrogate, do you get the tax credit? Or do the parents that you're the surrogate for get the tax credit? I mean, this is like-- the-- the what-if scenarios go on and on and on. And I very much value helping grieving families, but giving them the time and space to-- to grieve and not suffer financial hardship, I think, is probably the best way to do that. And we can do that with LB258, which has the same fiscal note amount, \$300,000. We can put \$300,000 towards sick leave or we can put \$300,000 towards a tax credit that is riddled with unanswered questions, it's untested, and the pitfalls to come are-- are numerous. So with that, I think we're probably going to go to a vote now. Thanks.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Linehan, you are recognized to close on AM1150.

**LINEHAN:** Thank you, Mr. President. And thanks for the debate this morning. I'm going to ask for your vote to move this forward. And I want to call-- I do request a call of the house and vote in regular order.

**FOLEY:** Is that roll call regular, did you say?

**LINEHAN:** Yes.

**FOLEY:** Thank you, Senator Linehan. There's been a request to place the house under call. The question is shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, please.

**CLERK:** 18 ayes, 2 nays to place the house under call.

**FOLEY:** Members, the house is under call. All state senators, please return to your desk and check in. The house is under call. All senators, please return to the Chamber and check in. The house is under call. Senators Wayne, Hughes, McCollister, DeBoer, Briese, Ben Hansen, and Erdman, please check in. The house is on a call. Senator Linehan, we are lacking Senator Wayne. At this point, we can proceed or wait. Was that proceed, Senator? We will proceed. The question before the body is the adoption of AM1150. That's the first division amendment. A roll call vote in regular order has been requested. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Blood voting no. Senator Bostar.

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Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Day. Senator DeBoer not voting. Senator Dorn voting yes. Senator Erdman voting yes. Senator Flood voting yes. Senator Friesen not voting. Senator Geist voting yes. Senator Gragert voting yes. Senator Groene. Senator Halloran voting yes. Senator Ben Hansen voting yes. Senator Matt Hansen not voting. Senator Hilgers voting yes. Senator Hilkemann voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Kolterman voting yes. Senator Lathrop voting yes. Senator Lindstrom voting yes. Senator Linehan voting yes. Senator Lowe voting yes. Senator McCollister voting yes. Senator McDonnell voting yes. Senator McKinney. Senator Morfeld. Senator Moser voting yes. Senator Murman voting yes. Senator Pahls voting yes. Senator Pansing Brooks not voting. Senator Sanders voting yes. Senator Slama voting yes. Senator Stinner not voting. Senator Vargas not voting. Senator Walz voting yes. Senator Wayne not voting. Senator Williams voting yes. Senator Wishart voting yes. Senator DeBoer voting yes. 34 ayes, 2 nays on the amendment.

**FOLEY:** AM1150 is adopted. I raise the call. Mr. Speaker, if you could come to the desk, please.

**HILGERS:** Next amendment, Mr. Clerk.

**CLERK:** Mr. President, Senator Linehan, I have AM1151, which I believe are components of LB564 and LB299 from the original committee amendment.

**HILGERS:** Senator Linehan, you're recognized to open on AM1151.

**LINEHAN:** So this our-- this division is both of Senator McDonnell's bills, LB564, which is allowing apprenticeships to use NEST as we do for other secondary education and as follows, Congress has already done this. And the other one is on the not taxing if, and only if, there's a benefit for firemen not to tax it. And with that I would let Senator McDonnell-- yield my time to Senator McDonnell to talk about both these bills. Thank you.

**HILGERS:** Senator McDonnell, 9:22.

**McDONNELL:** Thank you, Mr. President. Good morning, colleagues. As Senator Linehan has-- has mentioned, talking about LB564, LB564 adds apprenticeship programs to the definition of a higher education expense for purposes of the NEST 529 college savings plan, which is administered by the Nebraska State Treasurer's Office. In December of

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2019, President Trump signed the SECURE Act into law. One of the changes in the new law was to allow 529 funds to be used to pay for apprenticeship programs provided they are registered with the United States Department of Labor. Currently, Nebraska law does not allow for this. By making the change proposed in this legislation, families can avoid concern and confidently open a 529 savings account, knowing it can be utilized for a career path through the trades as well as college. This bill also proposes to help address the skill gap in our workforce by providing more resources for youth looking into these careers. If we are going to be serious about promoting the trades as a worthy investment for our state, then we need to take every opportunity to put careers in the trades on an equal footing with a four-year degree. LB564 addresses this issue and allows our NEST 529 college savings plans to be used for apprenticeship programs.

**HILGERS:** Thank you, Senator McDonnell and Senator Linehan. Debate is now open on AM1151. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. President. I rise in support of AM1151 regarding the college savings plan for apprenticeships. I recently visited a school in my district and was given a tour and I was really impressed. They had a welding shop with probably eight stations where they could learn welding, they had a carpentry shop with all the carpentry tools, and then they had a robotics room. And all three of those were career type, going toward career occupations that may not be college educations. But if their parents had put money aside in a college savings plan and then the student decides to go into a trade like carpentry or welding, machining, I think it is appropriate for those funds to be used because we definitely have a workforce shortage. We're looking for students and workers in those careers and I strongly support that. The other half of this is for cancer benefits to be tax exempt if they're elected by a local fire department. And that is how life insurance and disability benefits in the public/private sector are not taxable for income tax purposes. And so this is just aligning those benefits with the way they're treated in the insurance industry. So both of these provisions in AM1151 I agree with and I urge your green vote. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Clements. Senator Kolterman, you're recognized.

**KOLTERMAN:** Good morning, colleagues. Thank you, Mr. President. I rise in support of the AM1151, but I was wondering if Senator McDonnell would yield to a question.

**HILGERS:** Senator McDonnell, will you yield?

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**McDONNELL:** Yes, I will.

**KOLTERMAN:** Senator McDonnell, you know that I've been an avid supporter of firefighters and primarily volunteer, but firefighters in general do a tremendous lot of work for us as people and they save a lot of property and lives. So it's hard for anybody to talk against that. And I am completely in support of what you're trying to do here, but there appears to be some concern about the language as it pertains to whether or not this is voluntary or not. Would you be willing to work with those that have the concerns over-- between now and Select File to make sure that it is completely voluntary, that these benefits don't cost the city unless the city and the firefighters elect to negotiate that way?

**McDONNELL:** Absolutely, Senator Kolterman. And it definitely the intent and the language and it's optional and it's 100 percent voluntary. But any ways you can help me improve this bill between General and Select, I'm open to any ideas.

**KOLTERMAN:** I appreciate that. I would encourage the body to support AM1151. I will come in with some suggestions on how to clarify the concerns that are out there. Thank you very much.

**HILGERS:** Thank you, Senator McDonnell and Senator Kolterman. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. I just wanted to rise in support of AM1151, particularly the 529 NEST portion for apprenticeships. This is one of those many projects that seem to be a passion project for Senator McDonnell to find lots of different ways that we can help solve the workforce problems we have in the state. So I think this is just a smart minor change to the NEST requirements and I think it deserves a green vote. And so I just wanted to rise in support of it because I'm the one who divided the question on this and wanted to just state that I-- this is a part that I do like and I-- and I would-- I'm going to vote green on this and I encourage others to vote for it as well. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Linehan, you are recognized to close on AM1151.

**LINEHAN:** I ask for this green vote. Thank you.

**HILGERS:** Thank you, Senator Linehan. The question before the body is the adoption of AM1151. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

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**CLERK:** 35 ayes, excuse me, 0 nays, Mr. President, on the adoption of the second component of the Revenue Committee amendments.

**HILGERS:** AM1151 is adopted. Items for the record, Mr. Clerk.

**CLERK:** Thank you, Mr. President. Quickly, New resolution, LR108 by Senator Aguilar. That'll be laid over. Senator Brewer would like to print an amendment to LB285. A notice of hearing with respect to an amendment to LB285 from the Government Committee. The E&R reports LB528, LB540, LB296, LB313, LB521, LB209, LB84, LB366, LB366A to Select File, some having Enrollment and Review amendments attached. Mr. President, returning to LB3-- LB432. Senator Linehan, I now have AM1157, which I believe is the contents of LB680 from your original committee amendment.

**HILGERS:** Senator Linehan, you are recognized to open on AM1157.

**LINEHAN:** Thank you, Mr. Speaker. Just a quick review and then I think-- Senator Stinner, I'm giving you my heads-up right now-- might have-- I might yield some time here to him. LB680 is my bill. It creates parity between Nebraska's individual and corporate tax rates. Nebraska's corporate tax rate is paid, but at the entity level and has two brackets. The first is \$100,000, which is taxed at 5.5 percent, and anything over \$100,000 is taxed at 7.81 percent. It is one of the reasons we have to have a huge incentive package. We need to work so ten years from now we're not back, having to do incentives. I would much rather see us treat everyone equally by lowering the overall rate. And Senator Stinner, would you-- can I ask you a question?

**HILGERS:** Senator Stinner, will you yield?

**STINNER:** Yes, I will.

**LINEHAN:** So you and I had a conversation this morning about the big picture, which I think we are all concerned about. So would you like to address kind of how you would like to see this go forward between General and Select?

**STINNER:** Yeah. I-- I do believe this is the most important part of the bill because it makes a statement about the state of Nebraska. People look at that rate, that posted rate, when they take a look at the tax rates in Nebraska and the advantages they would have of-- of starting businesses here. However, we have to be very careful about how we do this. And my position is that we can do a step-- a step-down or incremental change in these rates, I think, in a very positive way so that it fits into the fiscal note. Again, the next-- the out-years,

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the next two years, appear to be also very solid in the green so that we can step over a period of time and step this down into parity, which will give us a much better profile as it relates to our tax rates. So we will work on-- on trying, between General and Select, to pare this down and to make it step down incrementally. With that, thank you.

**HILGERS:** Thank you, Senator Stinner and Senator Linehan. Debate is now open on AM1157. Senator John Cavanaugh, you are recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. So I moved to divide the question on this bill for a number of reasons. I know that we had a good discussion about the one section earlier today and I wanted to have this discussion in isolation on these tax portions as well. And I appreciate Senator Linehan working with Senator Stinner on this. Obviously, I've stated my opposition to this particular section, but-- and I-- I don't plan to vote for this section. I am interested to see what deal they're going to work out and I appreciate that. Basically, my real problem is, as I've said before, I'm not against necessarily making changes to the corporate income tax threshold. I'm-- just think we need to have that conversation in a-- in a more constructive, holistic way. I think that is what Senator Stinner and Senator Linehan are working towards a little bit more. Not exactly how I want it to be, but as I think we've all realized around here, not everything is always how we want it to be. So I'm against this AM1157. If it does end up-- we keep going on this and Senator Stimmer makes changes, I might have a different position at that time. I guess I can't make a statement about that at this point. But I guess I'll just talk about my general oppositions as we stand right now. I talked about it last night, that this particular section of the corporate income tax applies to less than 10 percent of all corporations in the state of Nebraska and it applies only to income generated in the state of Nebraska. So if you're a company that's sited, meaning you are physically located in the state of Nebraska, and you sell outside of the state of Nebraska, that income is not part of this either. So it's very limited. It is not something that's going to drive people to or from Nebraska. I recognize kind of what Senator Stinner is saying, that when people are deciding where to move, they look at that. But I think that-- that top line number and of course, a lot of people have talked about how the effective tax rate is much different than what the top-line number is. And I think that we maybe are not giving people enough credit when we say that's the only thing they're looking at, that I think a lot of people who are thinking about tax policy, when it comes to making those sorts of decisions, understand that it's the effective rate that is-- that you really should be considering and

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not just the top-line rate. And they understand how that will affect them and their business model and business plan. So I don't think this really has the driving effect that some people think it does, but obviously we can all agree to disagree on that subject. But I think that when we're making these decisions about where we're spending money and how we're spending money, this is part of that conversation. When we change this tax structure, it's going to shift funds away from the Property Tax Credit Fund. It's going to shift our ability to invest in other things that maybe will have more of a multiplier effect in the state of Nebraska than corporate tax cuts that could actually achieve some of the things that actually drive companies to move to Nebraska and invest in Nebraska. So that's fundamentally why I'm against this. I think if this ends up-- if we have a bigger conversation about all those things together, about what is the best return on our investment, I would consider that this may be one of those things that would actually be the best bang for our buck in terms of where we can put that money. I don't think that's the conversation we're having right now. I don't think that's where we're going. But like all things, there's probably some room for a compromise in the future. And so I look forward to hearing--

**HILGERS:** One minute.

**J. CAVANAUGH:** --what that-- that might be. But as it stands right now, I don't think that we need to go forward on a corporate tax cut. And that there's another amendment that I'll-- we'll talk about separately that I also don't like, but I look forward to hearing what other people have to say about those two subjects. And then maybe we can get to a vote at some point today and move on to the rest of this hefty agenda that we have facing us. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Friesen, you are recognized.

**FRIESEN:** Thank you, Mr. President. So again, I-- I want to talk a little bit about the corporate tax, the C corps. And so if you look at Nebraska, we have 19,685 corporations who do not make more than \$100,000 and this bill will have no effect on whatsoever. Their rate is lower than our advertised rate. We are going to give 1,624 corporations a tax cut. And these will be the large corporations that I think 80 percent of the dollars will end up going out of state to corporations whose headquarters are not in Nebraska. And so again, I-- I maintain that over my time here, when you talk to CEOs, the-- the number one thing they look at is do you have a highly educated workforce who's willing to come to work? The next is, you know, whether you've got a market share here that they're after or you got

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some natural resources that they want, and they'll work their way down a list. And the one thing that they will say is they want a state with a stable tax policy. They-- they don't care really, because there's-- there's a lot of corporations that do business in very high tax states. As long as they're making money, I don't think they care what they're taxed at. They will still continue to sell me tractors, even though you're taxing John Deere at-- at a higher corporate rate maybe than someone else. And again, I think those corporations also realize that no one, no one pays the advertised rate. So why would they just look at our advertised rate and say, Oh, I'm not going to go there? I think the-- the corporations are a lot smarter than we're giving them credit for here. Would they like a tax break? Sure they would. For the past six years, I've been a strong supporter of cutting the corporate rate. I just don't think now's the time. I don't think anyone changes their mind whether they come here or not. It has no influence on them. And if you're going to do a small start-up right now, you're going to organize as an LLC or a subchapter S because the days of organizing a C corp doesn't have the same tax advantages as an LLC or a subchapter S. So you'll pick the best kind of tax policy that you want to work under and you will pick one of those not a C corp. Even today there are people who are trying to dissolve their C corps and transform them to an LLC. One of the things about a C corp is-- is a C corp is intended to grow in perpetuity. That's why it's hard to get your money out. It's-- it's a-- double taxed, so to speak. The only way you can really get cash out of a C corp is to pay a dividend, which is then taxed at our personal rates. Or you can pay high wages to a CEO, which is again then taxed at a high rate-- or our rate-- or our personal rate. And so otherwise a C corp is meant to just keep investing its money and creating jobs and growing and they'll pay dividends to shareholders, which then are taxed in whatever state those dividends go to. I don't think it has an impact and-- and that's why I'm-- I'm reluctant to do it at this time. We've got-- we go back to what are our priorities? When we came here, what was our priority? And I think everyone will say it was property taxes. And we have done a lot for property taxes, but we still haven't funded K-12 schools properly and that's what I still want to look at. And so I think, with what we've been talking about for the past year or so, the chambers and everyone else has said next year we're going to look at comprehensive tax reform. And I think that's where this--

**HILGERS:** One minute.

**FRIESEN:** --fits, is in comprehensive tax reform. And we can address this next year and we can see once where we end up with all of our tax policy at that time. Thank you, Mr. President.

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**HILGERS:** Thank you, Senator Friesen. Senator Hilkemann, you are recognized.

**HILKEMANN:** Thank you, Mr. Speaker. I'm wondering if Senator Linehan would be available for a question.

**HILGERS:** Senator Linehan, will you yield?

**LINEHAN:** Certainly.

**HILKEMANN:** Senator, I talked to you about this a little bit ago. It's my under-- certainly I'm in favor of-- of-- of lowering corporate tax rates. However, I was-- I've been told that about 83 percent of the-- of the savings that would happen at this tax rate would be to go to out of state. Is that-- do you know if that's a true statement?

**LINEHAN:** I do not know if it's a true statement. I'm highly skeptical that that's a true statement. And I think another thing we forget here is lots of people in Nebraska, even if they don't have their own stock and investment portfolio, they have investments in retirement accounts that most certainly do have stock in corporations. So if you take this a step-- two steps, again, the corporate pays and then if you get dividends into your account or you get at that-- you're retired and you're living on dividends, you pay taxes on that too. So this is a-- it's too simple to say who pays the corporate rate. You would have to go clear down to see who's paying rates on all the dividends the corporations pay out. And I did talk-- called the Revenue Committee staff. And I think, as most of you know, our committee counsel used to be the tax commissioner, which we're fortunate to have her. And she's not sure how anybody could, like, come up with that number. But I will check between now and Select if we can get an accurate number from the Department of Revenue because I think they're the only ones-- I mean, did you get this information from the Department of Revenue, Senator Hilkemann?

**HILKEMANN:** No, I did not.

**LINEHAN:** OK. I think we need to go to the Department of Revenue because that would be the only one I would trust with this kind of-- and I'm not even sure they can do it, probably can. Depends on what-- whether they can or cannot, but I have my staff checking with them right now.

**HILKEMANN:** OK. Thank you. Thank you, Senator. I wonder if Senator Stinner would take a question.

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**HILGERS:** Senator Stinner, will you yield?

**STINNER:** Yes, I will.

**HILKEMANN:** Senator, I know that you and Senator Linehan had a little conversation earlier about adjusting the-- phasing this in over a period of time. Is it your understanding that-- that a good portion of this tax credit would be going out of state?

**STINNER:** You know, I think that's a narrow view because let's just take Nucor for an example. They're, I think, home-based in North Carolina. We have companies that are based in Pennsylvania, into New York, but they have significant investments in the state of Nebraska. And that's the portion that they pay. They provide employment base. They provide capital for expansion. They do a lot of positive things for our-- for our tax base. And I think when you start to look at where you want to expand next, a tax rate could play into that. And all we're trying to do is incrementally start to make a statement that we're trying to be as competitive as we possibly can by lowering the rate and-- and actually putting that into parity with the individual rate.

**HILKEMANN:** Thank you, Senator Stinner. And thank you, Mr. Speaker. And I'll-- thank you.

**HILGERS:** Thank you, Senator Hilkemann, Senator Stinner, and Senator Linehan. Senator Groene, you are recognized.

**GROENE:** Thank you, Mr. President. Feeling much better. I'm sorry, Senator Albrecht, I missed your vote-- and Senator McDonnell-- but I just got back here. On Final Reading, I'll be there for you. I'm not-- I'm not for cutting the corporate income tax rate and I'll tell you why. We've talked about the University of Nebraska here and how affordable it is. Senator Pansing Brooks said we're the most affordable law college. I've also seen exposes in the Omaha World-Herald where corporate employees in Nebraska get paid a lot less than other corporate employees in surrounding states. One of the reasons is our students coming out of our colleges have low debt because the taxpayer pays-- we're the fourth or fifth in the nation supporting our university system. So when the corporations hire these individuals, wage isn't as important to them because their debt is lower. Somebody has to pay for funding the University of Nebraska. Nothing's-- no free lunches. Corporations should pay their fair share of funding the University of Nebraska, period. They hire their staff and their employees for less in Nebraska. I sat in committees and seen the cheering-- chamber come and tell me they want \$30 million spent on

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the University of Nebraska, that every kid that gets over a 30 test on the SAT gets a free ride at the University of Nebraska. All right. Somebody has to pay for that. I've seen them come in front of me and at committee hearings and say, We want early childhood education, we want it free. We want it four-year-olds and up. The state chambers wanted that. Somebody has to pay for that. Somebody has to pay for it. And you, you rural senators vote for this, when-- in five years when they cut the property tax credit fund, you did it 'cause you took \$40 million or \$60 million out of the budget of revenues from the state of Nebraska from corporate taxes. There's no free lunch. Either we quit spending-- none of these issues stand on their own. Somebody has to pay for it. Either we quit spending, we raise tuition at the University of Nebraska, the public colleges-- give them less funding-- we don't create all this early childhood stuff, or somebody pays for it. It's either you or the corporation who has no soul, who is here to do business and only business. And I've always thought of a corporation this way. The communists said everybody owns everything and-- but nobody owns it. Everybody owns it. Look at a corporation. Who owns that? Nobody owns it, but everybody owns it. So I'm not real fond of corporate America. I like the S corps and the LLCs 'cause somebody you can point a finger at and say they own it. But that's a philosophical question. So if everybody owns it, then we're all paying the tax when a corporation is taxed. I'm willing to do that. I'm willing to have my dividend in my retirement account a little bit less 'cause they couldn't pay as high a dividend because they paid taxes to support the colleges and the-- and all the other issues in the-- that government needs. I have the Union Pacific Railroad. You know how the Union Pacific got started? By the-- by the-- by us. We gave them free land so they could build because it was something we needed. They should pay a tax. And they do. I haven't heard anything out of them. Either we become--

**HILGERS:** One minute.

**GROENE:** You look at the states with lower corporate taxes and you compare the tuition at their colleges, you compare their benefits for the disabled. I'm for cutting all that stuff. But if you're going to do it, somebody's got to pay for it. Thank you.

**HILGERS:** Thank you, Senator Groene. Senator Brandt, you are recognized.

**BRANDT:** Thank you, Mr. Speaker. We're on now. Thank you, Senator Linehan and the Revenue Committee, for bringing this. I would like to echo what Senator Friesen and Senator Groene are saying. If the

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revenue reduces here, it's just going to go up on the rest of us.  
Would Senator Linehan answer a question, please?

**HILGERS:** Senator Linehan, would you yield?

**LINEHAN:** Yes, certainly.

**BRANDT:** You stated that you'd like to do away with the incentive programs and-- and just drop the tax rate.

**LINEHAN:** If I could-- yes.

**BRANDT:** And--

**LINEHAN:** Well, yes.

**BRANDT:** --I sort of-- I sort of like that mindset. Is there-- is there any way to give an either/or scenario where we could drop the tax rates and you would become ineligible for the ImagiNE Act?

**LINEHAN:** I suppose there's a way to do anything if we all work together. So yes. I mean, I-- I don't-- the Advantage Act-- well, now ImagiNE Nebraska-- we had to have it. We have to have something because of our tax rates. Now I have never-- I remember way back when we did the first one, we were-- corporations were leaving Omaha, like one had to-- we had to fly to Texas and bring one back. So we need that because our tax rates are too high. It would be a much fairer world and we would, I think, do much better if we lowered our rates. And we'd have to lower them a lot more than this kind of lower rate. But yes, that would be where I would like to drive our policy.

**BRANDT:** And I guess I'm-- I'm in agreement with that. I would-- I would be in favor of lowering them to the point of a -- where it washes out. So if we have \$200,000 in ImagiNE, we could lower the rates maybe-- or \$200 million, excuse me-- lower the rates by a like amount because we have control over the rates. If a future Legislature runs into problems, they can adjust rates so we have revenue streams on these incentive programs. We really have no control over that because we don't know who's going to walk in the door. If you have a really good incentive program, we're going to recruit from-- from out of state because we've got a really good incentive program. My concern is the way it's set up, we will drop these rates, these corporations will take advantage of that, and then they'll double dip because then they're going to get an incentive off of the ImagiNE Act. And there's many incentives they can-- they can go with there. And to put this into perspective, today, if you're a corporation, you only pay 5.8

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percent on the first \$100,000. If you're an individual in the state of Nebraska-- and I'm part of this club-- once you're over, I believe, \$62,300, you're paying 6.84 percent. So today in Nebraska, corporations have an advantage on the-- actually the first \$200,000 because the second \$100,000 is taxed at 7.8. You average those, it's at 6.8 percent. And that doesn't kick in for a corporation until \$200,000. If you're an individual, it kicks in at \$62,300, three times lower than what that average corporate rate is. So I want everybody to be aware of that. We don't know what the cost is. That concerns me a little bit. So as it sits today, I stand opposed to AM1157. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Brandt and Senator Linehan. Senator Matt Hansen, you are recognized.

**M. HANSEN:** Thank you, Mr. President. And good morning, colleagues. Colleagues, I do rise in-- also in opposition to AM1157. I won't-- not planning on speaking much this morning 'cause I feel I got a lot of that done and out of my system yesterday. But on AM1157, this is kind of the point we've been getting at and I actually really appreciate some of the points raised by Senator Brandt and Senator Friesen already this morning. I think in terms of priorities and in needs of our state, simply the facts don't line up to be able to support this type of cut right now, certainly-- certainly heading into kind of future-- future-- future debates and future priorities. So with that, I just wanted to be real clear. I'm going to be opposing LB1157 [SIC-- AM1157] and would ask my colleagues to-- to stand with me so that the other packages of this bill can move forward today. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hansen. Senator Lathrop, you are recognized.

**LATHROP:** Thank you, Mr. President and colleagues. Good morning. I don't know how you felt driving down here this week, but I drove down here with a sense of dread. It was-- we are going to have revenue week in the Legislature. And I dreaded it because-- and this is the-- this is the conversation I think I want to try to start today. I looked last night while I was sitting here, the Revenue Committee got 90 bills and they've sent 39 to the floor, either-- either as a bill or as an amendment, part of a Christmas tree, 39 bills. We have on the sheet about \$208 million, give or take, probably over \$100 million in A bills. So if you got some bill that you want that's going to require a little bit of money to make it happen, that's part of about \$100 million. And then the Revenue Committee put out \$300 million in tax cuts. There's only \$200 million in total-- OK, \$250 million. That's--

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that-- but here's the conversation we're having. I love voting for tax cuts. Probably all of you do and there isn't anybody in here that wouldn't love to vote for AM1157. But our conversation so far is we're going to take these one at a time. And at what point do we say what's important from what isn't? I looked at the-- I was looking at the committee statements. Most of these things came out of Revenue like 8-0. I'm like, where do we, where do we get to the question or the conversation about what are we going to prioritize? How are we going to make this balanced? Because we have a certain number of bills. You all-- you all probably have one in that list, I know I do. And I don't know what I'm supposed to think is important, in terms of revenue cuts, from what isn't. Is this our priority or isn't it? I know Senator Friesen probably feels pretty strongly about LB454 and he probably has a crew that feels the same way-- six, seven, eight of you that-- that feel the same way. But what are-- what are we-- what's our process here? Because we're going to do these one at a time and they're all going to have a logic to them and it's all going to make sense. And we'll get to the end and we'll have passed \$250 million worth of tax cuts. That will wipe out all the A bills. So if you got a little project, you ought to be listening to this. And we'll be out of balance. So if we're going to spend some time, we ought to talk about what-- what's important from what isn't. Because my friends in the Revenue Committee put 39 bills out that totaled \$250 million and we can't possibly pass them all-- can't possibly. I'd like to broaden this conversation and say, What's important from what isn't? What's our priority? And we need to have some money for these A bills. And what are we going to do with all these Revenue bills, 39 of them? That's my count; I could be off by one. I'll yield the balance of my time to the Chair of Revenue if she'd like to start this off or-- or respond or tell me that, as the Chair of Judiciary, I ought to mind my own business.

**HILGERS:** Senator Linehan, 3:33-- 1:33, I'm sorry.

**LINEHAN:** Thank you. No, I think this is all our business and you have every right to say exactly what you said and you are correct. And last week, understanding that we had more on the floor than we had in revenue, I started paring back bills. And one of the bills that I went to the sponsor of and said, I don't-- and we might be able to wrap this up quickly. One of the bills I think we have to pare back is GILTI.

**HILGERS:** One minute.

**LINEHAN:** It's nice to do; we don't have enough revenue to do it. And then when we get to the next bill-- and I-- actually, I think I said

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this in my opening, but I know people-- it's hard to follow when you start talking. And get the next bill-- we've got a bill in there that we need to pull out. And Senator Stinner has got up this morning and said he's going to support this, but we need to pare it back. So you're absolutely right, Chairman Lathrop. We have to pull some of this stuff out. And I've already started that process with the Revenue Committee and we have agreement on some of the things we have to pull out. So thank you for the opportunity to explain it.

**HILGERS:** Thank you, Senator Linehan and Senator Lathrop. Senator Dorn, you are recognized.

**DORN:** Thank you, Mr. Speaker. I've enjoyed listening to the conversation this morning. Thought back to the-- when I was here the first year and I had a senator tell me at that time, you had-- you'd just come through some drastic budget cuts to balance the budget. And I was thinking to myself or made some comment to him. I says, I can't wait until we do get to the floor someday then we do have money. And that senator told me, Oh no, you would like this when we don't have money better than when we do, 'cause when we do have money, you have a lot of proposals, you have a lot more ask for the money. Everybody's there, everybody's at the table, and they want to have a part of that. That is somewhat, as Senator Lathrop said, we are at that part of the table here today. One other comment I'd like to make is that we-- we've talked numerous times here about property tax relief. We've talked now this year about-- I call it a little bit about sales tax, not a lot-- but we've talked about personal income. Now we're talking about corporate income. We are, again, trying to have part of that discussion on the floor where we get back to-- I call it our main core issue, which hasn't been solved over the years, and that is having a good, strong, sound tax policy in place for the state of Nebraska. I do know Senator Linehan, as Chairwoman of Revenue here-- earlier in the session, she was quoted in the paper that this is something that's going to need work on yet, that it's going to take a little bit more time yet. Probably her goal at one time was, through the interim, going to work on this and have it next year, if I remember right. But we also need to have this part of the discussion on the floor and how each of these-- I call it each of these have their own unique set of circumstances or how they affect the overall-- the overall tax picture that we have in the state. Last year, we passed LB117. Also had then somebody-- not a senator, but somebody else come up to me and says, Hey, you solved all of it, you got it all solved. And I says, No, all we did was put another thing out there on the plate or on the table. We haven't solved it yet or whatever. We did-- we did get through a lot, but we haven't solved the main-- I call it the main thrust of our

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our tax system or our tax process that we have in the state here and how to really come up with a sound, solid solution for that, 'cause you put schools in there and everything. We're working on it. We're-- I think we're getting-- we're getting farther down the road, but we're not near there yet. And there's going to be a lot of hard work to do on it yet. But I did want to ask Senator Linehan a question, if she would yield.

**HILGERS:** Senator Linehan, will you yield?

**LINEHAN:** Yes.

**DORN:** Yes. Part of what I mentioned was LB1107 last year, LB1107, the ImagiNE Act. The ImagiNE Act does not-- it kind of separates itself somewhat for some of the companies from-- I call it the in-- their income tax portion in the ImagiNE Act. The ImagiNE Act really only had-- I call it incentives for if you are expanding, if you're growing, or if your new company and stuff like that. It really did not deal with-- I call it the income tax part of those companies.

**LINEHAN:** That's right. It is all about growth. It's not about everybody. And that's why I'm-- we want growth. And we should-- that's why we have an incentive package. But it's also our big companies that want to grow. They have options. And the only way to keep them in Nebraska is that incentive package.

**DORN:** Yeah, yeah. And-- and there are companies that are looking to grow and expand. Our 3 percent unemployment rate-- or 2.9 now-- presents some challenge for that. But part of what LB1107 did not do was it did not look at the income tax rate for corporations. Even though I hear Senator Friesen talk about some of the numbers and how it would affect certain ones and not-- not other ones, that is the same type of argument or--

**HILGERS:** One minute.

**DORN:** --comments that we can use for-- I call it the property tax issue, the sales tax issue, the individual income tax. It has a different effect on different people. It has a different effect on different companies. It has a different effect on different schools. And here we are, trying to fit this all into one-- one nice little package. And we really struggle with that because generally our package has grown. It hasn't shrunk and narrowed in on the focus. Thank you for the time and I yield the rest of it.

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**HILGERS:** Thank you, Senator Dorn and Senator Linehan. Senator Walz, you are recognized.

**WALZ:** Thank you, Mr. President. So far, I-- I really don't have an opinion on this bill because I haven't had one constituent call me or email me on this bill. So at this point, it doesn't seem like it's that big of an issue or important to my constituents. But I do have to agree with Senator Dorn and Senator Lathrop. And I'm going to ask Senator-- oh, where'd she go?-- Linehan a couple of questions. One of the things that-- that has always kind of bothered me is that I don't-- I-- I don't see the big plan. I don't see the big, the grand plan to how all of these property tax-- tax exemptions, tax credits, how-- how it all fits together. So I was just going to ask Senator Linehan if you could maybe help me with this. Is there a plan? How does this move us in the direction? How does this move Nebraska forward as part of a grander plan? How do you-- what-- what's the process that we use to-- to make sure that what we're voting on or the policies that we're putting into place are moving Nebraska in the right direction?

**HILGERS:** Senator Linehan, will you yield?

**LINEHAN:** Certainly. The Revenue Committee, we have kind of-- there's members that have been there for some time now and we have some new members this year, but the new members have also been here before. So we have a-- I'm very-- I think we have a lot of-- we have a lot of talent in the Legislature. I'm not going to say that we're-- we-- everybody here adds benefits to it. We have a particular group of people that I am, because of the experience level, that I think we can actually move to bigger ideas. How this fits into the bigger plan-- the bigger plan in a simple like bumper sticker: broaden the base, lower the rates-- broaden the base, lower the rates. And I don't care if you're talking about sales taxes, income taxes; it's lower rates. As Senator-- Chairman Stinner said this morning, that's what people look at when they look at the state. They don't go through and look at what they get to deduct, what they don't get to deduct; they look at that rate. So it's the big package that we will work over the summer on and hopefully have something next year and work with stakeholders. That will be the big thing, lower rates. And this is how-- this is a step in that direction.

**WALZ:** OK. And then is that-- is there a way that maybe there could be a little bit more communication to the rest of the body so we-- we all understand the plan and--

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**LINEHAN:** Right. And I think-- and somebody-- I'm sorry, I'm not remembering who mentioned this the other day, but another senator did. This is a very unusual year because we have not been together-- like years past, as you'll remember, Senator Walz, we were like, if we wanted to, we had someplace to go every night to sit around a table and eat and talk to each other. We have not had that this year. We didn't even have the opportunity to talk in the mornings on the floor at the beginning of the session, which we do. So there is a lot of siloing going on here; I'm sorry. And I think that is unusual because it's been an unusual year. So I agree there should be more communication and hopefully we'll get back to normal soon.

**WALZ:** OK. And then I just have one more question, Senator Linehan. I'm a big believer in making sure that once a program or a policy is in place, I mean, I'd rather see a sunset on something. But is-- and I-- and I checked the bill. I don't see any sort of data collection that make, you know, that tells us in two years that the policy that we put in place today, the tax policy that we put in place is something that's working, is something that we should continue to do to bring in more--

**HILGERS:** One minute.

**WALZ:** --business or to be competitive. Is that something that you would be willing to add into that bill-- if I didn't see it?

**LINEHAN:** I think-- and I would defer to Chairman Stinner on this. Chairman Stinner, Senator Walz is asking if we have a way to see how this works. We do, right? The Revenue Department, you get monthly-- we both get-- everybody has a-- we get monthly updates on what's going on with revenue so we can follow what happens when we make changes in taxes.

**STINNER:** Yes. Yes, we do.

**LINEHAN:** So that is--

**WALZ:** But would like the Department of Economic Development also be?

**LINEHAN:** Yeah, they're-- it's-- it's all in the administration. You've got Revenue Department, Department of Economic Development. They can show you breakdowns of what's going on.

**WALZ:** OK. All right. That's all the questions. Thank you.

**LINEHAN:** Thank you.

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**HILGERS:** Thank you, Senator Walz and Senator Linehan. Senator Flood, you are recognized.

**FLOOD:** Thank you, Mr. President. Members, one of the things that makes us different from Washington is that we're in the process of actually getting the calculator out and trying to decide what we can afford and not afford. And unlike the Appropriations Committee, which comes out with an entire package, the nature of our Legislature is that we have to come out piecemeal with opportunities to address revenue situations on the floor, individually with individual bills. And so to Senator Lathrop's point, I am keeping track. This green sheet on our-- on our agenda lists how much money we have. And so this morning when I got up, I looked and we-- we went from-- according-- after we passed LB64 to-- to Select File and Senator Wayne's bill on sales tax exemptions on-- on drinking water, we went from \$147 million to spend in the next fiscal year to \$93 million-- \$92 million, \$91.8 million in the green sheet. Now I also know that the conversation yesterday was what should we do on Social Security benefits, knowing that that might get pared back? And so this is an uneven science. It is not something that we can-- and, you know, if we all were running the state's checkbook the way we do it at home, we'd all write our top ten priorities, and we'd all sit down, and we'd-- we'd go through that. And I can tell you, my wife and I have different priorities when it comes to running the checkbook. We have 49 different priorities. And then you got somebody in the corner office that has the equivalent of 30 priorities. And we try to make all of this stuff work together. So for me, I look at this bill and I will be honest. I look at the provisions, I think, in the next amendment as it relates to GILTI. I'd like to see LB1157 [SIC-- AM1157] get adopted as it relates to corporate income tax. I could-- I recognize that we have an issue with our dollar amount and how we're going to make it work. I'm open on the next bill because I recognize it's going to be a hard pill to swallow with what we want to accomplish this session. And so I want you to know that, from my standpoint, I'm prioritizing. I see things that can work and some things that can't work. I also know that we're going to land all these on Select File at some point and we're going to get a calculator out and we're going to have to make another round of choices. And that's after the Revenue Forecasting Board meets. But as it relates to corporate income tax, what I want to drive home is we are working, I think, in good faith on property tax. No, we didn't get LB408 last week, which I think is an essential component to slowing the growth. You've got the consumption tax, which Senator Erdman would tell you is the answer to every problem under the sun. We're going to find out more about that. The corporate income tax, as we look at the picture, leaving it out, I think we'd be making a mistake. I drive to Sioux

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Falls, South Dakota, and I see what Governor Janklow decided to do in that state in the '90s, in the late '80s and the '90s. And I see how much Sioux Falls, South Dakota, has blossomed over the last 30 years. And those decisions to locate and make it easy for credit card processors and whatnot have built an opportunity in fintech and financial services for the state of South Dakota that we cannot-- we cannot explain away. We've done the same thing in Nebraska with insurance companies. We're making another conscious choice today with the corporate income tax. We have to grow our GDP. We have to do things that make us more attractive. And we don't look good on a spreadsheet to somebody sitting in Indianapolis or in New York, in Florida. When you look at our spreadsheet, we aren't there yet on competitiveness as much as we'd like to be and this is a small but worthy step in the right direction. And yes, we have to make choices. This is a choice the Revenue Committee has said we believe in. And trust me, there might have been 39 bills out of 80. There were some other very sizable, important things to all of us on the committee that we passed on. And there will be more things on the floor that we pass on. This session--

**HILGERS:** One minute.

**FLOOD:** --Senator Linehan, myself, and others are going to make some decisions with bills that are yet to come up that will show you that we are willing to prioritize on the floor as things change and as the priorities of the Legislature change. So we'd encourage your vote on AM1157. And I think I-- speaking for myself, I'm open on the next amendment as we talk about priorities. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Flood. Senator Linehan, you are recognized.

**LINEHAN:** Oh, I forgot I was in the queue. I'm going to pass.

**HILGERS:** Senator Linehan waives the opportunity. Senator Dorn, you are recognized.

**DORN:** Thank you, Mr. Speaker. I-- I-- in my conversation last time, listened to Senator Walz and some others here a little bit. One thing I wanted to bring up was-- something that did come out yesterday was our new census for the state of Nebraska. And I think there were some pretty positive news that came out in that number that I've heard a lot of times here on the floor that we have a brain drain. We have other issues going on that we're not getting-- I call it the people to come into the state; we're having more leave. And yet it showed that our census that we will use this fall, whenever we have our special

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session, for redistricting and stuff, our census grew by 7 percent over the last-- our number grew by 7 percent over the last decade, which was the best, if the paper was right, the best growth rate that we've had in numerous decades. We do, as a state, have many positive things going on. I think that census number was one of the things that told us some of the things we are doing are working and that they are right, that people in the state of Nebraska still think very, very positive of our state. There are a lot of things that we have. We-- we-- I often think of, when we talk about property tax and the cost of everything going up and the cost of property taxes going up, we do have some real good things going on in the state. Our houses cost a lot less than California, know there are people that want to live in other places because of the tax rates and other things like that. But we have-- we have a lot of positive things going on in this state. To have our state grow by that 7 percent a year, 7 percent over the total of the ten years, I think is a tremendous testament to the people of the state of Nebraska and the confidence that they have in this state and this state going forward. You know, we-- we often talk about-- I call it-- what do we need to do as a state to keep people here or to make it so that it is more friendly? Some things that this legislative body has done over the last ten years have been right and have been a positive thing. And going forward, I think we have a very, very bright future. Appreciate the discussion that we've had on the property tax and the other taxes and everything going forward. And with that, I'll yield my time.

**HILGERS:** Thank you, Senator Dorn. Senator Stinner, you are recognized.

**STINNER:** Thank you, Mr. President. Members of the Legislature. I just want to take you through an example because we talk about the green sheets and yes, we are at \$91.8 million, but let's go back to and look at Social Security. It's \$14 million plus \$25 million in the second year. That's-- that, in my estimation, is \$39.9 million; let's just call it \$40 million. So as we start to manage this, for an example, if we want to pare this in half, OK, the \$14 million then becomes \$7 million and the \$7 million, if we didn't do anything, would move over to the second year. So it would be \$14 million impact comparing to \$40 million. But if we then want to bring it back up to the \$14 million, which is-- which is where we started, the starting point, then you'd be a \$21 million impact compared to \$40 million. That would add \$19 million back to the \$91 million. So in essence, you're now at about \$100-- \$110 million. That's what we're going to try to do with the corporate rate. And when I-- I just went down and pulled the fiscal note for a 1 percent decline in corporate tax. You go from 7.81 to 6.81. The fiscal impact will be \$37 million. Obviously, that's a big

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number. But if you divide that by 10, for an example-- you want to go down 10 basis points each year or 10 basis points, 10 basis points, hold till you see where you're at-- 10 basis points, 10 basis points-- 10 basis points, \$3.7 million. If you didn't do anything else, it's \$3.7 million and \$3.7 million or a \$7.4 million, \$7.5 million impact. That is how we're going to attempt to manage some of these notes. This is what I look at in terms of trying to fit as many bills as we possibly can. And I am waiting for General File to be completed so now we can go to work at trying to manage, as best we can, the fiscal note. We still have some room. I think the meat and potatoes of this whole revenue thing is the corporate income tax. It makes a statement about the state of Nebraska. Do you want to be competitive or don't you want to be competitive? Are we going to invest or aren't we going to invest in the state of Nebraska? And one of the factors will be property tax rates and income tax rates. What is that tax advantage or disadvantage? And you need to understand that. But I think even if we do a 10 basis point, say we go from 6-- 6.80-- 81 to 6.-- or excuse me-- 7.81 to 7.71 in the first year, for an example, it sets a trend. It makes a statement that this Legislature cares about the corporate citizens. Now there was talk, and I guess I was asked a question, and I probably answered it poorly because it really agitates me when somebody says these corporations who are owned from out of state-- are domiciled in the state of Pennsylvania, state of New York, let's say North Carolina, which is where I think Nucor is located, those dollars will flow back to them. Those corporations chose to be here, invested their capital here, employ our people here, donate to all kinds of different things. And I think Senator Flood talked about the-- the importance of having Nucor, what that would impact, the spin-offs of those things. So when we start to get competitive, we also get competitive with the-- with the current companies that are here.

**HILGERS:** One minute.

**STINNER:** As they look at expansion, where are they going to look to and what are they going to put on their score sheets? Those are important aspects of how we grow and what kind of statement-- our fiscal posture is another statement. I talk about that on a constant basis, how much we have in our cash reserve. How sustainable are we in business downturns? Those are things that support some of the things that we're doing here. But I think this is really an important step for the state of Nebraska to start to try to get to parity and I think it's one that I believe that you should vote green on. Let's advance it to Select File, see how we can manage these notes. And the Speaker will be highly involved in that, along with myself. And we hope to come up with some solution to get as many of these bills through,

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priority wise, as we can, as intact as we possibly can. And we also know that there's a limited amount of funds. So--

**HILGERS:** That's time, Senator.

**STINNER:** Thank you.

**HILGERS:** Thank you, Senator Stinner. Senator John Cavanaugh, you are recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. I just-- I wasn't going to talk again because I said my piece on this, but Senator Stinner kept saying something that bugged me, so-- and I-- you know, I like Senator Stinner and I usually-- we're usually on the same page. And I appreciate his perspective on a lot of things. But he keeps talking about how important the visual effect of the tax rate is for driving people here. And we've had a good conversation. A lot of people pointed out, and I actually really appreciated that-- one of the things that Senator Lathrop said, which is that we all like this idea. We all liked the Social Security cut yesterday. And it's not a question of whether we like this or not. It's a question of whether it's the priority and whether it's the best thing to do. And Senator Stinner's saying that, by cutting this rate, we're going to increase people moving to Nebraska-- and I'm trying to find, I think I had a study here-- but basically, I don't think the studies show that that is true. And I-- I would be-- I would stand corrected if-- if somebody could show me a study that shows that the corporate tax rate is a deciding factor in whether businesses are moving to states or not, but I don't know. So I couldn't find it. But I do think that the basics of this conversation are whether this is the thing that we should do that's going to cost-- I know he rattled off some numbers and how it affects it if we do a step-down approach. But ultimately, it is still an expenditure of money that is going to come from other opportunities to spend money. And that is the question of whether this is the thing you want to spend money on over other things that we could spend money on. And that's ultimately the question. I don't think that this is a-- this is not window dressing. This is not a question of how do we want to look. Do we want to look like a positive tax state? I don't-- if anybody's paying attention to the state of Nebraska, they're going to say, Man, those guys really care about cutting taxes. So I think we've done-- we've done plenty of talking and plenty of action to-- to demonstrate our desire to be a favorable tax state. We haven't maybe achieved all of it, but I don't think anybody could make that mistake and think that we're not attempting to be a favorable tax state. The question is what's the most important thing we can do? What's the best return on our investment? And what is our priority? That's the

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question on AM1157. The question is whether this is the priority at this time or whether it should be something that we have a conversation about, with a number of other priorities, to determine the best return on our investment when we come back next year, after we've settled all of these other things. And maybe at that point, we can adopt a step-down basis approach that Senator Stinner is proposing. But I think it's very important that we be clear that it's-- you cut the corporate tax rate for any number of reasons. I'm not sure one of them is to appear attractive. I think it's to actually create a favorable environment, possibly. But again, could that money be used better to attract more and more businesses, more workers to the state of Nebraska if we invested in something as opposed to giving it as a tax [INAUDIBLE]? That's the question, whether we could use the \$20 million to create an environment that is going to attract businesses or if giving \$20 million is the thing that's going to attract businesses. I don't think it's clear that giving away \$20 million is the thing that'll attract businesses. So let's talk about that as part of a broader conversation about what's the best thing to do to create a favorable climate to foster innovation, businesses, people moving here? And that's how, I think-- why this-- we shouldn't have this as part of this conversation, why we shouldn't be having this conversation right now, why I'd like to see us have it next year, why-- that's what Senator Friesen has been talking about as well. And I-- I would love to have that as part of a whole conversation of where-- what good can \$20 million do to--

**HILGERS:** One minute.

**J. CAVANAUGH:** --create a favorable environment in the state of Nebraska? And I'm not convinced this is the thing to do with it and that's why I'm against AM1157. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Hunt, you are recognized.

**HUNT:** Thank you, Mr. Speaker. I rise in opposition to AM1157 for many reasons that have been shared by other colleagues across this political spectrum on the mike today. Senator John Cavanaugh is always very levelheaded and well-spoken and I think he made a lot of the points I wanted to make in a very clear way. But I have a few things to add too so I put on my light. Colleagues, I have a big problem with lowering the corporate tax rate in Nebraska and so do my constituents. Does it make Nebraska look positive to businesses or does it make us look desperate? Do we look business-friendly or do we look like we're continuing this race to the bottom to be the cheapest state without investing in any services or policies that young professionals care

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about? That doesn't make us attractive; it makes us look desperate. Nebraska should be able to stand on its own merits as a great place to live and do business and start a family and go to school without having to be the cheapest state. And if that's all we have going for us, then I think that that's a sad reflection on our priorities as policymakers. We say that measures like this, like lowering the corporate tax rate in AM1157, are intended to benefit Nebraska's economy by bringing more business and investment and jobs here. But when I talk to Nebraskans, that's pretty far from the things that they actually want. And that's certainly true in my district. Our economy is good, unemployment is low, and we have to stop pretending like we are looking out for everyday Nebraskans and workers and families and stop saying that we're creative-- that we're creating economic opportunities and we're creating growth, when all we're doing is giving tax breaks to corporations that don't need them. We don't need to dress it up and all of these, you know, more flattering ways to say it because all it is, is giving tax breaks to corporations that don't need them because we're desperate for them to come to our state. We already have tons of state incentives for businesses. There are also tons of federal incentives for businesses. And we are still scratching and clawing in Nebraska for incentives for people, for incentives for families and workers and students and people who have bills, people who have medical expenses, people who have goals and dreams and want to educate themselves and advance in their careers and buy a home and do different things in life and start a family. But we are not investing in those people. If you ask Nebraskans what they want to keep them here, what they want to grow our economy and have more workers in Nebraska and more jobs, because that's going to be a self-perpetuating cycle. Companies are going to come here when we have the people and the workers. And that's about keeping our promise, as a state, to fund education for every student so every student can get a good public education in our state. It's about keeping those public dollars in the public education system where it's most needed to serve all children, regardless of who they are and what their ability is. It's about funding SNAP, Supplemental Nutrition Assistance, and food insecurity and making sure that no child in Nebraska goes hungry. We can do that by taking the first steps to reconcile our failed war on drugs and its negative effects on communities of color by legalizing medical and recreational cannabis and then taking the next step in allowing people with cannabis convictions to clear or modify their records. It's about passing policies that are free, that cost nothing, to emphasize our support for equity in the LGBTQ community, which we know we can't get 25 votes for here on the floor, let alone 33.

**HILGERS:** One minute.

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**HUNT:** Thank you. It's about supporting our newest neighbors in the migrant and refugee and immigrant community, raising the tipped minimum wage, which is \$2.13 an hour and hasn't been raised in 30 years. There are legislators in this body who have been alive not as long as the wage in Nebraska has been \$2.13. It's about reforming policing so Black Nebraskans know this is a place where they are safe and where their lives matter. Why is it always that lowering taxes is the investment we're making in Nebraska when there are so many policy ideas that Nebraskans tell us they want, that young professionals tell us they want? What I've described is just scratching the surface and these aren't even things we could hypothetically do next year-- later, maybe, if we introduce a bill. Because we have bills introduced to address these issues, they just aren't the ones on the floor for tax week. But investing in Nebraska does not necessarily mean lowering taxes. Sometimes that also has to mean improving the quality of life, increasing equity of opportunity. And our body has consistently failed to do that--

**HILGERS:** That's time, Senator.

**HUNT:** --for the people we serve. Thank you.

**HILGERS:** Thank you, Senator Hunt. Seeing no one else in the queue, Senator Linehan, you are welcome to close.

**LINEHAN:** So I would ask for your green vote on this, which is the parity, which I've talked to several of you. And I am committed to working with Chairman Stinner, that-- several of your points, including Chairman Lathrop this morning, that we can't do more than we can fit in the budget. And I'm not-- I have-- there are spending bills that I plan on supporting. So I understand we've got a lot of pencil sharpening to do between now and Select and I am committed to do that. But I would ask that you move this forward so it can be part of our conversation. And we can do, as Senator Brandt mentioned this morning, get-- and others have mentioned to me-- we need to get on a big picture, big plan. I'm committed to do that. I think Revenue Committee is committed to do that. And if we get through this COVID world, we will work with each of you so you don't feel like, you know, we're not inclusive. I think, again, that's more because of COVID and because what the Revenue Committee-- I think that's all. I have no idea what's going on in Judiciary. So-- so I would ask for your green vote on this. I would request a call of the house and a record vote, machine vote, in regular order.

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**HILGERS:** There's been a request to place the house under call. The question is shall the house go under call? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

**CLERK:** 23 ayes-- 24 ayes, 2 nays to place the house under call.

**HILGERS:** The house under call. All unexcused senators, please return to the floor. All unauthorized personnel, please leave the floor. The house is under call. Senator Linehan, you've requested a roll call vote in regular order?

**LINEHAN:** What I meant to do anyway, yes.

**HILGERS:** Yes.

**LINEHAN:** Thank you.

**HILGERS:** Thank you, Senator Linehan. Senator Wishart, please check in. Senator Flood, please check in. Senator-- Senator Wayne, please return to the floor. The house is under call. All unexcused senators are now present. The question before the body is the adoption of AM1157. A roll call vote in regular order has been requested. Mr. Clerk, please call the roll.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Blood not voting. Senator Bostar not voting. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Day voting yes. Senator DeBoer not voting. Senator Dorn voting yes. Senator Erdman voting yes. Senator Flood voting yes. Senator Friesen voting no. Senator Geist voting yes. Senator Gragert voting yes. Senator Groene voting no. Senator Halloran voting yes. Senator Ben Hansen voting yes. Senator Matt Hansen voting no. Senator Hilgers voting yes. Senator Hilkemann voting yes. Senator Hughes voting no. Senator Hunt voting no. Senator Kolterman voting yes. Senator Lathrop not voting. Senator Lindstrom voting yes. Senator Linehan voting yes. Senator Lowe voting yes. Senator McCollister voting yes. Senator McDonnell voting yes. Senator McKinney. Senator Morfeld not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Pahls voting yes. Senator Pansing Brooks not voting. Senator Sanders voting yes. Senator Slama voting yes. Senator Stinner voting yes. Senator Vargas not voting. Senator Walz not voting. Senator Wayne voting yes. Senator Williams voting yes. Senator Wishart not voting. 30 ayes, 7 nays on the amendment.

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**HILGERS:** AM1157 is adopted. I raise the call. Mr. Clerk, next amendment.

**CLERK:** Mr. President, the Revenue Committee would now move to amend with AM1156. Senator, this is LB347, I believe.

**HILGERS:** Senator Linehan, you are recognized to open on AM1156.

**LINEHAN:** Thank you, Mr. Speaker. This is-- I'm sorry, trying to find my notes here-- LB347-- thank you, Senator Clements-- will have created a new-- will create a new-- would have created a new definition of dividends deemed to be received to apply to the global intangible low-taxed income or what is commonly referred to as GILTI. Bad name, I know. I wonder who was in charge of that. Further amended, the version of LB347 would limit the deduction of this income on a go-forward basis. So to-- again, to the discussion we had earlier, the fiscal note you have on this bill, if you pull it up, is very, very wrong. We took out the going back and recap-- or letting people recapture what they feel they've overpaid, so that's out. This is only going forward. So the fiscal note, it's-- it's about \$11 million a year, if I remember, is what we think it's going to be. But we do not know because until we decide here what we're going to do, we don't get a new note from the Fiscal Office. So that's part of the adjustments the Revenue Committee made in committee. But as you all know, the fiscal note is written on the original bill. So what you have is not-- not correct. We are one of the only states-- I don't know if we're only-- I think, if I recall correctly, we are the only state that is taxing this at 100 percent. There is plenty of wiggle room. The way the bill right now is, we wouldn't tax any of it going forward. I would be willing to look at what other states are doing so we remain somewhere competitive because right now we're not competitive at all. And there is some question as to whether we-- this is-- there is lawsuits. We're being challenged. The state's being challenged on this, so it-- you know, we can address it here or address it there, but it will be addressed. So with that, I would ask for your support on this so we can stay, as we've talked about this morning, we can stay somewhere in the competitive range of taxes and move ourselves from number six in the nation maybe down close to maybe-- it'd be nice if we could get out of the top ten. That'd be a goal, I think, we'd all be worth getting to. Let's just get us out of the top ten. Thank you, Mr. Speaker.

**HILGERS:** Thank you. Thank you for your opening, Senator Linehan. Debate is now open on AM1156. Senator John Cavanagh, you are recognized.

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**J. CAVANAUGH:** Thank you, Mr. Speaker. So it's been a long debate on this whole bill. And this is really the first time we've talked about this portion. And so I think, kind of to put it in perspective, GILTI, which is an, I guess, acronym-- G-I-L-T-I is global intangible low-taxed income, I think, which-- so what this is, is if anybody's ever watched-- there's like episodes of 60 Minutes or those type of investigative reporting shows where they go to some office building in the Cayman Islands and there is a whole bunch of P.O. boxes outside. And it's one office and it has all these P.O. boxes where companies are locating there because they're-- they are low-tax havens. And this has gone on for basically since we started taxing corporate incomes. And corporations have figured out creative ways to decrease their tax liability by offshoring their incomes. And there's been efforts to try and figure out how to either repatriate that money or to capture some of that income and then be able to tax it domestically. And so what GILTI is, is part of the federal law passed during the Trump administration to capture that offshored income that is domestically generated. And so it's hard to kind of figure out exactly how-- how much of it is domestically generated and how much of it is actually generated in the countries where the-- the profits are, I guess, nominally made. And so what GILTI does is, it creates kind of a mathematical formula and says what are your assets in that-- that state, that country? How much are your incomes? If your incomes are disproportionate to your assets based off of what a reasonable return on investment would be, that is presumed to be income generated in the United States that's been offshored. So the reason it's called global in-- intangible low-taxed is intangible-- generally, this is used on intangibles, which is intellectual property. So a company will-- some sort of technology company or pharmaceutical company will sell or deposit their intellectual property in this shell company in another country and then they will pay exorbitant royalties to that company. And that's how they are doing that. So they're disproportionately pushing those revenues over there. So it's not all intangible, but that's the most common form that this offshoring of profits takes. So what GILTI does is creates a formula to identify that money and then brings it back and taxes it at 50 percent of what they have determined is generated. So that means that they're determining-- say 100 percent of your amount that they're saying is attributable to profits generated in the United States. Then they cut that number in half and then they tax it as domestic income, which means you're only paying tax on 50 percent of the generated revenue in the United States. So that's level one. This is obviously a little complicated. So then, since Nebraska is a state that is-- its tax code is tied to the federal tax code, that means that when the feds passed this new GILTI form-- format, we basically automatically started collecting that

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corporate revenue because it was now reported as domestically generated. And so we started collecting it in the same way that we collect all other domestically generated revenue. So this was always domestically generated income, meaning domestically in the United States. It was always money that was-- was earned and should have had taxes paid in the United States, but because of creative bookkeeping, had been sent to other countries. And so now this is just a structure for us to figure out how much of that is-- should have been taxed originally and allow us to tax it.

**HILGERS:** One minute.

**J. CAVANAUGH:** And so-- I'm going to push my light again. And so that means this is money we should have been taxing all along. Now we have a structure to tax it. And so Nebraska is taxing this, along with a number of other states, that some states have had to take affirmative steps because their tax code is not so-- is so tied to the federal tax code. But Nebraska's is tied in such a way that we were automatically taking it. So this would be essentially if we were to adopt AM1156, it would be us saying, well, we caught you. We figured out how to capture that money, but we're just going to let you keep it. So this is not a money-- this is not an incentive question. This is not a question of whether or not companies are going to come and make sales here. This is a matter--

**HILGERS:** That's time, Senator.

**J. CAVANAUGH:** I will finish later. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Friesen, you are recognized.

**FRIESEN:** Thank you, Mr. President. Again, I think-- you know, thanks, Senator Cavanaugh, for giving a really good kind of coverage of what this tax is. And I will try and just bring it down to a level, maybe, that most people can understand on the-- the Tax Cuts and Jobs Act, when that passed. I was always under the impression that we were enticing corporations to bring their money back. And in reality, we were forcing them to bring their money back. And we lowered their tax rate from 39 percent down to-- I don't know if it was 21 percent or even lower for this-- I think it was 21 percent-- in order to-- and then they were forced to bring this money back. But they were taxed then at the 21 percent rate versus the 39 percent that we had been before they passed the Tax Cuts and Jobs Act. So this wasn't the incentive. They are now required to bring this money back. So now I'm going to use a company that most of you are familiar with and I'll

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just use John Deere. For instance, they're headquartered out of state, but they do business overseas. They do business in Nebraska. And so what they could do, for instance, an example of this and the way that corporations can abuse or use-- I shouldn't say abuse, they use tax policy in different countries. So if they manufacture a John Deere tractor in Japan or Germany or in some other country where the tax rate is lower than us, then when they ship that tractor and sell it to someone in Nebraska, they can basically show no profit on that sale here. So they didn't earn any money here. They sold that tractor at cost. So all of the profit is assigned back to the manufacturing portion of the tractor and now that money is kept overseas. And so as you now are forced to bring that money back, they would be forced to bring back in proportion to each state that they do business in. And so if they do a lot of business in Nebraska, that portion of the overseas profits is brought back proportionally to Nebraska and then we can tax it or not. The Revenue Department made a decision that, when they looked at this-- and this isn't a-- I don't think it's a change in their policy. We say in our statutes that we exempt dividend and they determined that this was not a dividend. So again, there-- there could be a court fight. We don't know that. But it's-- it's the definition of a dividend. This doesn't meet our definition. And so again, the way our-- we are set up and the way we follow the tax code, we would now tax it at our corporate rate. And again, I'll tell you, I-- it won't be the 8.7 percent that's advertised because nobody does pay that rate. But again, each state, if you-- if John Deere, for instance, doesn't do much business in Wyoming, it doesn't matter that they don't tax this. There's not much business done there, so that's-- that's the way it is. But if they do a lot of business in the state, then more of their profits from overseas get taxed. And so again, that's-- that's-- these international corporations, it's advantages they have that they can move things around, they can move profits from one place to another, and that's why they hire lots of accountants. And they're not breaking the law. They're just using the complicated tax code that we provide them in finding tax shelters. And you know, you've heard on the news and you've read lots of articles about the biggest companies in the U.S. don't pay any taxes-- companies like Amazon, things like that. They pay zero taxes. But again, there are numerous reasons for that. Either they're following some tax code where they can shelter it or they're growing so fast and making investments that they can use those deductions. It-- it varies across the board. But again, it goes back to these are profits made overseas, which possibly could have been earned in Nebraska, maybe even-- depends on how they assign their profits. We could have taxed them--

**SLAMA:** One minute.

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**FRIESEN:** --to start with, but we chose-- they chose a different tax policy maybe and-- and decided to declare those profits somewhere else. So again, I-- I'm open too to different levels of taxation. I don't know if we should do 100 percent, but I don't feel bad that we are doing this. I think this is just profits that are maybe earned wherever. And this is our ability to tax them because they do business in the state and they're not going to quit selling me tractors because we tax them. Thank you, Mr. President-- madam.

**SLAMA:** Thank you, Senator Friesen. Senator John Cavanaugh, you are recognized.

**J. CAVANAUGH:** Thank you, Madam President. So I guess I don't remember where I left off, but Senator Friesen had a couple of points that I wanted to hit. So one of the important things to consider here is the only companies we're talking about are large, multinational corporations who have the ability and the profitability to create a structure that allows them to do this offshoring and moving funds around, which means that they can hire accountants and they can create these shell corporations and they can move things, which-- so we're not affecting small companies that are based out. We're not-- we're not affecting the company-- I would be surprised if we're affecting the company that Senator Flood talked about-- Encore? No, Nucor-- thank you, Senator Flood. Nucor, which sounds like a great example of a successful local business, but we're not talking about them because I would be surprised if Nucor has offshored some of their profits to the Cayman Islands. We're talking about big companies, like Senator Friesen talked about, like Amazon if they paid federal taxes, but other companies of that ilk that are very large, multinational, making large amounts of money to the point where it makes sense to them to spend money to hide money because you have to have enough money that it makes sense to invest in these sort of tax-avoidance structures to begin with. So that's first off. We're not talking about that. And secondly, as Senator Friesen talked about, we're not talking about whether this is an incentive or a disincentive to sell or not sell in Nebraska. Basically the reason, because of how the obfuscation works in this global-- the GILTI-- what is it?-- global intangible low-taxed, how this works is that we are not certain which profits are generated in the state of Nebraska or in any other state, but it-- it is a mathematical apportionment. And so the requirement is-- and there was some mention of court case and I read some about the potentiality for court cases on this. The question is just a reasonableness question about whether we are making an effort to be reasonable in terms of ascertaining whether-- which amount of the national, the reported profits are attributable to the state of Nebraska. So it's--

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we have to make that kind of reasonable rubric under which that would be determined and then we can tax it as income in the state of Nebraska. So this is not even really touching on whether it's going to incentivize or disincentivize them from competing or participating in the Nebraska market. This is really a question of are we capturing our fair share of these previously uncapturable revenues that are now revealed to us through this federal structure? And when we're talking-- we had this whole conversation about what priorities are important to us and whether or not we can do some things. This is, as Senator Linehan said, it's about \$11 million a year, is what we're talking about, going forward, on GILTI. \$11 million is real money that we could-- we could apply to something else that a lot of people have talked about. Senator Hunt recently just listed off a whole bunch of things that I'd rather do with \$10 million or \$11 million than give it away to corporations that have such little respect for the U.S., for the United States that they have spent decades offshoring their money. So this is not a question of whether we're helping Nebraskans or not or whether this is the-- this is not a question of priority, right? This is a different question than we had on the last amendment. That was a question of priority. What did we all think was the most important thing we should be talking about and where we should spend it? And that is a conversation I'm perfectly willing to engage in about what-- what do we all think--

**SLAMA:** One minute.

**J. CAVANAUGH:** --and come together on a consensus. This is not a question of priority. This is a question of whether or not we are giving an undeserved break to somebody who is not going to reinvest it in our state, who is not going to make a determination about whether or not that they are going to do something else. This is not-- this does not benefit us to adopt this cut. This is money that we're giving away that we could use for something else, for no reason other than these companies want it. So it is not a benefit to us. This is not a priority. This is not something that anyone came here and said, I really want to do this. So when you think about other things we could do with this money-- anything else. We could put it into the corporate tax cut in the last section, apply it to that. That would be a better use than this. And so that's-- I'll probably talk again. I think I'm running out of time. But that's what we should be thinking about here. This is a serious question.

**SLAMA:** That's time.

**J. CAVANAUGH:** Thank you, Madam President.

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**SLAMA:** Thank you, Senator Cavanaugh. Senator Lindstrom, you are recognized.

**LINDSTROM:** Thank you, Madam President. And I rise in support of the revenue bill and the amendment. And I appreciate Senator Cavanaugh and Senator Friesen laying out what this bill does and was it-- and what it doesn't do. When you talked about the-- the companies-- and I can give you some specifics on that. Nucor does fall in that category. Cargill, John Deere, those are multinational corporations that have brought their GILTI income back to the state of Nebraska. Senator Linehan touched on this, but we are the only state that is an outlier as far as how we treat this tax. Just to give you some clarification on some of the people around our-- states around us, on the global intangible low-taxed income, Minnesota is 100 percent exempt. Wisconsin, Iowa, Missouri, all 100 percent. Kansas, 80 percent. Colorado, 50 percent. So there may be a happy medium in there that Senator Friesen touched on where we take the percentage. Maybe it's not 100, but it's somewhere that's more competitive than doing nothing. And that's been the history of Nebraska and how we've taxed foreign-sourced income. We have not taxed it in the past. And because of the federal tax cuts that occurred a couple of years ago, a lot of these corporations were going in and trying to take these provisions. We didn't have it in our tax code so that was what the LB347 was to address. We did have a retroactive portion of it that increased the fiscal note by a substantial amount, but we amended that just to fix that moving forward. So as was discussed, it's \$11 million moving forward. Based on the discussion that I heard earlier and how we stack this up as to what are priorities, that will be up to the body to decide. As I looked at that last amendment and the corporate parity, you know, that's one thing that I will be in support of. And maybe that does rise to a-- higher on the priority list, more so than GILTI. But GILTI is definitely an important issue to discuss, take up because again, we are an outlier and we are the only state that is taxing this at 100 percent. And so I encourage your vote on AM1156. Thank you, Madam President.

**SLAMA:** Thank you, Senator Lindstrom. Senator Groene, you are recognized.

**GROENE:** Thank you. I'm just looking for some clarity here. Senator Lindstrom, would you answer a question?

**LINDSTROM:** Yes.

**GROENE:** Tell me I'm wrong on any of this. This is money being brought back from overseas, as Senator Friesen mentioned. And the reason

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they're bringing it back is the federal government went from 35 percent to 15 percent. Is that correct?

**LINDSTROM:** They-- so when-- a few years ago, they took the corporate tax rate from 39 down to 21. This income is actually taxed at 15.5 percent rather than the 21 percent and then the foreign-derived intangible income is taxed at 8 percent.

**GROENE:** So-- so the federal government, when this money comes back, is taxing them at 15.5 percent?

**LINDSTROM:** Correct, lower than the normal corporate tax rate, 21 percent.

**GROENE:** 35 percent or whatever.

**LINDSTROM:** 21 percent now.

**GROENE:** Well, let's-- this bill now says 35 percent, so that's--

**LINDSTROM:** OK.

**GROENE:** But we're saying then when it comes on Nebraska tax returns, we're not going to tax them anything. Is that what this amendment does?

**LINDSTROM:** Well, it-- it-- yeah. It puts back into place what-- how we've treated foreign-sourced income over three decades-- 30 years. We don't tax it. And we would have--

**GROENE:** Well, if we-- if the statute says now we don't tax it, why all of a sudden now are we taxing it?

**LINDSTROM:** Because we didn't decouple from the federal law and because of that, then we started to tax it once it started to come back. And it just--

**GROENE:** All right. Thank you.

**LINDSTROM:** It was a few years ago. I think it was LB1089 or LB1090 from several years ago where we addressed-- talked about it.

**GROENE:** So if-- my point is, if they didn't want to pay this tax, they should have kept it in France. But they made a decision to bring it here. And they-- because the numbers, the hardcore numbers said it's time to bring it back. And the statute in Nebraska says and the United States says we're going to be 15.5 percent and we're going to tax it

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at Nebraska's corporate rate. They made the decision. Now after the fact, they want to come to us and say, No, we don't want to do this; change the law. Pay your taxes. I mean, if you don't like it, don't do business in Nebraska. But you have to do business in Nebraska because you have to sell Senator Friesen a John Deere tractor. Like I said, until you show me how we're going to cut spending in this state, I guess we pay our taxes, and that includes corporations. So I-- I see no harm to these inanimate objects we call corporations, that have no soul or have no direct ownership, that we can expect that corporation to pay its taxes. Because if they don't pay the taxes, somebody who does have a soul, trying to raise a family, has to pay the taxes to support our government. So if I got to make a choice between the two, I'm going to let the corporations pay their taxes, period. I guess I won't get no political donations from these huge companies and the State Chamber, but that's fine. I never got it before. Thank you.

**SLAMA:** Thank you, Senators Groene and Lindstrom. Senator John Cavanaugh, you are recognized. This is your third opportunity.

**J. CAVANAUGH:** Thank you, Madam President. I was going to say this is my third opportunity. I guess I wasn't quite listening. Am I on the same page as Senator Groene? Is that what I'm hearing? So I think we're getting close and I'm not the only one left in the queue. So I think we want to get to a vote on this. I'm looking for somebody who maybe is doing that. Senator Linehan, do we want to vote on this right now? Is she going to say yes or no? I've said my piece but basically, I just wanted to be clear that this is-- again, President Trump's bill, for one, to capture-- an effort to capture foreign offshored money. And they created a structure that not everybody likes or they-- but it's actually working better than some other structures had in the past, that it is now allowing us to capture fund-- revenue that we should have captured before. And that's why we should keep this structure in place going forward. So I think with that, I'm told that everybody's ready to vote so I can stop talking. But I appreciate everybody listening on my lecture on international tax policy. Thank you.

**SLAMA:** Thank you, Senator Cavanaugh. Senator Linehan, seeing no one wishing to speak, you are recognized to close on the committee amendment.

**LINEHAN:** OK. I have a question for the Chair and I think we might need Patrick. Do we need to have a vote on this or can I pull the amendment?

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**SLAMA:** Senator Linehan, since this is a committee amendment, it cannot be unilaterally withdrawn, but you can request unanimous consent to withdraw the amendment.

**LINEHAN:** I request unanimous consent to withdraw the amendment.

**SLAMA:** With no objection, so ordered. Mr. Clerk.

**CLERK:** I have nothing further pending on the bill, Madam President.

**SLAMA:** Thank you, Mr. Clerk. Returning to the debate on LB432. Seeing no one wishing to speak, Senator Linehan, you are recognized to close on LB432.

**LINEHAN:** Thank you again. I've worked with several of you this morning. I actually think this is the way the Legislature is supposed to work. Thank you all very much. I would like a green vote on this and I will work with all of you between now and Select to make sure that we listen. And I'm sure everybody on my committee feels the same way and we appreciate it very much. So I ask for your green vote on LB432. Call of the house, please, and roll call, regular order. Thank you.

**SLAMA:** Thank you. Senator Linehan. There's been a request to place the house under call. The question is shall the house go under call? All those in favor, vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 34 ayes, 3 nays to place the house under call.

**SLAMA:** The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Groene, please check in. Senator Wayne, please return to the floor. The house is under call. Senator Wayne. Oh. All unexcused members are now present. The question for the body is the advancement of LB432 to E&R Initial. There has been a request for a roll call vote in regular order. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Day voting yes. Senator DeBoer voting

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yes. Senator Dorn voting yes. Senator Erdman voting yes. Senator Flood voting yes. Senator Friesen not voting. Senator Geist voting yes. Senator Gragert voting yes. Senator Groene not voting. Senator Halloran voting yes. Senator Ben Hansen voting yes. Senator Matt Hansen voting yes. Senator Hilgers voting yes. Senator Hilkemann voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Kolterman voting yes. Senator Lathrop voting yes. Senator Lindstrom voting yes. Senator Linehan voting yes. Senator Lowe voting yes. Senator McCollister voting yes. Senator McDonnell voting yes. Senator McKinney. Senator Morfeld not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Pahls voting yes. Senator Pansing Brooks not voting. Senator Sanders voting yes. Senator Slama voting yes. Senator Stinner voting yes. Senator Vargas voting yes. Senator Walz voting yes. Senator Wayne voting yes. Senator Williams voting yes. Senator Wishart voting yes. 41 ayes, 1 nay on the advancement.

**SLAMA:** LB432 advances. Mr. Clerk, I raise the call.

**CLERK:** Madam President, a few items. Senator Flood, an amendment to LB131 to be printed, Senator Lowe to LB274. A new A bill, Senator Friesen, LB388A. It appropriates funds to implement LB388. A reminder that the Reference Committee will meet today at noon in Room 1524. Senator Hunt would like to add her name to LB26. Senator Arch would move to recess the body until 1:30 p.m.

**SLAMA:** Thank you, Mr. Clerk. The question is shall the Legislature adjourn until 1:30 p.m. today? All those in favor say aye. All those opposed say nay. The Legislature is adjourned-- is recessed.

[RECESS]

**FOLEY:** Good afternoon, ladies and gentlemen. Welcome to George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Please record.

**ASSISTANT CLERK:** There is a quorum present, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Any items for the record?

**ASSISTANT CLERK:** None at this time, Mr. President.

**FOLEY:** Thank you, sir. We'll now pursue-- we'll now proceed to General File 2021 committee priority bill LB595. Mr. Clerk.

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**ASSISTANT CLERK:** Mr. President, LB595, introduced by Senator Albrecht. It's a bill for an act relating to revenue and taxation; provides a sales and use tax exemption for certain products used in the process of manufacturing ethyl alcohol; harmonize provisions; provides an operative date and repeals the original section. Bill was read for the first time on January 20 of this year and referred to the Revenue Committee. That committee placed the bill on General File with committee amendments.

**FOLEY:** Thank you, Mr. Clerk. Senator Albrecht, you're recognized to open on the bill.

**ALBRECHT:** Thank you, President Foley, members of the Legislature. I also want to thank Chairman Linehan and the Revenue Committee for prioritizing this bill, LB595, along with AM776. I'm pleased to introduce LB595. Renewable Fuels Nebraska, a statewide trade association, represents Nebraska's ethanol industry. They brought this bill to my attention. Ethanol production is vital to our agriculture economy. There are 25 plants throughout the state of Nebraska that process nearly 700 million bushels of corn every year. Let me put this into perspective for you. Five hundred million bushels alone are the equivalent of one out of every four rows of corn grown in every cornfield in Nebraska. Combined, these plants produce more than 2.2 billion gallons of ethanol every year, the second most per state in the country behind Iowa. Bottom line, this equates to nearly \$5 billion for the state of Nebraska. Economics aside, our biofuels industry is vital to meeting and sustaining our nation's goals of reducing carbon emissions quickly and aggressively. So today I'm asking you to support LB595, which simply exempts sales tax on inputs used in the production or manufacturing of ethanol. Enzymes and yeast are taxed inputs, yet they are vital ingredients into manufacturing of ethyl alcohol. This is one more obstacle and our Nebraska ethanol producers must navigate when we should be finding ways to-- to make the cost of the-- to produce ethanol low and more readily available for reasons that I've already mentioned. These tax dollars could instead be used by our ethanol producers to invest in efficiency and technology and to improve their carbon index score, which would also result in making this Nebraska product more valuable and sought after. As you know, Nebraska typically exempts manufacturing inputs from sales tax because the result is simple tax pyramiding for the consumer. It violates basic tax policy, principles of economic growth, equity and transparency. Taxing inputs results in an effective sales tax rate that is higher than the statutory rate. The imposition of sales tax on inputs has kept our ethanol producers and manufacturing-- manufacturers at a distinct disadvantage to our other

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ethanol-producing states, just like sales tax on inputs are a detriment to other manufacturers. I ask your support and green light on the vote to adopt LB595.

**FOLEY:** Thank you, Senator Albrecht. As the clerk indicated, there are amendments from the Revenue Committee. Senator Linehan, you're recognized over the committee amendment, AM776.

**LINEHAN:** Thank you, Mr. President. AM776 is a white-copy amendment that becomes LB595. Senator Albrecht did a great job of explaining her LB9-- LB595, which is an important provision to eliminate sales tax on inputs for manufacturing ethanol. The committee amendment adds the provisions of a few other bills to the LB595, specifically LB672, LB182 as amended, LB350 as amended, and LB502 as amended. I should note that I have filed AM1079, which would remove the provisions of LB502 from the bill, and when I get there, I'll explain that. So a couple of-- just before you, I'll pull up the fiscal notes. The amendments will change-- they're not all-- they may change depending on what we do here. And the committee amendments may have changed them too. LB672 was introduced by Senator Murman. It adds to the definition of agricultural machinery and equipment to clarify the sales tax exemption on such equipment. Agricultural machinery and equipment means tangible personal property that are used-- that is used directly in cultivating or harvesting a crop, raising or caring for animal life, protecting the health and welfare of animal life, including fans, curtains, and climate-control equipment within livestock buildings, and four, collecting or processing an agricultural product on a farm or ranch, regardless of the degree of attachment to any real property. The bill adds to the definition of ag machinery and ag equipment items such as header trailers, head haulers, header transports, and seed tender trailers. It excludes any current tractor-- it excludes any current tractor model not permitted for sale in Nebraska. There is a fiscal impact of approximately \$6 million per year. That's because there's been a disagreement between the Department of Revenue, farmers, ranchers, and ag equipment dealers as to whether or not these items are ag machinery and equipment. And when we-- you have questions, you can ask any-- there's probably others. But as I understand it, and it was covered in the committee, these are things that you would only use in agriculture. As I-- as I understand it, there is no other use for these items other than agriculture use and they should have been exempt from the sales tax. The committee admit--advanced the amendment from LB672 to LB595 on an 8-0 vote. LB182 is one of my bills. It adds an exemption from the definition of gross receipts for purposes of sales and use tax. Internet access service providers typically lease space on towers for their equipment

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used in providing their services. These towers are owned and unrelated third parties. This provision would exempt the lease payments from sales and use tax. This is similar to provisions that were enacted for political subdivisions and electric cooperatives that lease space on their electric generation, transmission, distribution, or street light structures. Those exemptions were passed in LB284, Section 2, in 2019, and in LB923, Section 1, in 2020. There was a significant fiscal impact from the green copy of this bill because it appeared all-- to exempt all gross receipts of Internet service providers, including their equipment, so the fiscal note on this is one that is not correct. This is not the intention of the bill and the Revenue Committee adopted my amendment to clarify the bill. I would expect the revised fiscal note to be very, very small compared to the original estimate. The committee voted to adopt the amended version of this bill into LB595 on a 7-0-1 vote. LB350-- LB350, excuse me, is also one of my bills. It would extend the sunset date from October 1 to [SIC] 2022 to October 1, 2027, for the distribution of sales and use tax to the Game and Parks Commission Capital Maintenance from the sale of motorboats, personal watercraft, all-terrain vehicles and utility-type vehicles. This bill was amended to require the Game and Parks Commission to provide a report to the Legislature on or before December 1, 2021, and by December 1 of each year thereafter through 2027. The report will contain a list of each project that received funding from the Game and Parks Capital Maintenance Fund during the most recently completed fiscal year and a list of projects that will receive funding during the current fiscal year from the fund. The committee voted to adopt the amended version of LB350 into LB595 on an 8-0 vote. Excuse me. Finally, LB502 was first introduced by Senator Flood. The intention of this bill was to allow taxpayers with existing agreements or who have filed applications under the Nebraska Advantage Act prior to the sunset of the act to-- to utilize what is known as the direct-pay permit, or DPP. Taxpayers who qualify under-- qualify under the ImagiNE Nebraska Act will be allowed to use DPP. A DPP is presented to the seller and no sales tax is charged to the purchaser. This would streamline the process of claiming sales or use tax refunds until after the taxpayers purchase the qualified property and pay the sales tax. This has been a significant source of frustration for cities as well as taxpayers. Although the fiscal impact is nothing more than a timing difference, I felt it would be appropriate to remove this provision from the bill and, therefore, I filed AM1079. So this part of the bill doesn't really-- it doesn't make a difference in our total tax collected, but because of the way the fiscal notes work, it showed up as a big fiscal note. So I've got an amendment to remove it. Colleagues, again, I realize there are a number of provisions included in this bill, but they are all important bills that the

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committee wanted to include in the sales and use tax package. The committee amendment was advanced on an 8-0 vote. The senators who introduced each of these bills can speak to each provision, but I would be happy to take any questions. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Linehan. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, Senator Linehan would move to amend with AM1079.

**FOLEY:** Senator Linehan, for AM1079.

**LINEHAN:** As I just said, this removes the LB502.

**FOLEY:** Thank you, Senator Linehan. Debate is now open on LB595 and the pending amendments. Senator McCollister.

**McCOLLISTER:** Thank you, Mr. President. Good afternoon, colleagues. I wonder if Senator Linehan would yield to a couple questions?

**FOLEY:** Senator Linehan, would you yield, please?

**LINEHAN:** Certainly, yes.

**McCOLLISTER:** Thank you, Senator Linehan. LB595 has a fiscal note in '21-22 of \$614,000. Did you mention in your openings that that fiscal note will be reduced?

**LINEHAN:** I'm sorry. I'm sorry. Can you say the number again?

**McCOLLISTER:** Yeah, LB595 has a fiscal note of, in '21-22, of \$614,000. Is that likely to change with the amendments that you've provided?

**LINEHAN:** OK, so this is a very good question, Senator McCollister. Thank you very much. So the fiscal note for LB595 is simply the fiscal note on Senator Albrecht's part of the bill. To get the fiscal note for the whole bill-- because, again, this goes back to once we pass them out of committee, there's not a new fiscal note until we get to Select, but on this particular bill, I wouldn't expect that fiscal note to change that much.

**McCOLLISTER:** So there's no fiscal note with Senator Erdman's portion of the bill. Is that correct?

**LINEHAN:** Senator Erdman's-- which bill?

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**McCOLLISTER:** Doesn't he have a boat exemption or something related to Game and Parks?

**LINEHAN:** You mean Senator Murman, I think. Senator Murman?

**McCOLLISTER:** Could you repeat?

**LINEHAN:** Are you-- are you talking about something in the bill or an amendment that's been filed?

**McCOLLISTER:** I think it's currently in the bill. I may be mistaken. Maybe I should read a little further before I come back on the mike and track that.

**LINEHAN:** The Game and Parks is my bill, was my bill originally. The-- the Game and Parks was my bill. I think-- I think the confusion might be there's an amendment-- Senator Erdman has an amendment on the Game and Parks part, but I think he's telling me right now he's going to withdraw it.

**McCOLLISTER:** Yeah, I understand the Game and Parks portion. It's a Senator Erdman bill and that's coming later in the bill?

**LINEHAN:** He-- I think he's going to withdraw it.

**McCOLLISTER:** OK, thank you, Senator.

**LINEHAN:** OK, thank you, Senator McCollister.

**FOLEY:** Thank you, Senators. Further discussion on the pending amendments? I see none. Senator Linehan, you're recognized to close on AM1079.

**LINEHAN:** I'd appreciate your green vote on AM1079.

**FOLEY:** Question before the body is the adoption of AM1079. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**ASSISTANT CLERK:** 27 ayes, 0 nays, on adoption of the amendment.

**FOLEY:** AM1079 has been adopted. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, the next amendment, FA32. Senator Erdman, I have a note you wish to withdraw.

**ERDMAN:** That is correct.

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**ASSISTANT CLERK:** In that case, Mr. President, the next amendment, Senator Erdman, AM1140.

**FOLEY:** Senator Erdman, you're recognized to open on AM1140.

**ERDMAN:** Thank you, Lieutenant Governor, and good afternoon. What I'm attempting to do here with AM1140 is-- let me give you a little history of what happened in '19. In 2019, I had introduced a bill to help those who sustained significant damage to their property to have a property valuation reduction for a portion of the year up until July 1. If you have significant damage, greater than 20 percent on your property, you shall ask the assessor to review your property and then you'll have a reduction of 20 percent or greater, whatever the value is left. What happened in the '19 version is that Bill Drafters had called this bill the "destroyed property" bill and because they called it a destroyed property bill, there were several counties that didn't adhere to the statute because the property wasn't completely destroyed. So what this amendment basically does, and this amendment is exactly my LB165 introduced that went to the Revenue Committee, and as busy as the Revenue Committee was this year, they may not have had time to Exec on this or move it out. So it changes-- it takes out the definition of calamity. It also describes what shall be considered a damaged property and it just changes the wording in the bill from "destroyed" to "damaged." The goal of this is to make sure that all county officials understand what damaged property means. The original bill said that you shall file a-- a-- an amendment or a request with the clerk and the assessor. And when one files for a valuation change, they only file with the clerk and so this bill changes it just to be filed with the clerk. And it also says that the assessor shall review the property and then shall submit a report to the board of equalization. And before those were not a "shall," they were a "may" and they sidestepped what we were trying to do. So this is basically just changing the language to clean it up, to make it more accessible. Thank you.

**FOLEY:** Thank you, Senator Erdman. Debate is now open on the amendments and the bill. I see no discussion. Senator Erdman, you're recognized to close on AM1140. Senator Erdman, you're recognized close on the amendment, AM1140. I'm sorry, Senator Linehan has her light on.

**LINEHAN:** I've had some people come to me and question the germaneness of this amendment, so I-- I support what Senator Erdman's trying to--

**FOLEY:** Senator, I-- I'd already called on the senator to close, so.

**LINEHAN:** I'm sorry?

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**FOLEY:** I had already called on the senator to close on his amendment.

**LINEHAN:** OK.

**FOLEY:** Senator Erdman.

**ERDMAN:** Thank you, Lieutenant Governor. I appreciate that. So as I said earlier, I'll be brief on this. It just changes the language so that it is more applicable and the counties can't sidestep what we're trying to do. And so we're just trying to make it fair for the taxpayer. I appreciate a green vote. Thank you.

**FOLEY:** Question before the body is the adoption of AM1140. Those in favor vote aye; those opposed vote nay. There's been a request to place the house under call. The question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, please.

**ASSISTANT CLERK:** 15 ayes, 2 nays to place the house under call.

**FOLEY:** The house is under call. All senators, please return to the Chamber and check in. The house is under call. All members, please return to the Chamber. The house is under call. If you're at your desk, make sure you're checked in, please. All unexcused members are now present. Senator Erdman, you can--

**ERDMAN:** Roll call, roll call, please, regular order.

**FOLEY:** Thank you, Senator Erdman. Mr. Clerk.

**ASSISTANT CLERK:** Senator Aguilar voting no. Senator Albrecht voting yes, Senator Arch voting yes. Senator Blood voting no. Senator Bostar. Senator Bostelman not voting. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting, Senator Clements voting yes. Senator Day not voting. Senator DeBoer not voting. Senator Dorn voting yes. Senator Erdman voting yes. Senator Flood voting no. Senator Friesen not voting. Senator Geist voting no. Senator Gragert voting yes. Senator Groene voting yes. Senator Halloran voting yes. Senator Ben Hansen voting yes. Senator Matt Hansen voting no. Senator Hilgers voting yes. Senator Hilkemann voting yes. Senator Hughes voting yes. Senator Hunt not voting. Senator Kolterman voting yes. Senator Lathrop voting no. Senator Lindstrom voting yes. Senator Linehan not voting. Senator Lowe voting yes. Senator McCollister not voting. Senator McDonnell. Senator McKinney. Senator Morfeld not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Pahls voting no. Senator Pansing Brooks. Senator Sanders not voting.

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Senator Slama voting yes. Senator Stinner. Senator Vargas voting yes. Senator Walz not voting. Senator Wayne. Senator Williams voting yes. Senator Wishart. Vote is 23 ayes, 7 nays, Mr. President.

**FOLEY:** AM1140 is not adopted. I raise the call. Is there any further discussion on LB595 and the pending amendment from the Revenue Committee? I see none. Senator Linehan, you're recognized to close on the committee amendment, AM776. Senator Linehan.

**LINEHAN:** Yes. I would ask for your green vote on AM776.

**FOLEY:** Question before the body is the adoption of the committee amendment, AM776. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

**ASSISTANT CLERK:** 38 ayes, 0 nays on adoption of the committee amendments.

**FOLEY:** The committee amendment has been adopted. Further discussion on the bill? Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. I-- I just wanted to be consistent on all of these Revenue bills that I'm not supporting this bill because I-- I just really feel like we shouldn't be moving the Revenue bills at this time until we have a robust conversation about other things. So I just wanted that stated for the record. I will be present, not voting. Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Any further discussion on the bill? Senator Albrecht-- excuse me. Senator Pahls, you're recognized.

**PAHLS:** May I have a question with Senator Linehan, please?

**FOLEY:** Senator Linehan, would you yield to a question, please?

**LINEHAN:** Yes, certainly. I'm sorry.

**PAHLS:** I support the concept, but I'm having the trouble with all of the amendments and etcetera, etcetera and the fiscal note. Can you just give me a rough idea what this whole thing's going to look like? Because I know with the amendments things have dropped, but I'm just trying to get a feel. And if you don't have immediate access to it--

**LINEHAN:** I do. I-- I've got it here, I think.

**PAHLS:** I'm assuming we would find out the answer by Select if--

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**LINEHAN:** Yes, we will. I'm finding stuff from this morning. I don't seem to have the one. It's this.

**PAHLS:** Yeah. Yeah, I understand when we--

**LINEHAN:** Maybe this is it. Hold on a second. Yeah, so if you go, like on LB182 in the bill, that's probably close. If you go to LB672, that's probably close. LB595 won't change.

**PAHLS:** So basically you're telling me it's going to remain the same?

**LINEHAN:** Well, most-- there's-- no, there's a couple of them-- well, first of all, we took the big one out.

**PAHLS:** Right.

**LINEHAN:** The \$22 million over the biennium, that's gone.

**PAHLS:** OK.

**LINEHAN:** We took that out by the amendment. The other one that will change, I think, fairly significantly is the taxes on the equipment for Internet services because they thought we were doing away with sales tax on all of it and we're just doing away with it--

**PAHLS:** OK.

**LINEHAN:** --on their pole. So that one--

**PAHLS:** OK.

**LINEHAN:** --will come down, so it'll be a lot less than it currently is.

**PAHLS:** OK. That's fine. Thank you, appreciate it.

**LINEHAN:** Thank you.

**FOLEY:** Thank you, Senator Pahls and Senator Linehan. Now, Senator Albrecht, you're recognized to close on the advance of the bill.

**ALBRECHT:** Thank you, President Foley. I just ask for a green vote on LB595 and thank you for not a lot of discussion. Thanks.

**FOLEY:** Thank you, Senator Albrecht. The question before the body is the advance of LB595 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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**ASSISTANT CLERK:** 35 ayes, 0 nays on advancement of the bill.

**FOLEY:** LB595 advances. Pursuant to the agenda, we'll move to General File 2021 senator priority bill, LB18. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, LB18, introduced by Senator Kolterman, is a bill for an act relating to the ImagiNE Nebraska Act; changes provisions relating to equivalent employees and qualified locations; repeals the original section; declares an emergency. Bill was read for the first time on January 7 of this year and referred to the Revenue Committee. That committee placed the bill on General File. There are no committee amendments. I do have other amendments pending, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Kolterman, you're recognized to open on LB18.

**KOLTERMAN:** Thank you, Mr. President. Good afternoon, colleagues. I ask for your support of LB18. It's a bill that seeks to remedy a couple of issues that have been identified after the implementation of the ImagiNE Nebraska Act. Over the past several months, while ImagiNE Nebraska Act has been implemented, a few minor issues have arisen that need to be adjusted to fully meet the intent of the Legislature when it passed LB11-- LB1107 last year. As we all know, every time the Legislature has enacted substantial legislation, in the following sessions, there are tweaks that need to be made to the status [SIC] and the ImagiNE Nebraska Act is no different. LB18 will attempt to address a couple of those issues. First, the Nebraska Advantage Act provided incentives for the assembly, fabrication, manufacture or processing of tangible personal property. This language was then transferred to the ImagiNE Nebraska Act because the Department of Revenue had treated the terms "manufacturing" and "processing" interchangeably. However, due to a recent Supreme Court decision, the court concluded that processing is a separate business activity from manufacturing. Since processing is not defined as a business activity in the Nebraska-- ImagiNE Nebraska Act, we need to establish that definition. Additionally, we went through the legislative process the last two years. We were told that-- by the Department of Revenue and the Department of Economic Development that everyone who qualified under the Nebraska Advantage Act or LB775 would qualify under the ImagiNE Nebraska Act. Since we changed the application process from requiring a description of the general business activity at a location to specific NAICS codes, there was a chance one or two NAICS codes would be missing from the list of qualified businesses. In September of 2020-- 2020, Senator Murman and I were contacted by-- by an owner of a business located in Senator Murman's district. This business

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owner successfully completed an application under the Nebraska Advantage Act, but claimed to be ineligible for ImagiNE Nebraska. My staff followed up with the business owner and the Department of Economic Development and it was determined that this business owner did not qualify. Since it was not the Legislature's intent to exclude anyone who had previously qualified, I told the business owner I would bring legislation to fix the oversight and that language is included in LB18. Finally, the last provision would allow any person employed in Nebraska and subject to the Nebraska income tax on compensation received from the business to be counted in the determination of the computation of the full-time-equivalent employee. I want to give a little bit of background on this issue. For a business to qualify for incentives, they must have a physical location in Nebraska and the jobs they create must be physically located in Nebraska. However, a provision in the ImagiNE Nebraska also required all new full-time jobs to be filled only by Nebraska residents. A provision that required the employee live in Nebraska in order for the employee to be calculated under the FTE formula was included in the original LB775 when the state first established its incentive program. Due to the issues with enforcement and auditing, this provision was stricken from the law. The senator-- the senators who carried the Nebraska Advantage Act did not include this requirement either. So in the following months since the enactment of the ImagiNE Nebraska Act, I have heard from multiple companies and communities from across Nebraska and especially those located close to the borders who are asking for this provision to be removed. This-- this issue affects more than Omaha and Bellevue. Companies that are located in all of our border communities, such as Deshler, Sidney, Nebraska City, Beatrice, South Sioux City, Blair, all attract workers from communities in other states. An employee who works for a company located in Nebraska who works from home in another state would not still be eligible. But em-- employees who commute from another state into our state to work will be allowed to be counted. These employees pay Nebraska state income tax and other taxes that benefit our state, such as sales and use taxes and gas tax. This language is identical to the language that is located in the Key Employer and Job Retention Act, which we established for larger companies last year in LB1107. I believe it's only fair that we give all of our small businesses in our more rural areas of the state the same courtesy as we have given to our larger corporations. With that, I'd like to thank you for your attention and I would be open to try and answer any questions you might have. Thank you very much.

**FOLEY:** Thank you, Senator Kolterman. Mr. Clerk.

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**ASSISTANT CLERK:** Mr. President, Senator Machaela Cavanaugh would move to amend with FA34.

**FOLEY:** Senator Machaela Cavanaugh, you're recognized the open on your floor amendment.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Good afternoon, colleagues. I shockingly rise in support of this bill that relates to the ImagiNE Act. However, I think that this is an opportunity for us to improve the ImagiNE Act on one of the pieces that I was in opposition to in LB1107 was-- were the wages. And there was a threshold for hourly wages for employees that had to be met that was negotiated into the package and I felt that they were too low because they still meant that people making those wages would qualify for other public benefits like SNAP and childcare subsidies. And I believe that if a company is receiving these tax incentives, that we shouldn't be subsidizing them not only through the tax incentives, but also through allowing them to pay their employees so little that they qualify for public assistance. And so this amendment seeks to raise the threshold for the wages, the wage requirement to qualify for the ImagiNE Act tax incentive dollars so that it is a livable wage that does not require public assistance. And I would encourage you all to join me in voting for FA34 and LB18. Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Debate is now open on LB18 and the pending floor amendment. Four senators in the queue. Senator Brandt, you're first.

**BRANDT:** Thank you, Mr. Lieutenant Governor, and thank you, Senator Kolterman, for bringing this bill. Senator Linehan, I hope you don't fall over, but I am going to speak in support of an incentive program here to make it better, I hope. So if we have an incentive program, it ought to apply to the entire state of Nebraska, not just those cities that are interior to the state of Nebraska. District 32, my district, has two counties that border on Kansas. I have four major businesses there that would not survive were but for the people from Kansas come across the border every day to keep it going. This is a win for the state of Nebraska. And the new ImagiNE Act penalizes businesses like these that have to rely on employees that come across the border, businesses like Reinke irrigation, they build the pivots in Deshler; MetalQuest in Hebron; Fairbury Foods in Fairbury, the nation's leading maker of bacon bits; Endicott Brick, the biggest brickyard in the state of Nebraska. I would guess in total, probably one-third of all the employees of just these four businesses come from out of state. Back in 1984, I moved back to the state of Nebraska from Iowa as an industrial engineer for IBP in Dakota City, which is a suburb of South

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Sioux. That is the state's largest beef packing plant. Easily at that time, and I would say today, over 50 percent of the 2,000 employees there came across the river every day from Iowa or South Dakota. So these are major businesses, folks, and they are excluded from the ImagiNE Act because last year we didn't-- we didn't get everything right. This is an effort to fix that. Under the Advantage Act, those jobs counted, whether that individual was from Nebraska or Kansas. And actually, all my employers in Nebraska want those people to move to Nebraska. But here's the upside. They pay Nebraska taxes. They buy their gas and groceries in Nebraska. They do not use our schools. So we get a lot of the tax money. We get a lot of sales from this, sales and income tax, and we do not have to provide a lot of services. So I guess with that, I would encourage your green vote on LB18. I stand opposed to FA34. Thank you.

**FOLEY:** Thank you, Senator Brandt. Senator Friesen.

**FRIESEN:** Thank you, Mr. President. I stand in opposition to LB18 and FA34. I want to just be clear with everyone, like when we did LB1107 last year, that component in there that the employee that the job has created must live in the state was one of the negotiating points. It was not a mistake. It was not an accident. It was something that was put in there that was non-negotiable to get people to vote for LB1107. So I-- I still stand in opposition to changing that. Right now, I mean, a lot of these companies are not having applications to the-- the new ImagiNE Act. I don't think it'll have any impact whatsoever unless there is a-- something where somebody put in an application. The Advantage Act operates differently. But the ImagiNE Act, the whole intention was, is if we're going to pay the extreme amount we do to create a job in this state, we want that person to live here. We want them to pay property taxes. We want them to pay income taxes. And they do pay the income taxes here. They earn it in Nebraska. But we would like them to live here, shop here, and be here and not create jobs for somebody in Iowa. We want them to live in Nebraska. We want them to buy a house here. We'd like them to be a part of this state. And we're going to spend a lot of money creating these jobs. The least we can ask is that they live in the state of Nebraska. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Friesen. Senator Williams.

**WILLIAMS:** Thank you, Mr. President. Good afternoon, colleagues. And I stand supporting LB18. I think this is the right thing to do. As you will remember, last year with LB1107, there was a tremendous amount of discussion and hard work by a lot of people putting together what has been called the grand compromise. There were things that we did really

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well in that. This is one of the things that, in my judgment, we didn't do as well as we should. And the fact that the jobs do not get to count if those people are not Nebraska residents just simply doesn't make sense. If they're working for a Nebraska company in Nebraska and getting paid, they're going to be paying income tax on those dollars and so we are deriving that revenue from them. That gives those employees the choice of where to live. It also gives our businesses the opportunity to open up a broader spectrum to fill their employment needs. And I think everybody recognizes that with economic development right now, filling these jobs is really important and has been a significant challenge. This is clearly a win for Nebraska, this change, and should be adopted. And with that, I would yield the balance of my time to Senator Stinner.

**FOLEY:** Thank you, Senator Williams. Senator Stinner, 3:30.

**STINNER:** Thank you, Senator Williams. Yeah, I did punch into the queue, but in any event, I prioritized this bill and I think everybody recalls back in August, most of our time was spent on the number part of LB1107. Obviously, I had meetings both in session and out of session, all weekend long about just how those numbers and if it's possible to do the LB1107. And obviously, as the economy picked up, those numbers got better and better and instead this year we'll have 125, then we go to 313. But at the time, there was a discussion around this. Well, they need to live here and pay real estate taxes. Well, the reason I prioritized, I've got three businesses and you got to understand I live 30 miles from Wyoming and my district abuts Wyoming. And I've got three businesses that are looking to use the ImagiNE Act to increase their plant, increase equipment, use the ImagiNE Act to do that, and increase their employment base. And that's what this act is all about, is increasing the employment base of Nebraska, increasing businesses, and creating some economic development that obviously builds that property tax base, builds that tax base that we dearly need to have to support what we're trying to do in government today. So that's why I'm supporting of this. I know there is a little bit of a fiscal note on this, which is a mystery to me simply because we capped what we were trying to do. We actually stair-stepped the ImagiNE Act up and we made it a cash, so you have to wait in line till cash is available, not just accruing or creating a tail effect as it relates to the act. So I think we put the act-- ImagiNE Act in prudently. I think things are working from the property tax aspect of LB1107. This to me is a cleanup bill. I disagreed at the time, strongly disagreed at the time, but obviously my energy needed to be spent in a different area. So with that, I would hope that-- that you would vote green on this bill. Obviously, I'm not sure what the

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amendment is, but I certainly feel like this is something that-- that really needs to be cleaned up and passed. Thank you.

**FOLEY:** Thank you, Senator Stinner. Senator Slama.

**SLAMA:** Thank you, Mr. President. And good afternoon, colleagues. I rise today opposed to FA34, but strongly in favor of LB19 [SIC]. We're finding in our border districts-- just as Senator Brandt pointed out, for him, it's projects in Hebron; for my district, it's projects in Nebraska City, Falls City, Pawnee City, where Imagine Nebraska really puts those border communities at a structural disadvantage because Nebraska's current tax structure drives folks to live across the border. So oftentimes we don't have the people living in Nebraska, but we do have the people living across the border in Missouri, in Kansas, willing to make the commute into Nebraska to have these economic development projects get off the ground. So I rise in strong support of LB18. This will be great for especially border communities in our rural areas to draw those econom-- economic development projects to our state. And with that, I yield the remainder of my time to Senator Kolterman.

**FOLEY:** Thank you, Senator Slama. Senator Kolterman, 4:00.

**KOLTERMAN:** Thank you very much, colleagues. Thank you, Senator Slama. I appreciate that. First of all, I'd like to thank Senator Cavanaugh for bringing her amendment. Although I-- I don't support it, it's-- it's good to have the conversation about the wages. I will tell you that we increased the wages substantially from the Advantage Act to this act last year. In fact, I had a lot of help from Sen-- Senator Matt Hansen in getting there, along with some of the other senators that-- that wouldn't help us advance this bill had we not increased the wages. In addition to the wage increase, that's just a piece of the pie, small piece, really, because in addition to that, we have requirements in this bill, in the Imagine Nebraska Act that actually requires us to offer benefits to everybody that applies, and so it's a much stronger bill and the wage level went up. So I would oppose-- I would oppose FA34 but would like you to advance the bill, LB18. In addition to that, I want to set the record straight on one issue and I'm going to just meet it head-on. As you know, last year, we were in deep negotiations, for those of you who were around, and we-- when we were negotiating LB1107, a colleague, a close colleague of mine, a brother from another mother by the name of Jim Scheer, wanted this included. He wanted to say they had to live in the state of Nebraska. And we disagreed on that, but we allowed that to remain in there. He came and testified against this bill this year and it was still advanced out of committee. He and I have talked at length about this.

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We're good friends yet. We're not ever going to probably agree on that particular issue. But at the same time, it's-- it's better legislation simply because it helps our border communities. And why shouldn't we give them the same advantage that we've given to the large corporations in Omaha and Lincoln? So with that, I would like to also thank Senator Stinner for prioritizing the bill so it could be heard and I look forward to some additional debate and would encourage any more questions you might have. But please oppose FA34 and support LB18. Thank you.

**FOLEY:** Thank you, Senator Kolterman. Senator Groene.

**GROENE:** Thank you, President. I was part of that conversation last year before they locked me out of the room. But I firmly remember the debate on this issue. Yes, Senator Scheer led the fight. They don't live in Nebraska. We did not get any economic activity because they lived in Nebraska. I'll give you an example. There's corporations around Bell-- around the Air Force Base in Bellevue. I was told back then that since that bridge by Greenwood or whatever opened up, they all flocked over there to live in Iowa because of property taxes and other issues. Do I care that they drive back across the bridge and work in Nebraska and take their paycheck back home? Yes, I do. Here's the other thing I've seen a little bit in this body. You don't like what happened last year-- I mean on bills that have passed-- and within six, eight months, remember, we did this in July or August, whenever it was we came back. It hasn't even been eight months that this-- we have passed the original version of this bill and now we're trying to change it. The Chambers of Commerce sat in that room and agreed to the-- what we negotiated in Revenue back then and now they're back, like little children, don't want to keep the agreement they made. Let's wait a year or two and see what effect it has. And, you know, with the pandemic, there's going to be a lot-- there is a lot of people who work in Omaha for corporations, live maybe in Washington, California, Ohio, because they work on their computers. They probably get their-- their paycheck from the corporate office. We get no benefit, the Quik Stop in town, the gas station in town, the grocery store, none, no benefit for those employees who work online. So why would you do this? Why? I don't understand why this bill brought-- was brought. Senator Kolterman, would you answer a question?

**KOLTERMAN:** Yes.

**FOLEY:** Senator Kol--

**GROENE:** Could you give me specific corporation that came to you and asked you for this?

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**KOLTERMAN:** Well, I can-- yeah, there's Endicott Clay Products out of Endicott, Nebraska. And Senator Murman had an individual in his district. I can't think of the name of it. They're a seed company that came to us. Senator-- well, that's just two to start with. You can talk to Senator Albrecht. She's got people in her district that have a problem with this.

**GROENE:** Thank you. Thank you.

**KOLTERMAN:** So I just didn't make this stuff up, Mike.

**GROENE:** I know. I just wondered if the chamber brought it to you, if specific companies. I didn't accuse you of that, sir. I just wanted to qualify if it was the chamber did it or-- or if specific individuals brought it to you. Anyway, jobs for Nebraska, that's what the Imagine Act is for, jobs for Nebraskans, tax breaks for Nebraska companies, not tax breaks-- I really-- for somebody living in Iowa or South Dakota or Kansas or for the company that hired them. Just remember online, folks, how many people are working online and what this could lead to. We could have one office building of a major corporation that doesn't have any-- 10 employees but has 3,000 nationwide and, well, we'd get the state income tax, I understand, but nothing else, nothing else, nothing for the local economy.

**FOLEY:** One minute.

**GROENE:** That's part of this thing is for the local economy, the-- the-- the trickle-down effect. Employees live in the town, it helps the real estate market, it helps the grocery store, it helps the clothing store. That's why most of us support, if we even do support these economic bills, because it's for the community. It's for the state. But now I hear it's for Iowa and South Dakota and Kansas. I can't agree with that. Let's find out how this is going to work over a couple of years. And then if you want to tweak it, let's do it then. But it hasn't even been in-- in statute yet for six or eight months. Thank you.

**FOLEY:** Thank you, Senator Groene. Senator Dorn.

**DORN:** Thank you, Mr. Lieutenant Governor. I do stand in full support of LB18. Last year, as LB1107 discussion was going on, I did have a couple different companies contact me and have a discussion about this, this bill that is proposed here, down in the southern-- southern part along the Kansas border or whatever. I wanted to know if Senator Kolterman would yield to a question.

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**FOLEY:** Senator Kolterman, would you yield, please?

**KOLTERMAN:** Absolutely, yes.

**DORN:** Senator Kolterman, as I sit there, listened to Senator Groene explain the part about an individual working in Nebraska, living from outside the state, and then also bring up and explain the fact about how physically they have to work here, in other words, they cannot be located in Texas and be counted in the number.

**KOLTERMAN:** Absolutely correct. You just-- you just explained it, really. So let's say we have-- and we'll use Reinke Manufacturing down in Deshler as an example. So Reinke Manufacturing has a plant very near the Kansas border. Deshler is not far from the Kansas border. So when an employee drives into Nebraska to work and they-- they work eight hours at-- in Deshler at Reinke Manufacturing and then they go back home, they get a W-2 from the state of Nebraska from-- or for the state of Nebraska from Reinke Manufacturing. Those people are paying Nebraska state income tax. They're also coming to our communities. When they come to Deshler, they might buy groceries there. They might buy gasoline there. They're helping contribute to the local economy. So contrary to that, though, let's say that you've got a company in Nebraska that has hired 25 people to run a call center outside the state. Even though that company might be headquartered in Nebraska, if those employees don't live here and don't pay a W-2-- or get a W-2 from Nebraska, they do not qualify. So you have to be working in the state of Nebraska, get a W-2 from the state of Nebraska, and at that point in time, we're allowing them to qualify.

**DORN:** Thank you very much for that explanation. I think the-- the-- the critical part is there, is that somebody that's not physically working in Nebraska, they cannot now be counted towards the numbers that these companies need when they expand for their business or whatever. One other thing I wanted to really bring up here, too, also, is, you know, these businesses are all located in Nebraska. We have a 2.9 percent unemployment rate. These businesses could have Nebraska people working for them. We don't have enough of a workforce in Nebraska. We have to reach outside. We have to reach outside the state border and bring that workforce, that needed workforce in Nebraska into Nebraska. I think it's vitally important that it shows that our economy, our economy now and our economy hopefully in the future, is as strong as it is and that we have this situation and now we are trying to bring forth a solution to a problem that we do have and that we are faced in LB1107. And maybe this is a workable solution that we now can help those companies want to stay here in Nebraska, want to expand and want to grow our business. I yield the rest of my time.

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**FOLEY:** Thank you, Senator Dorn. Senator Flood.

**FLOOD:** Thank you, Mr. President. Members, I rise in support of what Senator Kolterman's working to do here. As it relates to Senator Cavanaugh's floor amendment, I'm not going to vote for it, but I do think that it has value. I think that requiring these jobs to be of a certain amount is important and there's going to come a time where I think Senator Machaela Cavanaugh and I are going to agree on what the minimum standard should be, although I'm not going to vote for a floor amendment today because I-- I'm not invested in it. But I do appreciate the conversation on wages. Two thoughts, one is MetalQuest in Deshler, Nebraska, very difficult for them to stay in Deshler if they don't attract people from northern Kansas. And in fact, they've expanded into Utah because of workforce issues. And so if-- if we want to take a step backwards, we don't vote for FA18 [SIC] because businesses like that in Deshler, Nebraska, which are the kind of high-paying, high-skill, high-wage jobs that you want, that's what we want in Nebraska. The other thing I want to-- I want to ask Senator Kolterman a question. And I understand there was some-- there was some kind of a deal last year. But as I understand it, there was a deal on LB1107, but in the same bill, they exempted companies like Fiserv from having the same requirement. And so last year, you had a deal that applied to the Deshlers of the world and all these others, but for the big retention package that affected a company with a lot-- thousands of employees, like Fiserv, there was exemption language so that they didn't apply. So if it-- if it's a deal, it's good for one? No, it's got to be good for all. Senator Kolterman, will you yield to a question?

**FOLEY:** Senator Kolterman, would you yield, please?

**KOLTERMAN:** Sure.

**FLOOD:** Senator Kolterman, am I correct that last year when you were putting this package together, that Fiserv was treated differently than all these other companies as it related to their economic development incentive package, as it relates to employees of theirs living in places like Council Bluffs?

**KOLTERMAN:** It-- it was not necessarily Fiserv. They-- they happened to reap the rewards. They were part of the conversation. But anybody that was in that category could have qualified and, yes, you are absolutely correct.

**FLOOD:** So-- so essentially what we have here are two different worlds, but they're really the same thing. We're treating-- you know, like if

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you are part of the retention package, you can live across the border, but if you're part of this incentive package, you can't.

**KOLTERMAN:** Correct.

**FLOOD:** I think it's make-- it makes good sense to pass LB18. I look forward to working with Senator Machaela Cavanaugh during my time in the Legislature to make sure that we're incentivizing the good kinds of jobs that pay a living wage. And I think one of the things that we have to realize in rural Nebraska is that by getting people to move to your town in rural America, they're not doing you a favor because you're giving them a great quality of life. You've got to pay the price. If you're an employer in Nebraska, you've got to pay a living wage. We've got to be competitive. And I think there's a lot of employers in rural areas that are used to-- that are-- that have in their mind that there's this quality-of-life benefit by living in a smaller town than Omaha. I've got news for you. It costs just as much, if not more, to build a house in Norfolk than it does Omaha. It costs just as much, if not more, than to build a house in Fairbury or Columbus than it does in Omaha. And I do think that we should expect employers to meet their obligation to pay not only good wages-- not only living wages, but good wages. It's the one true way we can attract people. People will often say, oh, my employee left to go to Kansas City or my employee went to Omaha, and you look at the average wages and they're \$4 higher an hour in Omaha. Columbus's average wage is \$2 higher than it is in Norfolk. They have 125 people moving to Columbus a year. We have 36. Twenty two dollars an hour; \$20 an hour. These are facts. And if we're going to use incentives, we've got to look at the data and we've got to understand that we've got to pay good wages and I appreciate Senator Machaela Cavanaugh for saying that. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Flood. Senator Bostelman.

**BOSTELMAN:** Thank you, Mr. President. I'm glad you brought up Deshler. I do want to talk about it just a little bit. I've got a different version of that story. I grew up in Superior, which a lot of people in Superior go and work in-- at Reinke over at Deshler. Well, they went to Kansas instead of going to Superior to expand. That's a problem for people in Superior. Superior actually went after and tried to get them to come there and build there and expand in Superior, but yet they went to Kansas. So I'm not so sure that this is going to do all the things that we're talking about because in that specific instance, they took their company, they took business and left the state for the expansion when they could have expanded in-- in Superior. So I just want to-- I just want to kind of-- the rest of the story with that

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or-- or an addendum to the story with that, they chose to go out of state, rather than stay in state, when they actually had an opportunity to stay in state and keep those jobs in the state. I do not support the floor amendment and I'm still watching on LB18. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Bostelman. Senator Machaela Cavanaugh, you're recognized close on the floor amendment.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Thank you all for the conversation. I-- this is-- this is a genuine amendment and I-- I hope that everyone will give it due consideration and-- and consider voting for it. I'm very excited by Senator Flood's statements. I would love to work with you on better wages. I am not a fan of tax incentives. I know that is shocking to everyone here who has not heard me say that 15 times today. But I-- I do think, if we are going to do tax incentives for businesses, that we absolutely should be taking care of the workers first. And if we're not doing that, then they don't-- companies don't deserve our incentives. So I hope that you will vote green on the FA34. I do have to apologize to Senator Kolterman because I did initially think that I was going to support LB18, but as I've heard some things about-- about LB18, I-- I might be present, not voting on this at this time. But I do look forward to seeing how we can all continue to work together to make this inc-- Imagine Act work the best for the most people. Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. The question before the body is the adoption of FA34. Those in favor vote aye; those opposed vote nay. Been a request to place the house under call. The question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, please.

**ASSISTANT CLERK:** 21 ayes, 2 nays to place the house under call.

**FOLEY:** The house is under call. Senators, please return to the Chamber and check in. The house is under call. All senators, please check in. The house is under call. Senator Cavanaugh, we are lacking Senator Matt Hansen. We can wait or proceed. We'll proceed. Senator Cavanaugh has requested a roll call vote in reverse order. The question before the body is the adoption of FA34. Mr. Clerk.

**ASSISTANT CLERK:** Senator Wishart voting yes, Senator Williams voting no. Senator Wayne voting yes. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner voting no. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks voting yes. Senator Pahls voting no. Senator Murman voting no. Senator Moser voting no.

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Senator Morfeld voting yes. Senator McKinney. Senator McDonnell voting yes. Senator McCollister voting no. Senator Lowe voting no. Senator Linehan voting no. Senator Lindstrom voting no. Senator Lathrop voting yes. Senator Kolterman voting no. Senator Hunt voting yes. Senator Hughes voting no. Senator Hilkemann voting no. Senator Hilgers voting no. Senator Matt Hansen not voting. Senator Ben Hansen voting no. Senator Halloran voting no. Senator Groene voting no. Senator Gragert voting no. Senator Geist voting no. Senator Friesen voting no. Senator Flood voting no. Senator Erdman not voting. Senator Dorn voting no. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese voting no. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 15 ayes, 31 nays, Mr. President.

**FOLEY:** FA34 is--is not adopted. I raise the call. Is there any further discussion on LB18? I see none. Senator Kolterman, you're recognized to close on the advance of the bill.

**KOLTERMAN:** Thank you, colleagues. It's been a good discussion this afternoon. As I indicated, I appreciate Senator Macha-- Machaela Cavanaugh bringing her amendment. We had good discussion about that. I do believe we've made a significant effort to try and increase the wages. I don't have a problem talking about that in the future though. I do want to make something very clear though. The people that contacted me, I didn't have the list in front of me, were manufacturers in Beatrice that came to me, Valmont and Parker Hannifin in McCook, Reinke, Endicott Clay, Tyson, and MetalQuest. All those companies came to us and said, you missed us, we-- we want to be included in this. It speaks to what Senator Flood was talking about. I think it's only fair that we include them. At the same time, the rest of it is merely clean-up. It's our intent to-- it was never our intent to exclude a company that-- that-- that had been involved in the past, and so we tried to include everyone. I know there's still some hard feelings about how difficult the bill was last year. If you can't support it, that's-- that's your prerogative and I can agree with that. So moving forward, I hope we can get a green vote on this and let's move on to the next bill. Thank you very much.

**FOLEY:** Thank you, Senator Kolterman. The question before the body is the advance of LB18 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**ASSISTANT CLERK:** 38 ayes, 4 nays on advancement of the bill.

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**FOLEY:** LB18 advances. Per the agenda, we'll move to General File 2021 priority bills. LB185, Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, LB185, introduced by Senator Brewer, is a bill for an act relating to appropriations; appropriates funds to the Department of Health and Human Services for public aid. Bill was read for first time on January 8 of this year and referred to the Appropriations Committee. That committee placed the bill on General File with committee amendments.

**FOLEY:** Thank you, Mr. Clerk. Senator Brewer, you're recognized to open on LB185.

**BREWER:** Thank you, Mr. President. Good afternoon, colleagues. I'm here today to introduce LB185, which seeks \$700,000 each year of the upcoming biennium to the Department of Health and Human Services to provide funds to the Fred LeRoy Health and Wellness Center in Omaha, Nebraska, which is a tribally owned, federally qualified health center. We'll use the acronym FQHC. This health center was established in 1998 by the Ponca Tribe of Nebraska. It provides medical, dental, behavioral health, and public health services to Native Americans and other eligible IHS services, IHS being Indian Health Services. The Fred LeRoy Indian Health Center is a designated federally qualified health center that receives grants and contractual funds through the Title V program of the Indian Health Care Improvement Act and they are qualified for the Section 340 of the Public Health Services Act and defined by the Health Resources and Services Administration. Like other FQHCs in Nebraska, their federal grant funding is limited, which in turn limits the services that they can provide. The purpose of LB185 is to provide equitable funding for the Fred LeRoy Health Center on the same level as the committee appropriates funds to the other FQHCs in Nebraska in their budget. Language in the mainline budget bill in 2019, LB294, stated that the funds appropriated to the other seven FQHCs shall be used for the purposes of implementing a minority health initiative which may target, but shall not be limited to, infant mortality, cardiovascular disease, obesity, diabetes, asthma. These health issues are of the utmost importance among the Native population Nebraska and are needed for funding to address them. It is my hope that the Legislature can treat the Fred LeRoy Indian Health Center with the same funding as we do for others that are part of the FQHC. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Brewer. As the Clerk indicated, there are amendments from the Appropriations Committee. Senator Stinner, you're recognized to open on the committee amendment.

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**STINNER:** Thank you, Mr. President. Members of the Legislature, AM706 is the committee amendment to LB185. The amendment makes two changes. First, the appropriation amount is lowered from \$700,000 to \$531,000 in General Funds for fiscal year '22 and '23 to reflect the comparable amount provided by other federally qualified healthcare centers. Second, the amendment adds the description "urban-based" to the tribal-owned, federally qualified health centers and federal law reference P.L. 638, the Indian Self-Determination Act, under which tribally owned, federally qualified healthcare centers are designated. With that, I would ask for you to vote green and thank you, Mr. President.

**FOLEY:** Thank you, Senator Stinner. Debate is now open on the bill and the pending amendment. Senator Flood.

**FLOOD:** Thank you, Mr. President, members. Could I ask Senator Brewer a question?

**FOLEY:** Senator Brewer, would you yield, please?

**BREWER:** Yes, please.

**FLOOD:** So this health center is in Omaha. I'm-- I'm generally-- I am familiar with FQHCs. How many FQHCs do we have that are serving the Native American community in Nebraska? Are there-- are there any FQHCs on tribal grounds or is this where a lot of the different tribes would come?

**BREWER:** Well, this one is unique in that if-- if they are purely on tribal ground, then Indian Health Services has the primary responsibility for them. But where it's in a location where there is not a tribal headquarters, that's why this one is kind of unique in its positioning and funding.

**FLOOD:** And so like if you're a member of like, for instance, the Ponca Tribe of Nebraska and you're living in-- anywhere the-- a member of the Ponca Tribe may be, in Omaha, in Norfolk, in Niobrara, would they-- would this be where they would go to get services or they could go to the FQHC closest to them?

**BREWER:** They could. I mean, for-- for example, you could almost think of it as-- as-- as the VA. Primarily I go to Omaha, but if I happen to need care, I can go here to Lincoln if you're part of the Indian Health Services Network, the problem being if you were to use that facility on a regular basis and they're not funded accordingly, they're-- they're unable to provide certain services. And so this

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brings them up on the same level as far as the funding we're providing from the Legislature to the FQHCs.

**FLOOD:** So would this be the only FQHC in Nebraska that isn't participating in our cost-match program?

**BREWER:** I believe it is the only one that isn't. This would-- this would complete the circle.

**FLOOD:** And it has the same designation as the one in Grand Island or the one in all these other communities?

**BREWER:** Correct.

**FLOOD:** And they're all getting \$700,000, or thereabout, a year?

**BREWER:** Actually, no, and-- and that was part of what Senator Stinner has done is he has moved that amount to where everybody is being funded at the same level. So otherwise, the ask was here. What we're getting is here and here is where the-- the level of funding for the others are. So that's why that amendment changed the amount.

**FLOOD:** Oh, I get you. OK, so the original-- the original fiscal note shows \$700,000 and then this takes it to like \$531,000 and--

**BREWER:** You got it.

**FLOOD:** --that matches every other FQHC in the state. So are we leaving out any FQHCs in the state, to your knowledge, once we do this?

**BREWER:** None to my knowledge.

**FLOOD:** OK, thank you. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Flood and Senator Brewer. Senator John Cavanaugh.

**J. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Well, I rise in support of AM706 and amending LB185. I think Senator Flood had some good questions there and I think clarified some of the things that I was interested in making sure-- and I appreciate Senator Brewer bringing this bill. I know we're talking about-- I think-- Senator Brewer, can I just-- would you yield for a question? I'm-- I apologize. I missed part of your opening.

**FOLEY:** Senator Brewer, would you yield, please?

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**BREWER:** Yes.

**J. CAVANAUGH:** Thank you. So this facility, there's-- this is not the one in Omaha. I heard Senator Flood say Omaha. Is this--

**BREWER:** This is a-- this is a facility in Omaha.

**J. CAVANAUGH:** Oh, it is in Omaha. OK.

**BREWER:** Yes.

**J. CAVANAUGH:** That's what I-- one of my clarifying questions. And it's--

**BREWER:** 2602 J Street, Omaha.

**J. CAVANAUGH:** Thank you, Senator Brewer. And, well, I guess Senator Flood answered the-- asked the rest of my questions. I just wanted to-- I guess I hadn't heard of this particular facility, so I appreciate you bringing this bill to fund and equalize the funding with the other FQHCs in the state of Nebraska that serve the tribal populations. So I-- I appreciate you answering those questions for myself and Senator Flood and I yield the remainder of my time back. But I would ask for a green vote on AM706 and 11 [RECORDER MALFUNCTION].

**FOLEY:** Thank you, Senator John Cavanaugh. Senator Vargas.

**VARGAS:** Thank you. I stand in support of LB185 and the amendment. Just as a two cents here, we worked here in the past couple of years on our federally qualified health centers, making sure we have equitable funding. The amendment provides the funding that is equitable based on the other different centers which have different populations, so we took that into account. If you don't know a lot of FQHUs-- FQHCs, please learn more about them. They serve a high uninsured population and a high-need population and they are an asset to our communities across the state. So please support AM706 and LB185. Thank you very much.

**FOLEY:** Thank you, Senator Vargas. I see no other members wishing to speak. Senator Stinner, you're recognized to close on the AM706. He waives closing. Question before the body is the adoption of AM706, Appropriations Committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**ASSISTANT CLERK:** 43 ayes, 0 nays on adoption of the committee amendment.

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**FOLEY:** AM706, Appropriations Committee amendment, has been adopted. Further discussion on the bill? Senator Groene.

**GROENE:** Thank you. I'm in, as I read it, support of LB185. But I have a question for Senator Brewer. Maybe I'm a little dense and that's what you were saying.

**FOLEY:** Senator Brewer, would you yield, please?

**GROENE:** There was a lot of background noise. If this clinic was on Indian lands, it would be funded through the federal government, but since it's off Indian lands and in Omaha, it's caught-- got caught in a-- in a loophole or whatever you said about funding. Is that what the situation is?

**BREWER:** Basically. It still can receive federal funds, but not at a level that will allow it to do all the services that it was kind of designed to do.

**GROENE:** Well, all of them receive federal funds. But-- but I'm sure there's health clinics on the reservations themselves or the Indian lands and they're fully funded by the federal government there or-- because I'm sure there's other clinics, is there not, on some of the-- like up in Macy and--

**BREWER:** There is, but understand that the Ponca Tribe has no homeland. They have no reservation like, you know, for the Winnebago or the Santee Sioux.

**GROENE:** So, all right, they-- it's where there's a concentration of some of their members, I take it, in Omaha.

**BREWER:** Correct, and that would be where-- their primary location to go for care.

**GROENE:** And they've been overlooked by the system-- all right-- funding by the system. Thank you. That clarifies it. Thank you.

**FOLEY:** Thank you, Senator Groene. I see no other members wishing to speak. Senator Brewer, you're recognized to close on the advance of the bill. He waives closing. Question before the body is the advance of LB185 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**ASSISTANT CLERK:** 41 ayes, 0 nays on advancement of the bill.

**FOLEY:** LB185 advances. Next bill, please.

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**ASSISTANT CLERK:** Mr. President, LB630, introduced by Senator Bostar. It's a bill for an act relating to schools; provides for a pilot program to study commercial air filters in classrooms as prescribed. Bill was read for the first time on January 20 of this year and referred to the Education Committee. That committee placed the bill on General File with committee amendments.

**FOLEY:** Senator Bostar, you're recognized to open on LB630.

**BOSTAR:** Thank you, Mr. Lieutenant Governor. Good afternoon, colleagues. LB630 is a bill that tasks the Nebraska Department of Education with developing and implementing a pilot program to study the efficacy of commercial air filters in classrooms and their impact on academic and behavioral performance. On October 23, 2015, employees of the Southern California Gas Company discovered a sizable leak in the Aliso Canyon natural gas storage facility near Porter Ranch in the San Fernando Valley, just outside of Los Angeles, California. Out of an abundance of caution, the utility and the local school district purchased and installed high-quality commercial air filters for every classroom, office, and common area in every school within five miles of the leak. Ultimately, air testing conducted around the time of the installation of the filters showed that the schools did not have abnormally high levels of the types of pollution normally associated with a natural gas leak. While the air testing did not indicate that the schools-- the school district experienced the effects of natural gas pollution, we do know that the school district did experience a significant increase in test scores, both in math and English, for students with high-grade air filters operating in their classrooms. In response to the events of the Aliso Canyon gas leak, NYU professor of economics Michael Gilraine published a study in March of 2020 measuring the academic impact on the students with high-grade air filters in their schools compared to those just outside of the affected radius. The Gilraine study found that in classrooms with high-grade air filters, math scores went up by 0.20 standard deviations and English scores by a similar 0.18 standard deviations. These results held up, even when you control for detailed student demographics, including residential zip code effects that account for a student's exposure to pollution at home. It's worth noting as well that the academic gains were sustained in the subsequent year. For context, this is a comp-- this is comparable in impact to some of the most optimistic studies on the potential benefits of smaller class sizes, with a Brookings Institution [SIC] study suggesting that cutting class size by one-third leads to a 0.22 standard deviation improvement in academic performance. Matthew Di Carlo, doctor of sociology from Cornell University, states that estimated impacts of

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educational interventions that are lower than 0.05 standard deviations are small and anything over 0.10 to 0.15 as substantial. This study contributes to the mounting body of research that demonstrates that we already-- what we already intuitively know is true, that air pollution has detrimental effects on our brains and our bodies, especially developing brains. According to Dr. Maria Nera, director of the department of public health, environment and social determinants of health of the World Health Organization, air pollution is stunting our children's brains and affecting their health in more ways than we suspected. The World Health Organization published a report in 2018 on air pollution and child health that states that air pollution affects neurodevelopment, leading to lower cognitive test outcomes, and negatively affects mental and motor development. It goes on to add that air pollution is damaging children's lung function, even at lower levels of exposure. A study by Southern California's Children's Health looked at the long-term effects of air pollution on children and teenagers, tracking 1,759 children who were between the ages of 10 and 18 from 1993 to 2001. Researchers found that those who grew up in a more polluted area faced the increased risk of having reduced lung function which may never recover to full capacity. The average drop in lung function was similar to the effect of growing up in a home with parents who smoked. The impact of air filters in classrooms appears strikingly large, given what a simple change we're discussing. The school district in question didn't reengineer the school building or make dramatic educational reforms. They simply installed commercially available air filters that one could plug into any room. Following a national survey of school districts completed in October of 2019, the United States Government Accountability Office stated that an estimated 41 percent of school districts needed meaningful upgrades to their air handling and air quality systems in at least half of their schools. According to the GAO, this represents 36,000 schools nationwide. It seems clear that there is room for exploration and improvement in the air quality of our education environments. LB630 is being presented before you, along with an amendment, AM376, that would include the University of Nebraska in consultation during the implementation and administration of this pilot program. Our state is fortunate to have experts who have already examined indoor air quality and its effects on learning environments at the University of Nebraska. From 2015 to 2018, Dr. Josephine Lau of the Durham School of Architectural Engineering and Construction monitored nearly 260 classrooms with repeated seasonal measurements for indoor carbon monoxide, carbon dioxide, nitrogen dioxide, formaldehyde, ozone, fine and coarse particulate counts, and total volatile organic compound concentrations. Dr. Lau investigated the associations between indoor air quality factors and student scores using demographic data as

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controls. The results revealed associations between student scores and ventilation system's type, ventilation rates, fine particulate counts, and ozone and carbon monoxide concentrations. This research provides very relevant baseline data about existing classroom conditions. It will be extremely beneficial to install some of the proposed air filters in the same classrooms for a before-and-after comparison. Doctor Lau's work laid the groundwork and will provide invaluable information to school districts and state policymakers who are interested in improving our students' learning environment, health, and academic performance. I fully support AM376 and ask you to vote yes on both it and LB630. Given the implications of the work of UNL's Dr. Lau and the size of the impact suggested by the Gilraine study on academic performance and what we already know about the effects of air pollution on child brain development, it would be a missed opportunity not to ask our educational system to investigate this matter fully. I encourage you to vote green on LB630. Thank you for your time and consideration. Thank you, Mr. Lieutenant Governor.

**FLOOD:** Thank you, Senator Bostar. As the Clerk indicated, there are amendments from the Education Committee. Senator Walz, you're recognized to open on the committee amendment.

**WALZ:** Thank you. Good afternoon, colleagues. LB376 is a simple amendment that requires the Department of Education to complete the study in consultation with the University of Nebraska. I appreciate Senator Bostar's bringing this bill. I believe he found a very interesting intersection between education and public health policy as poor air quality can lead to a number of health issues. The bill advanced from the committee with 6 aye notes [SIC], 1 nay, and 1 present, not voting. I would encourage you to vote green on AM376 and on the underlying bill. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Walz. Debate is now open on LB630 and the pending Education Committee amendments. Speaker Hilgers.

**HILGERS:** Thank you, Mr. President. Good eve-- afternoon, colleagues. I rise in support of AM376 and LB630. And I just want to-- there's two real reasons why, beyond sort of the individual merits of the-- of the bill, I just-- I want to flag, and I appreciate Senator Bostar going down this route. One reason is I think a lot of times in our politics, we-- we look at solutions as-- really as a binary calculus. It's either-- either we do it this way or we can't do this at all and I think this is a good example. I think when we think of the impact of-- of-- of classroom sizes, the number of teachers, the impact on-- on educational and achievement rates for our-- for our students, usually, we think there's only one way to have that particular solution. And

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what I like about LB630 is it says, well, wait a second, that might be true, but let's challenge ourselves. Let's look at data that's out there from other places that might tell us that there's another way, another way to achieve that same outcome. And so one of the things that I-- I think is valuable and we don't have enough of in our-- generally in our legislative process or oftentimes in our political discourse, is sort of looking at old problems with new solutions and so I think LB630 is one way to do that. The other thing that I would flag is I appreciate sort of whenever we are applying kind of the scientific method to our process or the things that we're doing, which is this idea that, hey, you know, we have to have some humility and curiosity and understand that we think some things are right, but let's try to implement them first and let's adjust based on the results that we get from implementing those particular ideas. And so I think LB630, in that vein, is a small investment to try on a pilot program to see whether or not this data that we're seeing from other places actually will lead to that kind of results. And if it does, I think it's a no-brainer for us to look at to do in our state, our school system across the state, given the value and-- and the potential benefits that Senator Bostar has listed. So I rise in support, but I did want to flag that because I just think this is-- I think these are the ways that we ought to be challenged to look at these problems that we have around the state and I appreciate Senator Bostar's leadership in bringing this one to the floor. Thank you, Mr. President.

**FOLEY:** Thank you, Mr. Speaker. Senator Hunt.

**HUNT:** Thank you, Mr. Lieutenant Governor. Colleagues, I rise on General File in reticent support of LB630, but I have some hesitations. I don't have a problem at all with government funding research, but I ask if this is the thing and if the bill is written in a way that is most conducive to quality academic scientific research. I have questions about the parameters of this study as outlined in the bill. It's basically legislating an RCT, a randomized control trial, but also it's legislating the parameters. It's saying the pilot program shall include 50 participating schools with 6 participating classrooms in each school; 50 percent shall be randomly assigned to the control group. So basically the parameters of a randomized control study are being legislated in the language of this bill. My question is what if researchers find out that it would be better to execute the study in a different way or how can the Legislature and the Department of Education guarantee that this study is done in a scientifically and academically rigorous way? Why not just appropriate funding to the university to study this? There are certainly people and academics and

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researchers in the U.S. who are already studying this now and a cursory Google search that I did during the bill introduction showed me that there are many working academic papers on this topic across the country. So why not look at what they're doing, what the advantages of applying some of the things that they're already studying? And I would ask what the advantage is of doing this in Nebraska at a significant cost. I also have questions about how the fiscal note was reached. I-- I'm curious about who proposed the study, who analyzed the costs. The fiscal note says that the Department of Education will need to hire a full-time employee and I am wondering is that going to be a full-time researcher or a coordinator or a manager? On a research team, there are all kinds of people, not just one person, and so I'm curious about how they got to that point of the fiscal note. I would also like Senator Bostar to talk more about which scientific and academic researchers have approached him about this study. I'm just skeptical about legislating randomized control trials. I'm much more of a supporter of appropriating funding to our research university for the purpose of research grants that then researchers can apply for and can be administered by the university. I don't think that the Legislature is politically equipped to administrate, you know, funding for research. And since we're not academic researchers, I'm also skeptical of putting parameters on the science that takes away flexibility for researchers and doesn't necessarily reflect best practices in the field. Senator Bostar says that he wants our educational system to investigate this matter, but I think this is something for scientists to investigate because it's a scientific question and we know that there are many scientists who are studying this exact thing. So when I think politically about this, I think why is Nebraska the appropriate entity to study this and fund it from the Legislature? Maybe the reason we have to do this and pass this is to convince other people in the Legislature that air quality matters, that climate change is real, that the environment is something that's important to protect, something like that. Of course, I would not be being a good steward of my time on the mike if I didn't use my time to say the things I say, which is, you what does help kids in school? Breakfast, SNAP, healthcare, housing, being free from police violence, being able to get counseling in their schools, which we've had bills to do and have been handily defeated. I think Senator Bostar, of course, supports most of these things, but this is the priority bill we have before us and I just wanted to get my reservations on the table. I'll be supporting this on General File. I don't love legislating randomized control trials and research and academic studies from the Legislature, but if it's something that can help the body, you know, make better decisions about air quality and the

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environment in the future, maybe it's a good thing. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hunt. Senator Flood.

**FLOOD:** Thank you, Mr. President, members. I stand in support of the Education Committee amendment and the bill. When I first visited with Senator Bostar and we started talking about where he was going this year, what I did appreciate about his bill is that it is a pilot program and that if it shows promise, if it delivers on results, that's why I really invested my interest in the bill. I didn't want a mandate that went out across the state to-- that would potentially cost school districts a lot of money to start. So what-- ironically, what attracted me-- me to it was the-- the pilot program nature of it, to start. And then furthermore, I think about the advances in healthcare and the delivery of medicine and the money that healthcare facilities spend on their air quality and their systems. And then I think about what happened with COVID and where we made progress, I think, especially in rural hospitals that ended up full to the brim with patients from surrounding communities. So for those reasons, I like the fact it's a pilot project. I like the fact that it's geared towards deliverables and that it's science based and that we are looking for specific positive outcomes that contribute to the learning environment in Nebraska schools. And I saw the fiscal note as amended and I'm willing to support that. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Flood. Senator Kolterman.

**KOLTERMAN:** Good afternoon, colleagues. I rise in support of AM376 as well as LB630. When Senator Bostar came to me and talked to me about this bill, he asked me where I would be on it. I know it was a long time ago that I was in grade school, but I grew up as-- from birth, I had a very bad case of asthma to the point that I had to get shots on a regular basis. I could hardly breathe going to school at times because the classrooms were full of pollens and full of everything else. If we can figure out a way to help kids learn and make breathing easier, then we ought to do everything we can to support that. So I really like the idea that this is a pilot project. It's going to-- it's going to-- we're going to have results from it, from the University of Nebraska, it looks like, and I support it. I-- I would hope that we could get behind this bill, advance it. This is not precedent setting. We did something like this on-- on medical marijuana several years ago and Epidiolex was done by the University of Nebraska in a research program and we ended up with really good results. So with that, I would encourage you to support AM376 and LB630. Thank you.

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**FOLEY:** Thank you, Senator Kolterman. Senator Pahls.

**PAHLS:** Thank-- thank you, Mr. President. It's interesting, if-- as I recall back in my history, if I would go to the health room, I was amazed, the number of inhalers we had there in that office because the number of students who had breathing problems. It's amazing if you just take a look at-- at some of our people who deal with these young children all the time. You're fortunate if you happen to have a health para there or a nurse that you could call upon. I-- I just look at the room that we have here with the fans. Just the fans in here makes us more comfortable, let alone having air filters. One thing, I can still remember calling up the maintenance department and talk about the air handlers because you could-- you could feel the movement of the air throughout the buildings. So something's going on and if that air is being moved around throughout the buildings, should tell you it's moving from one child to one adult to another. And also, being familiar with not this particular kind of study, but studies, one, you find some information, it leads you to perhaps another study. This is not one that's going to cure the world, but it could be an indicator of which direction we should go because I have a feeling that throughout the United States, there are a number of groups that are studying this issue, especially with what's been happening in the health area this particular past year. Breathe in deeply is what I have to say, but breathe in good air. Thank you.

**FOLEY:** Thank you, Senator Pahls. Senator Groene.

**GROENE:** Thank you. Senator Bostar, would you answer some questions, just clarity?

**FOLEY:** Senator Bostar, yield, please?

**BOSTAR:** Absolutely.

**GROENE:** So when you say 50 participating schools, that's not school districts, is that?

**BOSTAR:** No, sir.

**GROENE:** That's school buildings?

**BOSTAR:** So it's-- the parameters as defined in the bill would be actually based on classrooms, so it'd be 300 classrooms with a-- 150 in the control group, 150 in the treatment group.

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**GROENE:** But that'd be school buildings, so Omaha Public Schools could do 30 buildings; Lincoln could do 20 buildings. I'm assuming you're only talking grade school because high school kids move from classroom to classroom. Is that what you're talking about, grade schools?

**BOSTAR:** So the bill isn't prescriptive in that regard or in-- in many regards, actually. But, yes, it would-- in order to account for the fact that students move around from classroom to classroom, if they wanted to capture, say, high schools within this, they would have to go into all of the classrooms that a set of high school students would-- would go into, and potentially that's the entire school.

**GROENE:** All right, so I didn't hear everything-- your introduction. So I'm assuming there is a template out there somewhere of this test and when you say commercial filters, what-- are there different manufacturers of filters or do you take the filter out complete? Are you-- are you-- in some room, you put a certain-- to keep all the variables constant, you're going to probably use the same filter in every classroom. Who decides what filter-- is it-- I guess my question is, in comparison to no filter at all or a certain manufactured filter, is that the comparison?

**BOSTAR:** So the-- the pilot program would look at commercially available plug-in air filters in classrooms. There isn't anything about a specific manufacturer, but what the research is-- is looking for is looking at the efficacy of air filters that meet HEPA standards with an activated carbon layer. That's sort of kind of the gold standard of-- of air filters.

**GROENE:** But I-- I guess what-- it's the scientific purpose, the-- the placebo group or whatever you want to call them, they would have no filter at all in those--

**BOSTAR:** They would have-- they would have the current air-handling system with the current HVAC that the-- that their schools use.

**GROENE:** So it wouldn't be a true comparison across the state. Everybody-- one-- one school could change their filter weekly and one could forget about it and do it every three years. That's-- I'm just curious about the scientific fact behind it. Anyway, thank you, Mr.-- Senator Bostar. I see no harm in this. I just wanted to make sure we-- we didn't have a preconceived notion and the study comes out to what is preconceived and the facts behind it and the variable behind it were controlled in the study group so that it was a true study. Not that you're trying to manipulate anything, Senator Bostar, but once you-- leaves here, it's out of your hands and my hands and the

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language of your bill wasn't very clear. So anyway, I just wish they did the same study on the classrooms wearing face masks and students not wearing face masks and see what the grades would be differently, but we'll never go there. Thank you.

**BOSTAR:** Thank you.

**FOLEY:** Thank you, Senator Groene. Senator Hunt.

**HUNT:** Thank you, Mr. Lieutenant Governor. Senator Bostar, looking at the bill here, it says-- it's a short bill, so it's not hard to get through-- the pilot program shall include 50 participating schools, so that's a "shall," so there will be 50 different schools-- that's not districts, but schools-- with 6 participating classrooms in each participating school. So it's 300 classrooms, but 50 schools for sure. Would Senator Bostar yield to a question?

**FOLEY:** Senator Bostar, would you yield, please?

**BOSTAR:** Absolutely.

**HUNT:** Is that your understanding, what I said?

**BOSTAR:** Yes, it is.

**HUNT:** OK. So when you were talking with Senator Groene, you said it wouldn't include 50 schools; it would just be 300 classrooms. But that's-- it is 50 schools, yes?

**BOSTAR:** Yes.

**HUNT:** OK, and if the study, if-- if the control group of the study is just the air filter that the school already has, can you speak to how we can make sure that this is an academically rigorous study and why the Legislature should be putting the parameters of this study in statute, in legislation, when maybe we could just take this kind of money and put it in a grant fund for the university or, you know, use it for funding for scientists in Nebraska who are already working on this? And can you speak to whether this legislation was drafted for a specific scientist or academic researcher? Like did you work with a researcher who said, Senator Bostar, this is what we want to do, can you put it in statute so we can get some funds appropriated for what we want to do from the Legislature? I-- I would just like to hear your thoughts on that because, you know, if-- if half the-- half the classrooms, if 150 of the classrooms have their existing HVAC system, then that's not a scientific study because there isn't, you know, the

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same conditions across the entire control group because each of those 150 classrooms could have very different HVAC systems existing. So I would just yield the rest of my time to you to speak to that. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Hunt. Senator Bostar, 2:45.

**BOSTAR:** Thank you, Senator Hunt, and thank you, Lieutenant Governor. So I-- I un-- I understand your-- your concern, Senator Hunt. I would say that the bill is as minimally prescriptive as absolutely possible. The only areas where it's prescriptive is in the-- sort of size of the study. Those numbers came from the researchers who have been looking at this work. Other than that, we aren't trying to-- it is not my intent to legislate how the Department of Education with the university should go about doing scientific research; it's specifically not in there. As far as if-- if a particular researcher brought this to me, no, I-- I read a paper on the results from the Gilraine study related to the events in California. I looked into that further. I spoke to Dr. Gilraine. I spoke to other researchers who have evaluated this across the country. And the conclusion was that this kind of a study is the right next step. So I do appreciate your concerns and I will say that in-- in drafting this bill and bringing this forward, I have had many conversations with researchers and professors at the university who will most likely be the members who are-- are going to be working on this and they are excited for the opportunity to do this work.

**FOLEY:** One minute.

**BOSTAR:** So I-- I-- I hope that answers some of your questions. If it didn't, I'd be happy to-- to come back and answer more of them. Thank you.

**FOLEY:** Thank you, Senator Bostar. Senator Hunt. Your third opportunity, Senator.

**HUNT:** [RECORDER MALFUNCTION] so much. Would Senator Bostar yield to another question?

**FOLEY:** Senator Bostar, would you yield, please?

**BOSTAR:** Yes.

**HUNT:** Thank you. You said the numbers of 50 schools, 6 participating classrooms per school, 300 classrooms. I'm not hung up on the number. I don't care if it's 50 schools or 51 schools or 46 schools or, you

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know, 6 classrooms or 5 classrooms or 20 classrooms. My concern is that the Legislature, that we may not know best, that once the researchers and-- and field scientists and academic researchers who are carrying out this study that we're putting into Nebraska statute, that they look at the picture of Nebraska schools and say maybe the most efficient way to carry out this study and get the most accurate results and outcomes that we want in order to potentially pass policy or potentially change our practices in our schools to better serve kids and better advance public health, maybe it's going to be something different. And so my concern is that the language of the bill is so specific that it could potentially tie the hands of researchers. You talked to Dr. Gilraine, who-- who did the study in California, right?

**BOSTAR:** I did.

**HUNT:** And that study was in 2016?

**BOSTAR:** I believe so.

**HUNT:** OK. Can you-- can you tell more about the researchers you spoke to at the University of-- was it University of Nebraska-Lincoln who want to do this study? Did they want to do this study before you brought this to them or did they come to you with the idea to do the study and you said, I can find a path to get some funding from the Legislature for you to do this study, let me work with my colleagues and see what we can do? Or did you bring this bill and then you're finding researchers in Nebraska who want to carry out the research? And I'll yield the rest of my time to Senator Bostar.

**FOLEY:** Thank you, Senator Hunt. Senator Bostar, 3:00.

**BOSTAR:** Thank you, Senator Hunt. Thank you, Lieutenant Governor. In considering bringing this bill, I went and spoke with the university, officials at the university and sought their thoughts, consideration, and buy-in. So to answer your question, no, they didn't bring it to me, but we did start speaking to them before the bill was drafted. I hope that answers that. Thank you.

**FOLEY:** Thank you, Senator Bostar. Senator Lowe.

**LOWE:** OK. Thank you, Lieutenant Governor. And, you know, Senator Bostar, you asked me what I thought of your bill and I said I really hadn't delved into it very much because it was just a short bill. But I-- I-- after looking at the fiscal note, I have a couple of questions. And-- and so it says that the Department of Education will

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have to hire an additional full-time employee. And the first year is 90-- basically \$97,000 and the second year is \$101,000. That seems like a pretty good starting wage for somebody. Is it just one employee, do you know, that they're hiring for \$97,000? Senator Bostar, may I ask him a question, please?

**FOLEY:** Senator Bostar, yield, please?

**BOSTAR:** Yes, I would. So I-- I'm just here-- thank you for the question, Senator Lowe. I'm here looking at the fiscal note. The fiscal note you're looking at, is it revision 01?

**LOWE:** It was the latest fiscal note.

**BOSTAR:** OK.

**LOWE:** And it's the bottom paragraph.

**BOSTAR:** So in the breakdown by major objects of expenditure, I see here on this fiscal note a position title research specialist, one in '21-22; one, '22-23, \$60,000-- \$60,000 in '21-22; \$62,400 in '22-23.

**LOWE:** OK, so it would be benefits on top of that, is what they're talking about, that makes up that other \$30,000?

**BOSTAR:** I-- I don't know. I'm sorry, sir.

**LOWE:** OK. No, that's understandable. And each portable unit is \$1,000 apiece? I see it's \$150,000 for 150 units.

**BOSTAR:** So in the previous research that was done, the units that were, say, purchased in the-- in what-- what became the study in California, those were purchased for around \$700 apiece. I think that the department and the university wanted to ensure that-- in case the prices were higher now, they set it at \$1,000 in the fiscal note. But previously, in-- in the past, they were \$700.

**LOWE:** All right. I appreciate that information. And I still don't know how I'm going to vote on the bill, but it intrigues me. If this works, it-- it's great. If it doesn't, we're not out that much money, but it is still money. And I-- I guess if they're hiring a specialist at \$63-- \$60,000 a year and \$63,000 the following year, that's not as bad as \$100,000. But with benefits, that gets it up there into a pretty good wage. For somebody who makes 23 cents a month, I'm looking at a lot of money here. Thank you, Senator Bostar. I appreciate it and I'll yield the rest of my time back.

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**FOLEY:** Thank you, Senator Lowe. Seeing no other members wishing to speak, Senator Walz, you're recognized to close on the committee amendment. She waives closing. The question before the body is the adoption of AM376 committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

**ASSISTANT CLERK:** 44 ayes, 0 nays on adoption of committee amendments.

**FOLEY:** AM376, committee amendment, has been adopted. Further discussion on the bill? Senator Bostar, you're rec-- excuse me. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. Lieutenant Governor. I will vote for this on Select. I will-- I don't know if I'm going to support this on-- on Select or Final-- or on General, I mean, I would vote for it. There are so many researchers at our university who are clawing and grabbing for research funding for projects that are really, really great, that they've worked on their dissertation on, that they've done master's degrees on, that they've done doctorates on. And funding for academic research, especially in Nebraska, is really hard to come by. And it concerned me to hear from Senator Bostar that nobody at the university is really asking for this, that there isn't an academic team in place to carry this out. And there are researchers who can't get funding for the work that they're already doing and have already invested in, but then we roll up with \$300,000 for a project that nobody really asked for. So I will support this. I think that it would be great if we could, in the future, appropriate funds to the university for them to administer for research grants. We have a wonderful research university here in Nebraska and I think that the wonderful graduate students that we have here in Nebraska who choose to go to our universities should all have their research funded and that's something that we can target a little bit more thoughtfully perhaps in the future. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Hunt. Senator Bostar, you're recognized to close on the advance of the bill. He waives closing. The question before the body is the advance of LB630 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**ASSISTANT CLERK:** 41 ayes, 2 nays on advancement of the bill.

**FOLEY:** LB630 advances. The A bill, please.

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**ASSISTANT CLERK:** LB630A, by Senator Bostar, is a bill for an act relating to appropriations; appropriate funds to aid in carrying out the provisions of LB630.

**FOLEY:** Senator Bostar, you're recognized to open on the A bill.

**BOSTAR:** Thank you, Lieutenant Governor. This is the appropriation bill for LB630 that we just discussed and-- and we got to hear a little bit about it already. So with that, if there's any questions, I'd be happy to answer them. Thank you.

**FOLEY:** Thank you. Senator Bostar. Any discussion on the A bill? I see none. Senator Bostar, you can close if you care to. He waives closing. Question before the body is the advance of LB630A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**ASSISTANT CLERK:** 37 ayes, 3 nays on advancement of the bill.

**FOLEY:** LB630 A advances. Next bill, please.

**ASSISTANT CLERK:** Mr. President, LB388, introduced by Senator Friesen at the request of the Governor. It's a bill for an act relating to telecommunications; adopts the Nebraska Broadband Bridge Act. Bill was read for the first time on January 14 of this year and referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File with committee amendments. There are also additional amendments pending, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Friesen, you're recognized to open on LB388.

**FRIESEN:** Thank you, Mr. President. And if it's OK, I will skip the opening on the bill and go straight to the amendment on the bill.

**FOLEY:** Proceed on the committee amendment, please.

**FRIESEN:** Thank you, Mr. President. I'm here today to introduce LB388 and AM530. I want to thank the Governor for making broadband infrastructure a priority and Speaker Hilgers for using his personal priority on this bill. LB388 creates the Nebraska Broadband Bridge Program. The program will provide \$20 million in annual grants to fund broadband infrastructure construction projects. It will also create a fund to capture federal dollars received by the state for broadband enhancement. The program will be administered by the Public Service Commission. AM530 uses the same framework that's laid out in LB388,

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but clarifies speed test and challenge procedures and provides a more detailed scoring system for project applications. The amendment was crafted in collaboration with stakeholders and the Governor's Office. Areas that are eligible for grants under this program are prioritized into three categories. Number one would be unserved areas, which are defined as areas currently receiving less than 25 megabits per second download, three megabits per second upload, and have not yet been targeted for a project. Number two would be unserved areas that are receiving federal support for construction, but it will not be completed within 24 months. Number three would be underserved areas that are-- currently receive speeds of less than 100 by 20 megabits per second and have developed a broadband and digital inclusion plan, speeds of 25/3, which are generally considered inadequate for today's connected lifestyle. Giving preference to these unserved areas will put households in areas that are in the most need of help at the front of the line. When scoring applications, the PSC can take into account other factors, including the applicant's track record, their ability to offer affordable services, and the amount of matching funds that will be provided. The program allows a provider that has begun construction in a proposed project area that will provide speeds of at least 100 by 20 megabytes, to be completed in sooner than 18 months, to challenge a grant. This will ensure that areas already receiving speeds of 100 by 20 are not overbuilt with taxpayer dollars. If the challenging provider does not make this-- provide the service within the set timeframe, they are prohibited from making another challenge for two fiscal years. Grant recipients will be required to provide broadband speeds of 100 by 100 megabits per second or greater, pay at least 50 percent of the total development cost, and complete the project within 18 months. These matching funds can come from any source, including public-private partnership between a city or a county and a provider. This could be a good way for cities and counties to leverage federal money they receive from the American Recovery Plan Act. If the project is not completed within 18 months, the grant recipient is required to repay 10 percent of the grant total for each month the project is not complete. The PSC may permit one six-month extension upon request with good cause. If the project is not completed at the end of the extension, the recipient is required to pay 20 percent of the grant total for each month the project is not complete. After completion of a project, grant recipients will be required to submit to speed tests using a random sample of current subscribers. And if the broadband network cannot provide speeds scalable to 100 by 100 megabits per second, the grant recipient must pay back the grant in full. Overall, the Broadband Bridge Program prioritizes the areas of greatest need, ensures state and federal dollars will be orderly and efficiently awarded, and provides for

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accountability through speed testing and clawback provisions. Broadband expansion is one of the most important issues facing our state, especially in rural areas. Households rely on the Internet for education, telehealth, and in many cases employment. Bridging the digital divide is key to helping all Nebraskans stay connected, productive, and prosperous. And with the COVID, we've seen the workers that have been working from home and I think this is one of these ideal opportunities where rural Nebraska, at least, can now attract any of these employees to live in their communities and still maintain their high-paying jobs where they are currently employed and so it lets workers live where they want. And-- and maybe we can get a little bit more economic development going in rural Nebraska. Where you have a company that wants to locate there, they need high-speed broadband in today's environment or they just they cannot do business. So with that, I would encourage your support for AM530 and LB388. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Friesen. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President. Senator Wayne would move to amend with AM850.

**FOLEY:** Senator Wayne, you're recognized to open on your amendment.

**WAYNE:** Oh, I'm sorry. I didn't-- thank you, Mr. President. Actually, AM1118 is a replacement of AM50 [SIC], but I believe Senator Flood is in between those two amendments. I'm sorry about that.

**FOLEY:** So are you-- are you withdrawing AM850? Senator Wayne, I didn't understand. Are you withdrawing AM850?

**WAYNE:** I would like AM1118 to be substituted as-- for AM50 [SIC].

**FOLEY:** Without objection, so ordered. Senator Wayne, you're recognized to open on your amendment.

**WAYNE:** Thank you, Mr. President and colleagues. I hope we have a really interesting debate and I hope we get to the facts of what we are talking about doing today with A-- with LB388 and my AM1118. First I'm going to tell you what the bill does and then I'm going to go into why this is important as we develop Nebraska moving forward. AM1118 does two things. It allows for municipalities to provide broadband service, but prior to following-- or developing a broadband service, a city must do two things. And this comes from the conversation that we started on Senator Bostelman's bill and I told you when this bill came up, we would have this conversation. What I heard from individuals

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about the city's ability to do that, or municipalities, was some concerns about how it happens. So in AM1118, I addressed those concerns by saying first they have to have a feasibility study; second, they have to have a public hearing before they can even talk about or go into the process of developing their own broadband network. Those are two substantial things that we don't have in most of our things that we do when it comes to developing anything at the city level of those kind of requirements. But I heard you and I listened to you and I addressed those concerns. So why am I bringing this bill? It's really simple. This is a critical infrastructure need, not just in rural Nebraska but also urban Nebraska. But the fact of the matter is, as much as I do not like some of the things in the last four years that public power has done and-- and did things, the model works for Nebraska. I think we can talk about generation. I think we can talk about other things at a different date. But the model works for Nebraska because Nebraska has said when it came to critical infrastructures, shareholders' profits should not mean more than the citizens of Nebraska. They did this because in 1887, Creek started running into problems. Yes, Senator Brandt, Creek started running into problems and developed their first municipal city department. Other cities, from 1887 to 1910, over 60 of them developed their own municipality electrical system. Why? For the exact same reason Senator Friesen and others who are saying we need this bill, because the farmer down the end of the line is not getting broadband, is the exact same reason the farmer or the small town at the end of the line is not getting electricity that was raised in the 1900s. So this was a big issue. It was a big issue that people from all across the country came here and developers in private electrical-- electric-- electrical industry came here and testified against this bill, but it didn't matter. In 1933, this body stood up and said shareholder profits are not more important than the citizens of Nebraska and we passed an enabling act that allowed for people to petition their local governments to develop a public utility. It was in no more than three years later, we passed the Rural Electrification Act to allow for public utilities, for electrical systems. And the arguments in the hearing were the exact same arguments that we will hear on this floor of why we need broadband in rural Nebraska, why the industry has failed us. But yet we are bringing a bill that is going to put \$40 million over two years to do the same thing we've been doing since 1996. And if you want to know how much we spent through federal dollars, grants, state and stimulus since 1996 in the public telecommun-- I mean the private telecommunications sector, over \$6 billion, with a "b," in Nebraska-- \$6 billion, with a "b," in Nebraska. And that's facts. We're not talking made-up numbers here. And in fact, when we put in this section to outlaw public

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municipalities from having telecommunications, it was no more than Kermit Brashear. And at the time, he was quoted saying, this technology, the Internet, not a developed technology, and it's not even fully proven. His fear was that the-- if we had public utilities in the broadband space--that means local municipalities in the broadband space-- it would oversaturate the network. Well, he was wrong. Private companies haven't even come close to coming 50 percent saturated of the network, but the most interesting thing is when you read this hearing, you see Cox, Qwest, Nebraska Telecommunication, Alltel, the chamber, Diller Telephone, all them speaking out-- or speaking in favor of not allowing municipalities to do broadband, i.e., the Internet. What was more interesting is not one citizen spoke at that hearing for this bill. In fact, the citizens were against it because Nebraska has continued to say, whether it's water, whether it's our electricity, profits over citizens when it comes to critical infrastructures is not the Nebraska way. And that is what we're doing today, throwing more dollars into a pot of \$6 billion that has not solved the rural issue. And it's not just a rural issue. It's also an Omaha issue. It's also a Lincoln issue. And the pandemic has shown that when kids are trying to do work and have to go to their local McDonald's and buy a cup of coffee or water or pop to sit there for two hours just to finish their schoolwork. It's so bad that Omaha Public Schools not only got iPads and technologies for students, but they had to enter into an agreement to allow for access to AT&T's network so kids can try to get that at home. The fact of the matter is, is states across the country are moving to a public utility when it comes to broadband. Tennessee, Arkansas, Connecticut already repealed the municipality requirement that we have or the prohibition we have in Nebraska. Texas, Louisiana, North Carolina legislatures have all commissioned task force and have introduced bills this year to remove the prohibition on municipalities. Why does that work? We have to look no further than Tennessee. When you put profits over people, people hurt. Bristol, Tennessee, 20,000-- 27,000 residents, their Internet plan is \$16 a month, publicly-owned municipal Internet. Morrison, Tennessee, 29,000 residents. The fact of the matter is, like a public power, the municipalities across this country are leading the way to public-- "publitize" the Internet when it comes to broadband and the development of broadband. Chattanooga, Tennessee, is the fastest Internet in the nation and that is publicly owned by the city. It is one of the few places in the world where the Internet is exceeding 1 gigabyte per second, which is 50 times faster than the average U.S. market in the-- in the United States, and I guess it's about 200 times faster than Senator Bostelman's. The fact of the matter is this is not going to change the broadband perspective tomorrow. Those who are fearing of-- and who are-- who are saddling up

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the-- the-- and circling their wagons for protectionism, this is not going to destroy telecom tomorrow. In fact, I do one more thing in this amendment that I think we should do more often. I make this end in ten years. I sunset it that municipalities can no longer, after ten years, unless they're already doing it, enter into this market and here's why: because in ten years, we're going to have another conversation about broadband. And after we dump \$40 million and after we dump another \$100 million and after we dump another billion in ten years, we're going to be having the same conversation. So I'm hedging on the bet that the private market is not going to solve this problem, so we sunset it. So I pulled in all the slippery-slope arguments that were being made when we just started discussing this issue on Senator Bostelman's amendment and bill. I pulled it in to say we are going to do a very conservative bill.

**FOLEY:** One minute.

**WAYNE:** We're going to require a feasibility study, we are going to require a public hearing, and we're going to sunset this to make sure this body has this conversation again in ten years. So I look forward to this conversation. I look forward to a green vote on AM1118. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Wayne. Senator Friesen, for what purpose do you rise?

**FRIESEN:** A point of order.

**FOLEY:** Please.

**FRIESEN:** Just wanted the body to be aware that this bill has been IPPed and, according to the rules, would take 30 votes to attach it.

**FOLEY:** Thank you, Senator Friesen. I've had the opportunity to study the language of AM1118 and compare it with LB656. You are correct that LB656 is substantially the same as the amendment and that bill was IPPed at the committee level. So pursuant to Rule 6, Section 3(h), page 40 of the Rulebook, this amendment can indeed be offered, but it will require 30 votes, not 25. We'll now proceed to debate. Senator Flood.

**FLOOD:** Well, after my vote, it needs 29. I'll tell you, Senator Wayne is absolutely right. He has hit the nail on the head. And I want to appeal to the people in here that are against high taxes. And I want to ask you the question, are we getting our money's worth out of what we're paying? A 2020 report from the Tax Foundation found that

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Nebraska has a combined federal, state, and local tax rate of 29.13 percent on wireless services, cell phones. For context, Illinois is the highest at 32.2 percent and Idaho is the lowest at 12-- Idaho, of all places, 12.5 percent. In addition to paying the fourth-highest tax rate, Nebraska is also ranked second highest in the nation for the disparity between the wireless tax rate and the general tax rate. This is a measure comparing the tax rates imposed on wireless services to the combined state and local tax-- sales tax in each state. In Omaha, for instance, the tax on a four-line voice plan at \$100 per month has an effective tax rate of 32 percent. We are taxing our citizens way too much and we are getting way too little. And you know where the money goes? It goes into the Universal-- Nebraska Universal Service Fund and it goes to those folks in the lobby out there that are here today to claim that they are private businesses. But my business doesn't get 40 percent of its total income from the government. Folks, they are partners with us now. They're in the government business. You look at some of these companies that built broadband last year with the CARES Act, 90 percent of the funding came from taxpayers, from the federal government, and their match on an \$11.5 million project to do cities like Creighton, Nebraska, their match was \$1.5 million. Well, if somebody gave me \$1.5 million and told me-- if-- if they say, hey, you pay \$1.5 million, I'll get you \$9 million and you can build out broadband to these towns, I'd take that deal any second of any day. These are not private businesses out there. These are people that are taking money from the taxpayers and they are building it into their-- their budgets and they are building businesses with it. And they are here today, they-- to say they don't want the city in their business. They're taking us for a ride. They're taking us for a ride and we need to take over. We need to give cities like Valentine, Nebraska, the chance to-- to have its own future, to-- to take advantage of what Senator Wayne says after a study. I tell you what, in 2011, the-- the folks at Stanton Telecom came over. And I want to be very clear. There are telecoms in this state that have almost-- that have mortgaged everything they own to build fiber to the-- to the farm and to the business: Stanton Telecom, Southeast Nebraska Communications, Northeast Nebraska Telephone Company, Hart Tel Co. I mean, there are a lot of really, really, really good and responsible telephone companies in this state and there the-- then there are cities like the one I live in, Norfolk. We're a town of 25,000. CenturyLink-- in 2011, the mayor came to me, Stanton Telecom came to me and said, we really want to be in this community. And it wasn't until-- until last year when a private company, ALLO, not getting any government funds, comes in and builds it out. Now how can we pay some of the highest taxes in the country and we don't get the money reinvested into our communities? Where does it go, Denver? Where does it stay, Omaha? Are we paying

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these taxes so that we can build out more lines in residential areas of Omaha because that's where the people are? I want accountability. I don't trust them. I don't believe they're in it for the best interest of Nebraska. I think Senator Wayne is on to something.

**FOLEY:** One minute.

**FLOOD:** They should wake up in the morning and say, hey, if we don't do this right, the citizens are going to change it for us. People understand this now. Here's another question for you. If you're in Osmond, Nebraska, how long have you been waiting for good cell phone service? A long time. I've got-- I've gone to Osmond and I've put people-- I've basically taken a video deposition of like six people in Osmond that will tell you that the cell phone service there is difficult. And the problem is there's two kinds of cell phones. There's the GSA [SIC] and the CDMA. And there are two-- I didn't say that right, but there's the European version of the technology and there's the American version, and we hand out this money in two different ways. So if you have a Verizon phone or an AT&T phone, you're going to wait a lifetime to make a phone call in these rural areas. And I'll tell you what, in my opinion, the Public Service Commission hasn't done enough. They're not responsive enough. They don't move fast enough. We have to take over here. We have to take over with commonsense rules that say we're not going to get taken to the cleaners by a bunch of people that work for these large telephone companies and don't put the money in--

**FOLEY:** That's time.

**FLOOD:** --because we are paying. One minute?

**FOLEY:** Time.

**FLOOD:** Thank you.

**FOLEY:** Thank you, Senator Flood. Senator Dorn.

**DORN:** Thank you. Thank you, Senator Wayne, for bringing this amendment. Definitely deserves some conversation, it deserves some looking at this. Would Senator Wayne yield to some questions?

**FOLEY:** Senator Wayne, would you yield, please?

**WAYNE:** Yes.

**DORN:** Yes. Justin, I visited with you a little bit there off the mike. The way we're currently doing this-- explain the way we're currently

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doing this today and what your amendment now would allow the opportunity for these cities to do that is different.

**WAYNE:** We are currently contracting-- most cities contract or allow one provider to come in. And what my amendment does is allow more like the roads in the cities. You can have private contractors do it, i.e., ALLO and those other people, or you can maintain and shovel your own with your city people. So it's really the city being able to control whether they want the broadband private or public.

**DORN:** OK, so then today, can a city today go out and be their own company and say we are are going to control the broadband in our city?

**WAYNE:** No, they cannot. This will--

**DORN:** Thank you.

**WAYNE:** We have-- we have a prohibition against it.

**DORN:** But this here would allow them to now create their own company and do it as a city themselves.

**WAYNE:** The city could allow to provide their own broadband and build out their own network underneath my amendment, as long as they have a feasibility study and a public hearing,

**DORN:** And it will sunset in ten years then?

**WAYNE:** It will sunset in ten years.

**DORN:** So that was another question I had. If-- if this company or if the city decides to do this five years from now, it takes them time to ramp up and they do not have this done in this ten-year-- 30-- 2032 time period, they are allowed to continue on until they get their, I call it, system or broadband base built. But after 2032, this legislative body would have to come in and renew this and have this discussion if it's working or not or if we are still falling behind.

**WAYNE:** Correct. The system would allow-- the-- that city and that particular would still be able to provide broadband after 2000 and-- ten years from now, but no new city could start. But-- but it would allow this body to-- to revisit this issue in ten years.

**DORN:** Yours-- yours-- some of the discussion we've had in the past couple of weeks is, and Senator Bostelman's, it puts some, I call it, some limits or some floors on some of the speed or whatever. This does not put any requirement on that in there. This is just creating a

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network, like we have done with public power, so that that city itself can now take the initiative. Instead of, I call it, having a private company come in, they can be that company and take the initiative and for their people, create this network.

**WAYNE:** Correct. If the-- if their local municipality decides to vote on that in the public hearing and everybody on the city council or village board votes for it, they could do that, yes.

**DORN:** Thank you.

**WAYNE:** But it takes a vote from that leadership of that municipality.

**DORN:** Thank you very much.

**WAYNE:** Thank you.

**DORN:** I think as we went through the last I don't know how many years, I-- a lot of conversation I've heard in this broadband conversation is what has happened with, I call it, our public power and how that developed over the years and how that is to the point where we are today with public power. I think this is one idea that doesn't necessarily put us on that same type of trajectory, but it also brings some of those concepts into play whereby, are we making sure we as a state include or do everything we can to give opportunities to make sure that people of the state of Nebraska have adequate and proper broadband? I think we really need to look at it in that perspective that we sometimes as a State Legislature, we also put in thing-- in place things that somewhat limit this. Thank you, Senator Wayne, for the answers. I yield my time.

**FOLEY:** Thank you, Senator Dorn. Speaker Hilgers for an announcement.

**HILGERS:** Thank you, Mr. President. Good afternoon, colleagues. I've-- I've tried, as I mentioned, to give you an update on where I think we're going the rest of the day around this time, 4:00. So my current intent, depending on progress with LB388, is to continue to do what we did last night, which is to go through, not have a break at 6:00 or 7:00, but actually go till about 7:30 or 8:00. It's going to depend on the progress of LB388. So right now, be prepared to go through. But around 6:00, we'll-- we'll see where we're at and I'll come back and give you an update then. We might have to have a short break. If we're going to go late tonight, if we're going to go to 10:00 or 10:30, which, as I mentioned, we should all be prepared to do, we will take a break. But right now, depending on progress, we may just go through and be done around 7:30 or 8:00. Thank you, Mr. President.

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**FOLEY:** Thank you, Mr. Speaker. Continuing discussion, Senator Friesen.

**FRIESEN:** Thank you, Mr. President. I rise in strong opposition to LB1118 and Senator Wayne's amendment. And I know Senator Flood can get very angry. He's really good at that. But I just want to remind everyone that you can either work with private industry to get this done and we can put some controls in place, put some requirements and make sure they meet them, and we can get this done with the public-private partnership that we've worked on over the past three or four years in trade-- Telecommunications-- Transportation and Telecommunications Committee. You know, when I first came here six, seven years ago, no one was talking to anybody. The private industry and the-- and the rural electrics were not talking and this was a big fight back in the day and we got that conversation started. And so maybe we've taken little baby steps and we have changed the industry. We've changed our fiber statutes. We've talked about a reverse auction process for those companies, like the price cap companies that have not done a good job, that we can go in and we can actually take whole exchanges. The Public Service Commission can look-- do their rules and regulations, do a reverse auction, and get a company that does do the job that needs to be done. But I-- I will remind everyone, this is a \$3 to a \$5 billion problem that we have. This isn't something that we can solve by increasing the property taxes in communities in order to get this done. We have-- we have cities and counties who can't maintain their roads and bridges and we're going to ask them to build a broadband network and run it? This is a job where we can partner with private industry and put some expectations in place that we get what we ask for. And when you talk about the billions spent, we have not put money into broadband until-- I think it was 2016 is when we first started. And so we have not been at this very long and we have thousands and thousands of miles of fiber laid in the ground today. There are companies who have been very responsible. I've had fiber-- fiber out to the rural areas of my farm for the past, I think it's eight or nine years. So we have companies that have done the job. They have stepped up. They have borrowed the money. They've worked with the Universal Service Fund on the federal level. They have built networks out there. And some of them, yes, they're 25/3. Some of them are inadequate at 10/1. But they're working on it and I think today there are very few companies who are building anything less than fiber to the home. They have made that change already and it's expensive. And you cannot make a business case to go out into the rural areas to hook up these homes and that's where this money has gone. It has not gone into the cities and villages, but you have places in Omaha and Lincoln who have three or four different choices of provider. In the rural areas, we will never have a choice. It's going to be one provider and

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it's going to be no choices and the business model to put that there is not there if we want comparable cost with comparable service. So we have to put some-- some sort of process in place where we can help provide the necessary dollars to do that. Whether you want to do it as state dollars or property tax dollars, I mean, if you want communities to raise property taxes to put in this network, they can also partner, a public-private partnership. Under our current rules that we've done in the last few years, we have allowed that process of a public-private partnership to get it done. Some communities have already done that. There are some power districts that have put out an RFP to the rural-- to the different providers out there, asking for rural to get--

**HILGERS:** One minute.

**FRIESEN:** --fiber out to their substations. This process is already in place. They can work with communities. They can get that public-private partnership. There's communities that have used LB840 money in a no-interest loan to private industry to get it done. Again, look at those contracts. Get the contracts where they provide that service and they give you what they want. But that process is already in place. We don't have to reinvent the wheel. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. Speaker. Well, well, well-- maybe my favorite subject, if you hadn't noticed: broadband. Thank you, Senator Wayne, for bringing AM1118. I do support LB388. I do support AM530. And, Senator Wayne, I'm not there to support you on AM1118. I do believe the discussion is very important. I do believe it's something that we need to talk about. I think it's a direction perhaps we may go. Today I'm not there. When your bill come into committee, I did not IPP it. The reason for that is, is because I do believe it's worth more discussion, more-- more consideration. But we do need to talk about this more. There are some great-- there-- there's a lot of-- a lot of things that are changing, significant things that are changing in LB388 and in my bill, LB338. I appreciate everybody's support on that, continued support on that. We're making some substantial changes. We're making some great inroads. We're making companies now accountable for the services they-- that they say they're providing. They have to prove that they're providing that service. We're also making them put in substantial broadband, being 100/100, or if they have 120 in, it stays. But I'm going to say again, I live 32 miles from this building and I have been harping on this for five years

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now-- no one, not one company is willing to come out and bring broadband to me that can be used. I have to use a satellite and the satellite, my upload speed is 0.5-- 0.5. That's it. How can anyone run a business? How can anyone run-- you want to stream-- stream-- stream-- stream-- stream-- stream something? Yeah, that's kind of how it goes. So those who have fiber, great, but I also know, as Senator Wayne says, there are cities-- there's towns in my district that don't have high-speed Internet. Why? There's fiber that goes all around them. There's fiber that goes into the town, to the school, to the library. That's it. That's unacceptable. If we're going to continue to grow Nebraska, if we're going to build a strong economy, things have to change and things are changing. I also know that there's-- we talk about there's public-private, you can do it right now, but I've heard that it-- it's difficult; it's time consuming; we're not there yet. I know Senator Brandt's got a bill about public-private. I know there's others that are talking about it and I think it's something we need to continue to talk about and take a look at. If we can get there in a better way, that's fine, but this is an important discussion. I hope we don't take a considerable amount of time, but we need to have the discussion. But again, I do support LB388 and AM530. But I'll yield the rest of my time to Senator Flood if he'd like it.

**HILGERS:** Senator Flood, 1:20.

**FLOOD:** Thank you, Mr. President, members. I appreciate what Senator Bostelman is saying. And-- and I think that what we have to-- what we have to do is we have to talk about how are we going to get from where we're at to where we need to go and this idea that there-- there cannot be a city or a municipality or a municipal corporation--

**HILGERS:** One minute.

**FLOOD:** --that gets into this or that we can't use the dark fiber of OPPD or NPPD or that-- let me throw this out. Did you know that television stations are adopting a new television standard, ATSC 3.0? So in 2009, we moved to digital where we went from one channel to three channels. Well, in 2020, the new standard is ATSC 3.0 and television stations send out a frequency at 650 megahertz, which can penetrate a bunker. You can get it downstairs; you can get it in your earthen cabin; you can get it all sorts of places with a simple antenna. Well, this technology is going to let us have two-way communication with homes. So if you want to think about it, you could take public television, you could take NET, and they could still provide their public television, but we could use these towers to get

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650 megawatt-- or megahertz signals into somebody's house outside of Merriman, Nebraska, and not have to run fiber there.

**HILGERS:** That's time, Senator.

**FLOOD:** More coming. Thank you.

**HILGERS:** Thank you, Senator Flood and Senator Bostelman. Senator Brandt, you're recognized.

**BRANDT:** Thank you, Mr. Speaker. Thank you, Senator Friesen, for bringing this bill. Thank you, Senator Wayne, for the amendment, Senator Flood, Senator Bostelman. When I first started here three years ago, I think Senator Walz and myself had the only two broadband bills that year. And then last year it was four or five and I think this year there's probably 11, 12. And hopefully next year, there's 25 and after that, if this continues, it'll just keep building. We've got a problem, folks, and we can fix this. We need to be good stewards of our resources. COVID-19 has highlighted the gaps in broadband coverage in Nebraska and we have to close those gaps. We've got to close the homework gap, the telehealth gap, economic development gap, precision farming gap. Public power utilities have an extensive network of communications infrastructure, such as fiber-optic cable, and they use that to operate their electric system. Let's be clear. Public power is not in the business of commercial broadband. They don't wish to get into that business. They just want to help and partner with others. The dark fiber statutes we passed in the dark ages of 2001 restrict public power districts from leasing communications infrastructure. We've come light years since then. We've got to change those. I have a bill, LB460, to do that. We didn't attach that to this for a reason, but that bill will be coming forward hopefully next year. We may have to change it a little bit to do that. The incumbent providers in Nebraska have had 20 years to get broadband deployed. They've had minimal oversight. They've fought any and all others trying to help deploy broadband. They've consistently fought standards and testing to ensure that adequate broadband is deployed. Basically, they've made sure that they are not held accountable. How long are we going to allow these incumbent providers to dictate terms? We're not asking for outrageous things here. We just want them to honor the promises that they've made and get proper broadband deployed. I'd like put-- to put a shout out to Valentine, Nebraska. Here's a small town. It's isolated. They've figured out how to do it. They hung stranded broadband from their public utilities. And I think they worked ALLO, I'm pretty sure, and they got it done. So that's a leader for rural Nebraska. Other towns need to look to them to see how they did it. For the record, Senator Wayne, I do support AM1118. I also support AM530

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and LB388. And if Senator Flood would like the rest of my time, I would yield to him.

**HILGERS:** Senator Flood, 1:53.

**FLOOD:** Thank you very much, Mr. President, and thank you, Senator Brandt. I also want to say that the concept here, what Senator-- what the Governor is doing by investing \$20 million in each year in rural broadband, in broadband, is commendable and I was excited to see it in his budget. I was excited to hear it in the State of the State. This needs to happen and I am confident with the standards we set up that it's going to go the right way. The money that was from the CARES Act was-- was really complicated and it ran into a lot of hurdles. But this bill, LB388, with the money in it that Senator Friesen, working with executive branch and of course the Transportation Telecommunications Committee-- Telecommunications Committee amendments, AM530, I do support that. And I think this is needed. I think that we're going the right direction.

**HILGERS:** One minute.

**FLOOD:** What-- what Senator Brandt talked about, though, is accountability. And, you know, one of the problems I may have is that I left in 2012 and I came back in 2021 and they have made some ground up in the last four years. There have been some good things. I still don't have confidence in the PSC that they're moving fast enough. I think they need to get more aggressive. I would like to see companies-- I would like to see companies that are doing it for all the right reasons. Stanton Telecom, Southeast Nebraska Communications, Diode Communications in Diller, Nebraska, I'd like to see companies like that be able to go into exchanges like the one I'm in and be able to become the provider. And I don't know how we facilitate that and maybe that's something that members of the Transportation and Telecommunications Committee can explain. But if we're really going to be about rewarding those businesses that are truly in partnership with us, let's take a chance on the businesses like the one in Hemingford, Nebraska, that went out of its way to provide fiber.

**HILGERS:** That's time, Senator.

**FLOOD:** Thank you.

**HILGERS:** Thank you, Senator Flood and Senator Brandt. Senator Machaela Cavanaugh, you're recognized.

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**M. CAVANAUGH:** Thank you, Mr. Speaker. I rise in support of AM1118 and AM530 and LB388. I like to keep you all on your toes. I am green light on all of these. I love these bills. I love broadband. I want to expand broadband. I voted this out of committee. I voted against IPPing Senator Wayne's bill, LB656. I think it is an exciting idea and it doesn't actually-- it-- the fiscal note, if you look at LB656, it-- the fi-- there is no fiscal note. It's zero because this is just allowing the possibility of innovation in our municipalities and in how we deliver broadband and I love this possibility for greatness in our state. I-- I probably could go on about this for quite some time. I just really love this bill and so I am going to yield my time to Senator Wayne.

**HILGERS:** Senator Wayne, 3:55.

**WAYNE:** Thank you, Mr. President. Thank you, Senator Cavanaugh. Colleagues, I hope we really listen to what I'm-- I'm going to say here a couple of times because Senator Friesen absolutely characterized why we need this amendment. Senator Friesen's own words characterized why we need this amendment. He said we have no choice, never a choice in rural Nebraska. Here is why that's important. Right now, if a city wants to negotiate with a provider, there is no leverage at the table. There is no leverage, Senator Bostelman, for your city to sit down ex-- only to accept what they want to offer. Yeah, we may set a standard, but there's never equal footing. So there is no public-private partnerships because you're negotiating from a city standpoint, especially rural Nebraska, from a city standpoint in the negative. Your people want it. They don't have to give it to you. And then, oh, by the way, we'll give you more money down the road from the state, but we still may not get to your city. So when you go negotiate, what's the alternative? It's just that one provider. You have no bargaining power at the table. My amendment gives you that bargaining power. You may never as a city go and say, I'm going to build my own network, but at least you can have a conversation about what their network costs, what you're going to do, and if you don't like it, you could build your own. You have nothing at the table. The fact of the matter is, is we gave over \$6 billion in the last 25 years and you still don't have high broadband speed. We're going to subsidize them through tax exemption. We're even going to give them grants. We're going to pay taxes and give them even more money. They're going to build it and they're going to charge us to pay for-- to use their service. What kind of monopoly protectionism by our government are we establishing here? That is the most insane idea we're going to do here. And how I [INAUDIBLE] I know it's insane? Because we just did it for the last 25 years and too many towns across

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Nebraska have not changed. I drive, I'm still on roam going off with the same U-- a U.S. Cellular tower that was there when my mother was-- had her first cell phone with the big box that we had to carry around. It's the same tower, but we spend \$6 billion and we're going to keep doing it. So Senator Friesen's own words are telling you, Senator Bostelman and others, this is why we need it. We have no negotiating power when it comes to municipalities. We've already spent, since 2016, \$106 million. What is \$40 million going to do? The only thing we can do is change the structure of the bargaining table. The only thing we can do is give the people of their community the ability and the vote, if they choose to, to establish their own. We always talk about the second house in this body,--

**HILGERS:** One minute.

**WAYNE:** --but today we're trying to maintain a limit on that second house's ability to provide services to their own neighborhood. That fundamentally doesn't make sense when we're talking about a critical infrastructure. This gives the citizens in your municipality equal footing as that private company to be able to negotiate at the table what they want to do with their broadband. We are 48th in this country in broadband connectivity and speed. We are going to spend \$130-- \$1,333 on households. We hope to get 30,000 households. There's no guarantee, Senator Bostelman. There's no guarantee after we give another \$40 million that that town or that city in your district has broadband.

**HILGERS:** That's time, Senator.

**WAYNE:** Thank you, Mr. President.

**HILGERS:** Thank you, Senator Wayne and Senator Cavanaugh. Senator Vargas, you're recognized.

**VARGAS:** Thank you, President. Colleagues, I rise in support of Senator Wayne's amendment and I want to kind of react to two things. One, I want to react to Senator Flood's talking about taxes. And, you know, I've-- I've brought an unpopular bill in the past, specifically trying to put a cap on occupation taxes. And part of it is because we're second in the nation on those taxes. So I totally support that argument that Senator Flood is making. That bill did die from people that didn't want to support either cutting those taxes or specifically thought municipalities really needed those funds. But this is a little bit of a different and I-- and I'll be really short. I just wanted to be on the record that sometimes leverage is needed. And when leverage is needed, you need the option and ability to do something. You need

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the option or ability to be able to provide these services as a municipality. I understand where that can be a problem, but I've run into some of these issues where we are overly protectionist. I got a bill in committee for Tesla-- you've heard me talk about this on the mike not very much, but I might have talked to you off of it-- where we are protectionists in our policies for an industry, for the dealer model. We are protectionists about whether or not we can allow a separate entity, a separate business, to be able to sell directly to people or if they sell directly through our dealership model. We have legis-- we have statute that protects that. There are times when we do it and it just baffles me. It-- it-- it-- I cannot get past it. And usually the argument is, the world's going to end, something's going to stop, we're going to lose business, we're going to lose jobs, and then when we look at other places or other states and proof points, that's just not what happens. That's never what happens. It's just they just don't want it to happen. So I'm in support of this largely because just the ideology that, well, let's-- let's see what happens. Let's see what happens if we provide the choice for municipalities to do that. And if something really, truly bad does happen, then we can come back and fix it. But in-- what I've seen in my experience is that we do tend to be protectionists with certain policies that we put in place. Now it may be because we're supporting a business or an entity, but in this-- in my example, we don't have a good reason to necessarily protect the dealer model. We have an opportunity to actually bring a business model that wants to sell directly to people and I think this is somewhat similar. We need to be able to provide the ability for a municipality to have a choice. That's plain and simple. So with that, I'll yield the remainder of my time to Senator Hughes.

**HILGERS:** Senator Hughes, 2:00.

**HUGHES:** Thank you, Senator Vargas. I appreciate that very much. Having been on the Transportation and Telecommunications Committee for the last-- well, this will be my fifth year and one of those who did vote to IPP Senator Wayne's bill, we have a challenge with allowing municipalities to build out. That doesn't help rural broadband. If you've got a community out there that wants to build out in their community, what about the people that are in the country? They're not going to out-- build outside their city limits because their taxpayers, the people who are building or paying for that, aren't going to go there. When telephone service was set up, there were exchanges granted for territory. So Great Plains Communications, Windstream, CenturyLink, BWTelcom, Hemingford, Hamilton, they had territories--

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**HILGERS:** One minute.

**HUGHES:** --where if they agreed to provide wired line service, that was their territory. It would not be infringed upon. Along comes broadband and we have the ability to do it wireless with microwave towers; you can do it with copper; you can do it with fiber. That is a game changer. And all of this has happened just within the last decade or two. So the saying that we've spent \$6 billion over 25 years, there's a lot of work has gone into developing the backbone, but getting it to the single-home residence takes time. And we've got companies who have expertise. They're having trouble finding contractors who will bury fiber now because the whole country is building out.

**HILGERS:** That's time, Senator.

**HUGHES:** Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hughes and Senator Vargas. Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Perhaps I can provide some historical context on this discussion. In 2008, I ran for the Public Service Commission. I felt that was a good idea. I ran against a woman, very well known in Omaha, by the name of Anne Boyle. And this was the year that Obama ran for the first time. And given the territory I was running in, I got absolutely crushed in the election. But I did learn a lot about the Public Service Commission and the fee structure that we have in Nebraska. I did learn that Nebraska had the second-highest cell phone taxes in the entire country and we're generating about \$45 million a year in USF fee funds and not getting much for it. And the accountability was really lacking. When you would try to determine the extent of the broadband coverage in the state, it was like pulling teeth, impossible to find out. And so after spending all that money, we now learn that Nebraska, compared to all of our neighboring states, is way behind. And that's too bad, particularly after spending billions of dollars on-- federal and state money on trying to expand. But I am comforted by the fact that the Transportation Committee, under the able leadership of Senator Friesen, are-- is doing a better job of accountability. And I also appreciate Senator Bostelman's efforts on bill-- on his bill to provide better accountability to these broadband companies deploying broadband in the state. We need to do a better job. We need to do a better job of maintaining accountability in that. So with that, Mr. President, thank you very much.

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**HILGERS:** Thank you, Senator McCollister. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President. So last year with the CARES funding, there was a push to get, I think, almost \$40 million out into Nebraska communities. And because of this regulatory environment, you had to meet this standard and the mayor had to sign this thing that said, we certify that we have less than 25 up and 3 down service. And to me, it was just yet another example of the territorial workings of this industry that has for too long controlled where our money goes and how it goes and the questions they ask and the-- and the accountability they subject themselves to. And I was so excited that there was a chance that the city of Madison, Nebraska, was going to get fiber to the home, a community where out of 66 kindergartners, 63 of them are Latino. English as a second language is-- is very popular in the school. In the middle of COVID, the mayor didn't feel comfortable signing that declaration, a town that if any town needs it, Madison-- Madison, Nebraska, needs it, the-- a town where this money could go. And thank you, Senator Bostelman and Senator Friesen, for working on an amendment that says pretty much it has to be fiber if you're going to get this money next time and the standard is 100 meg down. I tell you what, in Latino families, a lot of them-- and I know this is in the media-- they consume their media on their cell phone, probably because they're working so much. But that's, you know, when you-- when you talk about how Telemundo and the networks like Univision, how they are consumed by consumers, it's on an iPhone or a cell phone or an iPad or a tablet. It's not on a traditional cable sys-- system or service. So what we're talking about here is real. And when you stand up on one minute-- on one second and you fight a company like ALLO who is trying to go into a town like Madison, and it's fought by either a telecom or a cable company or whatever it is, don't come back and tell me that the cities don't have a role-- a role here. We've got to do something. We've got to find partnerships. And as long as we have conversations like this and companies turn around at the same time and they fight the back door, they work for regulation or statutes that protect territories and they leave people in places like Madison, Nebraska, behind, Battle Creek? There's a company in my area, Stealth Broadband. I do trust them. I think they'd be great. I think if-- if this money is available to companies like that to go into towns like Battle Creek or Tilden or Meadow Grove or Madison or Plainview, Bloomfield, I would like the people of Bloomfield to have-- I would like to have the people of Bloomfield have fiber service. I'd like to see it in Ponca. I'd like to see towns like Niobrara, Verdigre. Maybe some of them already have it. I don't believe that I'm naming towns that do. I want to see towns like that be served like towns-- like

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Hartelco in Cedar County, where they have taken fiber and they've run it to every single farm. Three River has fiber to the home in Lynch and along the sunny bottoms right there on the Missouri River. It's amazing. It's game changing. But until I'm convinced that we have true partners-- because in 2007, those partners didn't have to answer any questions. Until 2016, they didn't even have to use it for broadband. It was to keep the voice system going. Windstream or-- I'm not for sure who has where Senator Bostelman live-- lives. Let-- let a company like Southeast Nebraska Communications come in and vote to take that on.

**HILGERS:** One minute.

**FLOOD:** I have to do a good job of praising the companies that, in my opinion, have gone over and above and they've mortgaged tomorrow to build out today. And then you have some companies that came along in 2016 and made an election, or 2018. I'm going to get ACAM money. They're going to get-- one company gets \$11 million a year just to keep what they've got going, to run their day-to-day business, and another \$11 million to build out. And guess what? That kind of election came at the cost to some Nebraska telcos that had mortgaged tomorrow to build out today. We've got some really good operators in this state. We do. We have some very good, bright leaders in telecom. Hamilton Communications is one of them. Let's put our money on them. Let's-- let's say to these big companies that don't-- aren't accountable to us, either surprise us with where you're going, like do more communities than you get money for hand-in-glove every day, impress us with your building out--

**HILGERS:** That's time, Senator.

**FLOOD:** Time?

**HILGERS:** Yeah, that's time.

**FLOOD:** Thank you.

**HILGERS:** Thank you, Senator Flood. Senator Wayne, you're recognized.

**WAYNE:** Thank you, Mr. President. And I do-- I want to get a vote on this and we'll have a chance to vote on something similar on Select File and-- and also on Final Reading, because this is that important of an issue. And, Senator Moser, you know, we talked a little bit, and a couple other senators have talked to me too and I just want to ask this question to everybody in here. We're giving them \$40 million. We are also-- over the last 25 years, gave them \$6 billion, with a "b."

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If cities have such a hard time doing this, Senator Moser, Senator Bostelman, if they're going to have to figure out and it's so complicated, then why are we afraid to pass this? If they can't do it, why are we afraid? We're giving them all this money, but yet we are afraid of allowing municipalities the option to try to do something for their own citizens, that this bill could be tanked with \$40 million price tag because we're going to allow that local municipality to try something if they want to after a feasibility study. So let-- let me just remind everybody what my bill does. It allows municipalities the ability to provide broadband service, the ability, doesn't have to. But if they choose to go down that route, they first have to do a feasibility plan, then they have to have a public hearing. And oh, by the way, this sunsets in ten years. You can't ask for a more restrictive option on the city. TIF is not sunset in ten years. Local taxes, the LB840 tax is not sunset in ten years. We are actually going to review this. And I just want us to go back. And-- and it's the part of being in this body and part of me walking around and looking at statutes and just going through this whole entire place because it just-- it's filled with so much history. This body had the same decision to make in 1933. This body had the same decision to make in the '70s with OPPD and NPPD. And on both those occasions, including the multiple little occasions in 1910, 1888, and I can go through the history, but it really came down to this: Is this such-- a public utility, is this such a critical infrastructure that corporate shareholders and executive compensation and vacation packages and benefits weigh more than the people we represent? Because if it wasn't about corporate profit, then how about I add an amendment to this to say if they receive grant funding, they can't qualify for the Imagine Act, they can't have both money and incentives? I bet you that would fail. We keep saying this is about a business case for small towns. What's the business case for a street or a highway? There isn't one, but we as a body have said there are just-- and-- and we provided options to the locals because we as a body have said there are some things that are just such critical infrastructure that we have to do it and we have to find a funding or a mechanism to give locals the ability-- the ability to do it. And if anything has taught us over the last year, if anything has taught us over the last year--

**PANSING BROOKS:** One minute.

**WAYNE:** --it's that broadband is critical to education. It's critical to the healthcare industry. It's critical to the farming industry. So much technology has changed over the last 15 years that you are using satellites and GPS and oftentimes you have to download and upload what you're doing via your house through Internet. That's all we're doing

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is giving an option, an option that this body has said over and over, when it comes to critical infrastructures, people over profits are necessary. And I believe that applies to broadband. Thank you, Madam President.

**PANSING BROOKS:** Thank you, Senator Wayne. Next in line, Senator Wishart.

**WISHART:** Thank you, Madam President. I yield my time to Senator Wayne.

**PANSING BROOKS:** Senator Wayne, 4:55.

**WAYNE:** Thank you, Madam President. Thank you, Senator Wishart. And again, I'm not trying to take up a lot of time. I want to get to a vote on Select and other fine-- we might take up a little bit more time. So I want to talk about what government entities we have because we've designated these as public critical infrastructures. We have a bill by Senator Hughes that says we have to make sure that they have enough voting members for an irrigation district because we believe water in that part of that area is so important to critical infrastructure that we have to make sure government maintains it and make sure it's-- all the community can benefit from it. Senator Hughes, Senator Erdman, Dorn, Brandt, Murman, I know all of you have irrigation water-- irrigated water in your area that is controlled either by the NRD or the-- the Nebraska Resource Commission or irrigation districts, because we deem that critical. We have the same thing for roads. We deem that critical, whether it's state highways, whether it's county highways, and even city maintaining, there is a structure to keep that done. We know public power because my first two years, I introduced a bill to privatize the whole thing. That was the longest hearing ever. I think everybody in Nebraska, except for my parents, wrote letters of opposition and they just called me and told me it was a bad idea, because I was trying to figure out this whole thing. I don't necessarily agree with generation, but there's reasons behind that that I think are tax reasons and I think we should have that conversation. But I'm just 1 out of 49 and this body said no. This body said public power is the way to go because the small town, the small farmer, and the farmer down the line cannot get reliable-- that's what they kept using in the hearing and on the floor-- reliable electricity, reliable electricity. And what I hear from Senator Bostelman on this floor, at least three times this year, is reliable, high-speed Internet. So it's really simple to me on this amendment and I hope we vote green on it because it's really that simple. Do we believe this is a critical infrastructure? And if we do, then why not give the local municipality the option. To Senator Hughes's concern about the person outside the city limit, Senator Hughes, bring a bill

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to allow the counties that option and maybe they can enter into an interlocal agreement, which they could underneath my bill, to provide that. The point is we have to give options and level the playing field when we're dealing with private industry. That is why it is critical that we pass this amendment. We can no longer-- I mean, what's interesting is many of the people who voted for the caps-- I'm just laugh-- it's-- I'm laughing as I say this-- voted for the caps because we give so much money to local governments, particularly K-12. We're giving \$40 million and there's no cap on this. There is nothing in this \$40 million that says-- there's no clawback provision in this grant that if they don't build, that we get to take the grant back. There is no accountability. Now there's-- there's a-- we can give it back over a certain time, but we're still giving them Universal Funds. We're still giving them other dollars, lots of dollars. So I guess my point to this is we've spent \$6 billion and that's, again, with a "b," over the last 25 years. What has changed? The only thing that's changed is we haven't allowed municipalities the option to negotiate at-- at a table evenly, or at least equitably. And I think some towns may take this up, some may never, but we'll know in ten years if it's working or not. And that's why I put an ending clause, to make sure that this ends within ten years. With that, I will ask for--

**PANSING BROOKS:** One minute.

**WAYNE:** --a green vote and I'll yield the rest of my time back to the Chair.

**PANSING BROOKS:** Thank you, Sen-- thank you, Senator Friesen-- or thank you, Senator Wayne. Senator Friesen, you're next up.

**FRIESEN:** Thank you, Madam President. So, Senator Wayne, I mean, you make it sound all rosy that we can do-- have cities do this and-- and just-- let's walk through a little bit of this process of why we are at-- we're at today. And you can talk about the billions spent, but we really, truly have only focused on broadband, and as far as Nebraska accountability for broadband, since 2016, and it's only like \$106 million. And I think if you want to dig into the facts, we-- we do have a lot of areas served with fiber today, and we have a long ways to go when we're talking about billions of dollars. So what we have done in the past, when we talk about companies that have not done a good job, this is why a few years ago we passed a bill that allowed the PSC to draw up rules and regulations for doing what we call a reverse auction. And I am not familiar with their process of how this happens, but when you have an exchange that's not providing a service that they need to provide, that they're-- they're lacking on, they-- they can't keep their system running, there is a process where you can

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petition the PSC. And the PSC can take that whole exchange and if another provider wants it, the process is there to put in place that another provider who wants to overbuild that area can do that. That process is already there. And-- and the large companies, some of them, those that have not done a good job or they have too much territory, they can't get it all done in time, they did not fight us on that. They didn't-- they didn't say that it was something terrible. They said, please, you know, if-- if we can't handle that area, we will let you have the exchange, we won't fight you on it, we will work with you, we will turn that exchange over to someone else to provide that service, we're willing to do that. So they did not fight us on that. They just-- there are some companies that are real large and their areas are very sparse so that they can't-- they can't get it all done, but they've been working at it. One thing I want to talk, too, about, is-- is occupation taxes came up. And so when you talk now about communities and the high cost, you got to remember that cities have imposed these high occupation taxes on cell phones and broadband services in their areas. So I think the city of Omaha, the city of Lincoln, they collect hundreds of millions of dollars in occupation fees that if they built their own system, they wouldn't get. So they're taxing these companies into the prices that they're charging. We do talk about the price and what they're providing in the rural areas has to be comparable speedwise and price-wise to what's available in competitive markets like the cities. So there are cost controls built into this. There are numerous ways in which public-private partnership can work today and communities have just not stepped up to do that. There are opportunities out there. They can use CARES Act money; they can use the recovery money that's there. They have money that they have available for broadband. They can enter into a public-private partnership and get that done. And I know Senator Wayne has really bragged up public power, but let me touch on that just a little bit. So in the rural areas, we've had public power and they've-- they've had-- they've been working on this for 100 years or more. And I still have areas in-- where I farm that I can't get power to. If I want to get power to that section of land, I have to pay for it myself. And so don't tell me that public power has worked perfectly. It still isn't done. And how many years have we spent doing that? And the price of power in Nebraska is not that much far off from a lot of states whose power costs are comparable to ours and they do it with private industry. I'm not saying our private-- or public power is a bad thing, but I can't say that they've stepped up and built power lines--

**PANSING BROOKS:** One minute.

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**FRIESEN:** --and provided electricity to me across my whole area. So again, things work sometimes; they don't work to what you think they work to. Yes, I have it to my home, but do I have it to every field where I need it? No, I don't. And if I want it there, I pay for it. So again, it goes back to how do we make this efficient, as cost effective as possible? And I think the rules and the guidelines they have to operate under today, we do have accountability. They are going to have to provide it. If they fail the speed test, they-- we reclaim all of the funds. They have to meet the speed test. There's no argument there. We're going to track where they say they're going to do it and we're going to test those areas. So I do believe we've built accountability into it and it does cost a lot of money. This will be a drop in the bucket compared to the long-term costs of what we have to get done. I'm looking forward to the Recovery Act money to hope we can get this-- build this further.

**PANSING BROOKS:** Time.

**FRIESEN:** Thank you, Madam President.

**PANSING BROOKS:** Thank you, Senator Friesen. Senator Groene, you are recognized.

**GROENE:** Thank you. I support broadband and LB388. I see where Senator Wayne's coming from. It's confusing to me why I got broadband running by my isolated place that I have out into the Sandhills, but the little town-- little towns around it don't have it yet. So I always thought free market was where the customer is. So I don't understand how the decisions are made-- I don't think anybody does-- where the lines are run. If it's government money, if-- if we dictate to which areas shall be serviced or the private company decides to do that, I don't understand why a city couldn't get ahold of level three, if there's a dark fiber running by, and say, we want a substation tie into it and we're going to run infrastructure and offers to the customer without-- but I don't know about them-- government then selling the service itself. So I don't know where the argument all is here. But I could-- you know, I've-- my-- some towns have their own power plants. Fremont, I believe, does, some other ones on public power, so it's a mess. And I understand there's-- another one, 20 years ago, I could use my cell phone anywhere in western Nebraska, in western Kansas. Now I have so many holes in my cell service, we are going backwards technology-wise. So I don't understand the relationship. I keep hearing, well, you've got to have dark fiber to-- in order for a cell tower to go up and I hear that cell tower coverage shrinks the more we go with 4G to 5G, 3G. All I know is we're going backwards in access in rural Nebraska with technology. I can name a

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few towns. if you get on one side of the town, you don't have cell service; on the other side, you do. And I understand that's all tied to fiber now, where they put the towers, and the Universal Service Fund. So I'm not a very trustful person, as Senator Flood isn't, but sometimes I have no other choice because it's too complicated an issue. And you hope the people running-- Great Plains is big in our area, ALLO at-- ALLO started out western Nebraska, I believe Imperial, Ogallala, and now has moved east. They're a good company. I guess I'm throwing my hands in the air and said, well, let's throw money at it, trust Senator Friesen and whoever else and the Governor, and the money is going to be used efficiently, effectively, and because it's used that way, it grows. And I hope that in the future we have more, more choices because I don't tie into them. My fiber runs right by my place on the remote area. They want 150 more bucks a month. So I get DishTV and I use my hotspot with the phone company and I save about \$40 a month than the package deal from that dark fiber running right by my place. That's America. We need competition; we need choices. I think some of the frustration is here there is no choices. That company runs that by you, you've got no choice. Remember back in the day with AT&T, "Ma Bell," the phone prices you paid until we deregulated it? Everybody said, oh, my gosh, our phone service will go to heck. It is--

**PANSING BROOKS:** One minute.

**GROENE:** --unbelievably-- technology, the profit mo-- motive has taken phone service from a rotary phone under the control of a one big, huge company, had no-- didn't have to improve, they had us-- to cell phones, to black fiber, to dark fiber, because it was opened up. And I see here where we're starting, where we're giving companies control without the com-- competitive motive to keep improving and to lower your prices. So I see both sides of this, but right now there's a lot of places there's no fiber. Thank you.

**PANSING BROOKS:** Thank you, Mr.-- Senator Groene. Senator Moser, you are recognized.

**MOSER:** Thank you, Madam President. Well, I think I can-- well, I was going to say add some clarity to this argument, but I'm not sure that's the right way to say it. So the-- the problem with Internet is everybody wants it. You can't be against faster Internet. I mean, that's just like, you know, being against nutritious food or-- I mean, there's just-- there's no mileage in saying that Internet should be slow. But the problem with fast Internet is paying for it. And the reason that a lot of places don't have fast Internet is there's no business case for a company to come and put that line in and be able

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to pay back their investment and-- and a profit over time. So government has subsidized various companies to provide Internet to certain places and it's been a bit of a patchwork. It hasn't been coordinated as well as possibly it could have. But cities don't have the expertise to run an Internet network. They're going to have to contract with somebody to do it. And the difference between what Senator Wayne is suggesting here and what currently exists is cities can contract now with a provider to provide Internet within their city. The city can even subsidize it if they want to. They could-- they could have a request for proposals and have several companies come in and the city could put-- you know, take the best deal they can get or they could start out saying, well, we'll offer \$500,000 to a company who will come in and bring fiber to every home in our city. But what Wayne-- Senator Wayne is recommending is that the city actually would own it and collect the money without regard for whether it makes a profit or not. And it's-- if they provide Internet to everybody in the town, even the hard-to-service areas, they're going to lose money at it. And how are you going to control that? If you have a contract with a provider in the current situation, you-- you could say, well, it's \$500,000 for the next five years or, you know, that would all be pretty much out front. But if the city is going to get into the business of providing Internet, they can charge little or nothing and pay all the expenses and-- and provide low-cost Internet. But then they're going to have to raise money to support that somehow with sales tax or property tax or-- you know, I think it opens a can of worms. Once the cities get into it, they-- they don't have to make a profit at it. They-- they can subsidize it incrementally however they want. And if we're going to do that, I think we need a lot more in the way of control than what this bill offers. So those are just my comments. That's why I voted to IPP this because I just didn't think it was a good solution. There's no guarantee that the cities would subsidize it. Maybe they'll charge \$50 a month like all the current providers and then nothing is better than what we have now. It's just you have more cities involved in providing Internet. I-- I don't see how it's the panacea for the problem. Thank you.

**PANSING BROOKS:** Thank you, Senator Moser. Next up, recognize Senator Flood, and this is your third and final time, Senator Flood.

**FLOOD:** The amend-- on the amendment but not on the bill.

**PANSING BROOKS:** Yes.

**FLOOD:** Thank you. Thank you, Madam President and members. You know, on the bill, I want to talk about these challenges. I want to talk about how these-- the 25/3 standard will be applied. Like I said, it was--

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it was a difficult experience with the CARES Act money. And I-- I want to say that I think our Nebraska Department of Economic Development got into this for all the right reasons and did the best job they could in a tough environment with tough providers. And-- and quite frankly, if it were up to me, I would let Tony Goins and the people at Nebraska Department of Economic Development handle this next round instead of sending it to the Public Service Commission because I know he knows and I know that that agency knows the need and they're out in the cities talking to these different cities about what the need is. And so I want to start by saying I appreciate the Governor's leadership here putting this in his budget. I appreciate Senator Friesen, the Transportation and Telecommunications Committee, for doing something that's not nominal. We're talking about \$20 million a year. And I don't know if we can even appreciate how happy you're going to make some people that are on the wrong end of the broadband divide right now. And this is going to make a huge difference. And so I am voting for the bill. I'm voting for the Transportation Committee amendments. I am in favor of what Senator Wayne's doing because I think the more that we add in this accountability, the better we are. And here are some other ideas, and I'd be interested in, when Senator Wayne has time, what he thinks. I would give a municipal corporation the right to use subpoenas, which they already have, and call in these executives and have them sit in front of the city council and exchange and go through why there was a 7- or 10- or 30-hour outage, talk to them why they have these 25/3 speeds or where their access to high-speed Internet is. And then if the municipal corporation that was large enough, you know, to be the majority of the exchange then voted to have a vote of no confidence, then the Public Service Commission would be required to hold hearings under oath with documents. And, you know, the city could pay for the first round. Maybe it would pay \$200,000 or \$300,000 to conduct the investigation where people would be put under oath and then these providers would have to come in and answer questions. And if the Public Service Commission found that they violated the public's trust, failed to meet the needs of the community, that they would have that exchange taken from them and given to the next bidder. Like, I think that's where Senator Friesen's trying to go here. But I think what Senator Wayne is saying is right now, the-- the municipal corporation doesn't really have a say in this process. And the Public Service Commission may be moving somewhere, but they're not going at the speed that it takes to solve people's problems in Bloomfield. How can you expect someone to move to a town when they can't get on and watch Netflix? Can you imagine bringing your spouse to your hometown area and saying, oh, I know you grew up-- you grew up in the big city of Des Moines and now welcome to Pierce County, where we have to go stand on top of the roof to-- to make a

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video call on Facebook, like it's-- it's disgustingly bad in a lot of areas. And there are providers that we can lay a lot of this at their feet. And then there are some providers that I want to take over these exchanges. The in-- they're not all bad. There are some very, very, very, very good, committed folks in the telecommunications industry in Nebraska. And then there are some that we've been shipping our money to-- to them and we haven't seen the return. And so what I would say is, Senator Friesen, will you yield to a question?

**FRIESEN:** Yes, I would.

**PANSING BROOKS:** Senator Friesen, would you yield, please?

**FRIESEN:** Yes, I would.

**FLOOD:** What would-- what would you think if we said to a municipal corporation, a city--

**PANSING BROOKS:** One minute.

**FLOOD:** --hey, if you want to change this, you could hold hearings, use subpoenas, call people in, put them under oath, get to the bottom of the problem, and then you could even-- you could front-load an in-- the cost of an investigation the-- through the Public Service Commission, call the provider in, and then there could be like a fast-tracked hearing on whether or not that provider should have their exchange taken from them?

**FRIESEN:** I don't know the process that's out there, but that's kind of what the idea of the reverse auction was. If-- if somebody is not providing a service out there, the process is there to do that. Again, I can check in to see once how the rules and regs have been written now and that that process was ready, but I don't have a problem with that. That's accountability.

**FLOOD:** I appreciate that. The other thing I'd say is I want the Public Service Commission to keep a log of every communication they have with any provider for any dollar that's given out under this and I want to know exactly who objects and on-- when this amendment, after it's adopted, I want to talk about what we can do to better understand this challenge process. Thank you.

**PANSING BROOKS:** Time. Thank you. Thank you, Senator Friesen and Senator Flood. Speaker Hilgers, you're recognized.

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**HILGERS:** Thank you, Madam President. Good evening, colleagues. I haven't spoken on very many bills this year. I will speak on this one. It is my personal priority bill, so I do want to rise and make sure I am on record supporting LB388, AM530, and I'll speak briefly as to my opposition as to AM1118. First, let me say, I think everyone has-- there has been a lot of credit bestowed to the Transportation Committee, Telecommunications Committee, Senator Friesen and to all the members of that committee. That-- that should be underlined, underscored, bolded, circled. Everyone should know the outstanding job that that committee has done. I think I heard on the mike earlier the tremendous progress we've had over the last several years and that is-- that is in no-- no way is that not connected to the work that Senator Friesen and the other members, a committee on which I sat for four years. Senator Geist and Senator Bostelman, Senator Albrecht, Senator DeBoer, Senator Machaela Cavanaugh, Senator Hughes have worked to try to expand broadband. That committee gets the urgency of this. They understand the issues and the-- and the bottlenecks and the-- and the obstacles to be-- to getting broadband deployed, and they've done a number of different things to be able to help speed that process along. It's a difficult issue. It's one that-- where there are a whole number of different obstacles to get in front of, a lot of money is required, and we're-- we're dealing with a regulatory infrastructure that was built for a whole different set of problems and a whole different era. And that committee has done an outstanding job and I think this is an extension of that great work. And the reason I made it my personal priority is because \$40 million over two years is going to have a real significant impact for Nebraskans and Nebraska communities and Nebraska businesses at a time when it's most needed. Because not only have we lived over the last year in a COVID environment where people are trying to work from home, people are trying to have school from home, we know that those communities that don't have broadband are going to get left behind. But conversely, the com-- the communities that do have broadband and do have high-speed Internet are going to be able to compete in what now is a worldwide marketplace in a way that it wasn't a year or two before. So we have the opportunity to not just-- not just help compete with other states and help provide those services to our citizens here in Nebraska and for our businesses, but help to actually to be able to transform, increase industry, businesses, and grow in our state. LB388 will have a significant impact. It's-- it's based on and built on a framework that's had success already with the CARES Act framework and I think it will have a very significant impact here in Nebraska and I encourage your green vote. I will say just briefly on AM1118, on the-- I do oppose that. Now, if you were to ask me do I oppose the concept of-- of having more accountability with the deployment of our dollars, I

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would say no. If-- if you would ask me do I oppose or would I-- would I contradict or argue with the statement that it hasn't gone fast enough, I would not agree with that. If you were to ask me do the cities have some role in potentially having and enforcing or applying some accountability to this process, I wouldn't say no to that either. But I want to be clear, colleagues, AM1118 is a very short amendment that is being described at a high level of generality that has really no level of detail as to how this would work. So basically, all it says is, lines 2 through 5, is a city or municipality can sell at a retail and wholesale level Internet services. That's all. Now if you contrast that with what Senator Wayne has said on the mike about our public power infrastructure, which has built up over decades and has reams of our statute books about the regulations, the statutory requirements, the guardrails, how this should be implemented, how consumers and taxpayers and competitors in the wholesale marketplace are protected, that is not-- that is not in the amendment. And I just want to-- I just want to be clear about that. Now Senator Wayne is one of the most innovative thinkers in this body. Senator Wayne has-- has-- has tackled big issues before. And I would say to Senator Wayne that if he needs a dance partner over the summer and fall to find ways to help utilize and leverage our organized municipalities and those that want to lead and help--

**PANSING BROOKS:** One minute.

**HILGERS:** Thank you, Madam President-- and help want to lead on this and help get this done faster, I will work with him. I would enjoy that as a challenge, to work with Senator Wayne. In fact, in the summer before this year, that's a topic that I had dug into. And there are a whole host of questions if you want to have a municipality get involved in this at all, let alone if you actually want to open up the door and just say, hey, you know what, you can go sell with no restrictions, no guidance, no regulations, no guardrails. So I think what Senator Wayne and Senator Flood are getting at are key questions as policymakers we ought to be thinking about. I don't think ultimately AM1118 is the vehicle that will actually allow the-- or will overcome those problems. And ultimately, I am going to vote red and I would encourage you to vote red on AM1118, but then green on-- on the underlying bill and AM530. Thank you, Madam President.

**PANSING BROOKS:** Thank you, Speaker Hilgers. Seeing no one next in the queue, Senator Wayne, you are recognized to close on your amendment to the committee amendments.

**WAYNE:** Thank you, Madam President and colleagues. It's just kind of funny. And-- and-- and it-- we do it a lot on this floor. We-- we talk

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to the mike and talk to the public while actually thinking the people who are on the floor aren't listening. But you know how we actually banned cities from doing this? Speaker Hilgers, there were no guidelines. There were no saying if-- if the private industry doesn't get to your area, the city can do it. There was no guidelines. There was no regulation. We just deleted them with a scratch-out, one line. The regulations you speak of-- of-- of-- of electricity developed over time and it started with just a simple authorization bill allowing municipalities to authorize hydro dams. That's how it started, that simple. And think about how complicated a hydro dam is. In 1933, Senator Moser, they were saying there's no way a city-- they don't have expertise in hydro dams. They don't have expertise in being-- in having a sewer. They don't know how to-- they-- we just incorporated. We don't know anything about plumbing. But somehow over the years, everybody has running water that goes through a sewer system. Somehow hydro dams were built and cities were able to use that to build-- to maintain their reliable energy. What I heard today was the limiting ability of our locals to do anything, that they're not smart enough, they don't have the expertise, they may have to raise taxes, which nobody brought up tax. I don't know even where that came from. There's always a reason of why we can't and why we should dance over the summer or the next year and the next year and then ten years from now, we spend another billion dollars in the industry that still hasn't gave Senator Bostelman Internet at a high speed. So we can dance all we want, but at the end of the day, if we're not going to get serious about providing structural solutions to problems, then we're just going to keep wasting money. Here's the fact of the matter is we're spending \$40 billion-- \$40 million over two years to rural. We have another bill we're going to debate, LB554, that's \$30-- roughly \$30 million to rural; property tax credit of LB200-- LB313 that favors rural. This bill does nothing for my community. Omaha will not build out a Internet. This is what I keep hearing in Urban Affairs-- and the reason it was drafted this way was to go to Urban Affairs-- from my small municipalities saying we can't get broadband, we have-- we're losing provide-- we're losing jobs. How are you going to have a "tele" job when you have to sit on top of your house to have a video conference? That doesn't work, but we're going to keep throwing money at the solution. That's our solution, throw money at it, and then you guys want to call yourself conservatives. I don't know when I became the conservative in the body on this issue. Senator Brandt had a bill that did a lot more than my bill. It allowed for munic-- public power to use their dark fiber already laid. That was not IPPed. The reason this bill was IPPed the first time they got around is because cities want to have the ability to negotiate in a fair way at the table. And

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if they don't want to do it, there are cities out there who are going to say we'll do it ourselves. If you can run fiber--

**PANSING BROOKS:** One minute.

**WAYNE:** --to our library, then we can build from that same fiber line to the rest of our city and we can do it ourselves. We talk about the free market? No more. Next person talks about the free market on the-- on this floor, I'm IPPing all their bills and we'll spend hours because it's not-- it's not real. We don't want competition. We only want competition when we say it's good. Choice? We don't want choice, only when we say it's good. And the people who are denying people choice are the people who have choice and that's whether it's in education or in telecom. You have fiber so it's good. The rest of the cities, let's just figure it out. We'll wait. We'll dance a couple more years, put some parameters around it so it's inability to negotiate right now. When there's CARES dollars coming down from federal government that can be used to build out infrastructures, our cities should be able to tap into that and we won't have that bill because it'll take a whole year before it comes back.

**PANSING BROOKS:** That's-- that's time, Senator Wayne.

**WAYNE:** Thank you, Ms.-- Madam President.

**PANSING BROOKS:** Thank you, Senator Wayne. There's been a request for a call of the house. Sorry. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 32 ayes, 4 nays to place the house under call.

**PANSING BROOKS:** The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Hansen, will you check in, please? All members are present. The question is, shall the amendment to the committee amendment to LB388 be adopted? All those in favor vote aye and those opposed vote nay. We were having a call-- a roll call vote in reverse order. Thank you. Thirty votes are required.

**ASSISTANT CLERK:** Senator Wishart voting yes, Senator Williams voting no. Senator Wayne voting yes. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner not voting. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks not voting. Senator

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Pahls. Senator Murman voting no. Senator Moser voting no. Senator Morfeld voting yes. Senator McKinney. Senator McDonnell voting yes. Senator McCollister voting no. Senator Lowe voting no. Senator Linehan voting yes. Senator Lindstrom voting no. Senator Lathrop voting yes. Senator Kolterman voting no. Senator Hunt voting yes. Senator Hughes voting no. Senator Hilkemann voting no. Senator Hilgers voting no. Senator Matt Hansen voting yes. Senator Ben Hansen voting no. Senator Halloran voting no. Senator Groene voting yes. Senator Gragert voting no. Senator Geist voting no. Senator Friesen voting no. Senator Flood voting yes. Senator Erdman not voting. Senator Dorn voting no. Senator DeBoer voting no. Senator Day voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese voting yes. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting no. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 20 ayes, 24 nays on the amendment.

**PANSING BROOKS:** The amendment is not adopted. Call of the house is raised. Next amendment, Mr. Clerk.

**ASSISTANT CLERK:** Madam President, next amendment. Senator Flood would move to amend with AM1117.

**PANSING BROOKS:** Senator Flood, you are recognized to open on your AM1117.

**FLOOD:** Thank you, Mr. President. Good evening, members. Thank you, Senator Wayne, for that. And if you are watching, the Public Service Commission needs to know that this Legislature wants change. We want accountability and we want broadband in rural Nebraska and we want it done as quickly and as reasonably as possible. This amendment, AM1117, basically addresses the issue of outages. The last time I spoke to you on this, we were-- a couple of weeks ago, we were having an extended debate on LB338, which is confusing. That would be Senator Bostelman's bill. And I was telling you about the 31-hour outage we had in much of northeast Nebraska affecting thousands. Banks were closed and-- and it was a CenturyLink problem, to be honest with you. And schools were dismissing and we had-- I don't know, I was off the air. We were all working on it. What's interesting about that is the last time I was talking to you, we were in the middle of another seven-hour outage, as luck would have it. When we have an outage, it's not like it's 10 minutes or 15 minutes. And somebody will always say, well, it's not our fault, somebody else cut the line. Where do we expect redundancy? And let me tell you a little story. The first time this happened, it was the state track meet of 2018 and we started what would be a

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31-hour outage. And I happened to be in Omaha. Well, my hometown was pretty much out of Internet in a lot of places and we were leaving for a family vacation. We were staying in a hotel. And so I-- I actually was with the family. We-- we drove to 16th and Harney, where I was told the connection was at. It was about 9:00 on a Friday night and there was-- there was a CenturyLink truck there with its lights flashing and there was a tent. And I went inside the tent and there were two guys working. And there had been a-- there had been a fiber line split that had been caused by construction at that intersection. And I-- I got pictures of the construction company that was there and I asked the guy on duty that was working, I said, hey, we got a lot of people, you know, 115 miles northwest of here that are without Internet. We've-- it's been out since 9:00 this morning and it's 9:00 at night. And he said, gosh, we've been working all day, we're going to have to-- there's just two of us. We're going to have to come at it-- we're going to get some sleep and come at it tomorrow. That's not service. Like when you have a fiber line that's cutting out thousands of customers and you've got hundreds of employees in a city the size of Omaha and there's one line cut at 16th and Harney and it affects thousands of people upstream, that's not fair, that's not right. What this amendment says is that if you have more than 10,000 customers and they are in an outage, that you pay \$1,000 a minute in lost funds from the Nebraska Universal Service Funds. And if you are causing an outage at a 911 center, it's \$5,000 a minute. Why am I doing this? Because the Public Service Commission isn't dealing with the issue. They're not acting. I know because I filed complaints. Businesses in Norfolk filed complaints. We'll get right on it, they said. They didn't do a dang thing. They still haven't held one hearing. They haven't lifted a finger. They're not paying attention enough. And I'll tell you what, Crystal Rhoades on the Public Service Commission, she knows it. 911 outages affecting-- or outages affecting 911 centers. Ridiculous. Now, if you're a 911 center, you can probably-- you should be able to afford having services coming in from different providers. And trust me, we do have different providers. But there are some companies that have a duty, in my opinion, to have redundant, redundant, redundant, redundant systems because businesses rely on it. Thirty-one hours is ridiculous. Seven hours is ridiculous. I'm going to turn my attention to the underlying bill. I recognize that this amendment (A) it hasn't had a hearing and (B) it's got a germaneness issue as it relates to the section that it is amending. And so for that reason, I'd ask the Chair's-- or the President's permission to withdraw it.

**HILGERS:** Just a withdrawal. That's not something that-- the-- the-- the amendment is withdrawn, no unanimous consent required. Next amendment, Mr. Clerk.

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**ASSISTANT CLERK:** Mr. President, next amendment. Senator Friesen would offer AM1168.

**HILGERS:** Senator Friesen, you are recognized to open on AM1168.

**FRIESEN:** Thank you, Mr. President. One thing that when we-- the Fiscal Office was looking this-- at this bill, AM1168, it was suggested by the Fiscal Office that it clarify that the PSC can use the \$20 million appropriation in LB388 for administrative costs associated with the Broadband Bridge Program and do not need a separate appropriation to pay for those costs. The anticipated administrative costs will be about \$200,000 annually, which will be reflected in the forthcoming A bill. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen. Debate is now open on AM1168. Senator Wayne, you're recognized.

**WAYNE:** Thank you, Mr. President. I'm not going to take a whole lot of time. Senator Friesen, that was on your home court. Next round, on Select, will be on mine and we'll-- we'll bring a better bill back that will not be substantially similar with all the guide rails that the Speaker had mentioned and we'll get that passed. I do think, colleagues, there's two things I'm going to point out and I'm going to tell you that ahead of time so nobody's caught off-guard. On Select File, I'm also going to bring an amendment to move this to DED. I think if we're going to focus on broadband being a part of economic development and we-- if grants come in and there are a lot of grants come in, I want to give leeway to make sure where we are talking about business growth in these communities, private industries are matching that business growth on where it should go. So I'm-- I'm just telling you on the mike what I'm doing ahead of time to make sure people know on Select File where I'm kind of thinking. But if we're going to say broadband and development of rural broadband is part of economic development, then who controls our economic development or at least oversees it in this state is DED. And I think that is where it should go because if there is a priority in grants, we should be able to match that with businesses who are developing in that area, especially in rural Nebraska. So that's what I will be doing. And with that, I'll yield the rest of my time to Senator Friesen.

**HILGERS:** Senator Friesen, 3:40.

**FRIESEN:** Thank you, Mr. President. Well, if everyone would recall, I mean, the CARES Act money that we did spend, \$29 million, I believe, was administered through the DED. But in looking at that in-- in our committee and I was-- what we have in front of us is-- LB388 is a

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version of the Governor's bill and a Gov-- and a version of my bill. And some of the problems we ran into when the DED administered the program, they recognized that they didn't have quite the-- the ability to manage the-- the program like the Public Service Commission would. So that was one of the reasons what we switched it to the PSC. They have the talent and the ability to do it and I-- I trust that they can handle this because they handle a lot of the other funds and they do, what I say, is-- is provide accountability. Now, if we want to talk about redundancy, I know the next-generation 911 system will be a redundant system when we get that completed, so that portion has been taken care of. And, yes, there have been outages, but when you have companies like CenturyLink who've had a line cut by NPPD, who drilled a hole directly on top of a marked line, it's kind of hard to say that it's CenturyLink's fault that we have a problem. But again, we have to-- we have worked numerous bills on All also and to provide accountability there. We are working on that process, trying to make that better so that that doesn't happen. The redundancy issue, I-- I know there's areas that down the road we may find out that they don't have redundancy. I'm not sure. But the-- the next-generation system is designed to be redundant. Any-- any PSAP center will have two separate lines running into it. And if a line is cut anywhere, that system should be able to immediately just switch to another PSC-- or a PSAP center and it should be seamless switch, so we should never see a 911 system go down again. So I think we're working on some of those issues. Do we have some more to go? Sure, we do. And I-- I think part of our-- our All system, too, also needs some work because we do have problems with companies that mark lines. They mismark lines and those cuts occur and there's just some things we can't fix in a-- in a speedy time.

**HILGERS:** One minute.

**FRIESEN:** But again, businesses do count on this. They do expect service quicker. And I think that is something the PSC should address. I-- I'm not disagreeing with Senator Flood. The PSC should be working on that and making sure those companies have the ability to fix those lines because a company or a bank and some of those things, they cannot be down for seven, eight hours, not even three hours. They can't do business when they're offline. Thank you, Senator-- Mr. President.

**HILGERS:** Thank you, Senator Friesen and Senator Wayne. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President. I think \$200,000 sounds reasonable, but we've got to remember that we're talking about a fund that has \$40

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million of General Funds over the biennium. But we've got this money coming from Washington and the stimulus money and this bill, as you see in the committee amendment, it basically says that the federal money that we put into broadband deployment is going to go through here. This could be \$300 or \$400 million administered here. We're talking about a-- a system that is going to spend or-- or potentially administer \$300 or \$400 million into broadband in Nebraska. So this language is very important and I do have some concerns when I look at-- (A) I would-- I would keep this with the Department of Economic Development if I could because I saw the commitment in the eyes of the DED folks when they were doing this and I felt like they were very connected to the rural communities they were trying to serve. When I-- and then, of course, when I see this from the Public Service Commission, where they failed to in-- investigate 911 outages and they didn't want to get into it, what does that say about the accountability that's available at the Public Service Commission if they're not even going to weigh in and look at 911 call centers that are off? Like that's not a vote of confidence for me. The other thing you need to know in this here, there's two different standards. There's underserved, which is Internet at speeds of at least 100 megabits per second for downloading and 20 megabits per second and then unserved is basically 25/3. Some of the questions that I have about the program that's the Broadband-- Broadband Bid-- Bridge Program is that if an applicant comes in, they have to certify by using some-- they have to go around and test Internet from the-- the provider in the community. Senator Friesen, will you yield to a question?

**HILGERS:** Senator Friesen, will you yield?

**FRIESEN:** Yes, I would.

**FLOOD:** So, Senator Friesen, here it says that they have to-- they have to do these speed tests using a random sample of locations of consumers who subscribe to the network completed as a result of the grant. What about when they make the application? Do they have to do any speed tests?

**FRIESEN:** The only process there, I think, is the challenge process where if-- if the current provider there says that they're providing this certain speed, they can challenge this process and say, hey, we're already meeting these requirements, you can't overbuild us. So other than that, I don't think that there's any other speed-test requirement until they get that project completed. And then in order to get paid, they have to meet that 100 by 100 speed test or they-- we can reclaim all of the money.

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**FLOOD:** So let's say we're talking about Bloomfield, Nebraska, and they have 25/3 or they have 30. Is-- is this the basic service they offer? Because the-- the company can always run a couple of lines in and say, well, we've got 100/50, you know, at this location. How-- how is this determined, this whole speed in the community?

**FRIESEN:** So if-- if-- and it depends on if you have a different provider like ALLO or somebody that the community is working with want to come in there and overbuild that community. I think then the current incumbent carrier would have to basically contest that and say, no, we are providing it everywhere. Then the Public Service Commission would probably have to go in and make some measurements and make sure that they were truly serving that. But that would be the contested portion of it. They could say I am serving that and they'd have to prove that.

**FLOOD:** So we're essentially, ladies and gentlemen, we're building in this due process for these existing incumbent providers and I think we need to look at the language on the amendment, page 5, line 14. Within 30 days after publication of basically--

**HILGERS:** One minute.

**FLOOD:** --the application, the provider can file a challenge against the applicant for coming into the community. And this is where we're going to get calls from our constituents in our rural communities. Some rural community in Senator Brewer's district's going to call him and say, hey, wait a second, now we're getting challenged on our deal here. What's the standard? What's the standard of the challenge? Is this like just a one-page application? Is it a 50-page application? Is it under oath? What is it? And then what's the standard of review? And in here it says it has to be credible. Well, "credible" is not a legal standard under any terms. Is it clear and convincing evidence? Is it-- is it proof beyond a reasonable doubt? Like what is a challenge and how does it work? It says here on page 6, line 6, "if the information submitted under subsection (2) of this section is credible and if the provider submitting the challenge agrees to submit documentation--

**HILGERS:** That's--

**FLOOD:** --no later than 18 months--

**HILGERS:** That's time, Senator, but you're next in the queue, so you may continue.

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**FLOOD:** OK, so-- thank you, Mr. President. I-- I-- I wonder about this because here we're setting up a system where an incumbent provider can say, wait a second, I'm challenging this, and then they have the right to build it out after 18 months? I want to-- we should all be looking at this committee amendment, AM530, page 6. Again, it says here, let's say-- let's say you're a-- you're a community like O'Neill. And O'Neill has an applicant that comes in and says, we're going to build O'Neill's broadband out. And there's a provider in O'Neill that says, well, we're going to challenge that. And then the Public Service Commission gets this challenge on some form that they provide and I guess, de novo, they look at this piece of paper without holding a hearing? And then they can decide whether or not it's credible, which, by the way, is not a legal standard. Senator Friesen, like what's your thought here on this challenge process?

**FRIESEN:** Oh, the process will be that the Public Service Commission will write some rules and regulations that will define that process. And so then you'll have to meet those standards. And then if you challenge a-- a carrier from coming in and you fail that challenge, you're not providing that service, you're prevented from ever filing another challenge in the next two fiscal years.

**FLOOD:** And what does "credible" mean? What's the legal definition of "credible" for purposes--

**FRIESEN:** That would be something I think that the PSC would define in their rules and regs, rather than we define in statute.

**FLOOD:** I think-- I think that's our job to tell the PSC what the-- what the standard of proof is. I think I would say clear and convincing evidence, some kind of legal standard that actually a court or an attorney or, you know, a-- a regulator would understand. And these challenges, so let's say you do challenge and you stop somebody from getting a grant to build out the community, then you have an obligation to build it out, with some exceptions, right?

**FRIESEN:** Yes.

**FLOOD:** And what are the exceptions?

**FRIESEN:** I think if you-- if you can show that you're-- you're building it out in a time frame, I think it's 18 months, then you are allowed to continue on. It has to be a build-out of a scalable-- to meet that 100 by 100 requirement.

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**FLOOD:** Would you be open to some amendments on Select File as it relates to just better defining this challenge process and-- and the obligations placed on the challenging provider?

**FRIESEN:** I'm not opposed to that, but I would want to look at that a little bit more closely because when we visited with the PSC, they will provide that whole process and hold a hearing on those rules and regs so you could have input in that process. If we start defining things here, sometimes we don't understand terminology that they're using either. So that process of the PSC, when they write their rules and regs, they would hold a public hearing then to take input on those rules and regs before they're implemented.

**FLOOD:** Well, with all due respect, I disagree respectfully with the idea that our job is not to define the standards. We-- we have people going to prison for the rest of their life based on a standard of proof beyond a reasonable doubt. And we-- we write into bills, you know, what probable cause is, what the-- what the rules of Nebraska evidence are. In this case, we're dealing with a situation where we are using a term that is vague, that we need to tell the Public Service Commission what a challenge looks like. We need to prescribe to the Public Service Commission what should or shouldn't happen when a challenge happens. And then if there is some kind of a ban, we can decide maybe if that ban needs to be stricter, that it needs to be more punitive, that people that are objecting-- because I'll tell you, with the CARES money that we saw last year, there were a lot of objections and a lot of good things didn't happen in communities in my district because they were scared off by a process that punished cities for signing a form that said they had 25/3. And so I look at this amendment here and I see a lot of room. What would you think of having the Department of Economic Development administer this? That's how it usually-- that's how it came in, in the green copy, right?

**HILGERS:** One minute.

**FRIESEN:** It's the-- that's the way that I originally wrote my bill, but the Governor's bill was actually written to go to the PSC because he recognized some of the problems that happened because of the way that the DED handled the CARES Act money.

**FLOOD:** Yeah. Well, then there's this weighted scoring system on page 4, line 14, to evaluate and rank the applications received each fiscal year. What do you-- what-- how-- what-- what do you want to accomplish with that?

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**FRIESEN:** Well, part of-- part of that issue happened with when you have-- on the federal level, there were companies that bid on areas to provide broadband and they kind of overshot their runway. They were doing an auction on the federal level and ac-- they actually tried to get money, but then realized that they couldn't do it, they weren't capable of serving that huge territory, so we wanted to look at that scoring system and--

**HILGERS:** That's-- that's time, Senators, but, Senator Flood, you are next in the queue, so you may continue. This is your third opportunity.

**FLOOD:** Thank you, Mr. President.

**FRIESEN:** We-- we wanted the PSC to look at companies and make sure that they're-- they have the ability to serve that area. In the past, those federal auctions, there were companies bidding that-- that found out they couldn't meet those terms and then actually turned the money back to the federal government, and that delayed implementation in those areas because they were tied up during that time frame. So we want to make sure a company that bids here is capable, has resources, and that will go into the scoring of actually getting that project done and on time.

**FLOOD:** Thank you very much, Senator Friesen. Page 5, line 14: Any provider may, within 30 days after the publication under this section, submit to the commission, on forms provided by the commission, a challenge to the application. Such challenge shall contain information demonstrating that (1) the provider provides or has begun construction to provide a broadband network in the proposed project area. What is a project area? Is that defined here?

**FRIESEN:** Well, it-- it could be a project area that-- where they're implementing broadband from the federal Universal Service Fund and we don't want to come in and overbuild an area that company is currently building but isn't done. So we want to be careful of that. There's a lot of different programs going on that companies are operating under that do not use maybe Universal Service Funds from Nebraska.

**FLOOD:** OK. It says here on page 6, line 4, the commission shall evaluate the information submitted in a challenge and shall not award a grant if the information submitted under this section is credible and if the provider submitting the challenge agrees to submit documentation-- again, call your attention to something that I think is vague and needs to be addressed on Select File. The other thing that I think that I want to call out here, for the Nebraska

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Broadband-- Broadband Bridge Act and for expenses-- OK. Any idea, Senator Friesen, how long it will take the Department-- or the Public Service Commission, if they're in the end awarded this, to-- to make the rules and regulations?

**FRIESEN:** No, I don't know the process that they're required to operate under.

**FLOOD:** That could take 18 months.

**FRIESEN:** I don't think so, but I don't know that.

**FLOOD:** Right.

**FRIESEN:** "Project area," by the way, is defined on page 1, line 23.

**FLOOD:** Thank you. You know, at the end of the day-- and, Senator Friesen, I appreciate the committee's work here. I-- I want this to happen. I'm excited it's going to happen. I want to make sure that we are very clear to providers that challenge these things, that these applicants, that they know very clearly. I want it to be very public. I would like to have them have to have a public hearing so that everybody knows that they're filing an objection. I think they should come forward and be seen and heard. I think the Public Service Commission should hold hearings in people's districts. I think there's too much done in Lincoln and they're are too close to some of the providers and they're too in and-- and refusing to deal with issues like CenturyLink outages. I just have issues sending this to the Public Service Commission. I don't like the challenge language. I don't like the idea that they have all of these safeguards for people that are existing. And I also think that cities and municipal corporations and counties and county government should be-- their-- their resolutions should be weighted. I'm worried about how we're going to go around and check what the Internet is in different places, using the words like "random" without really describing what random means. I think that you can-- we are-- citizens are not in the ability-- if-- if-- if someone's going to challenge this, I think we should be able to subpoena all of their records, we should be able to see what the speeds are, we should see internal communications, we should see memos, we should understand what a telecommunications provider is really actually alleging because we have some people that don't follow up with what they've got, but they write these things so they get through with just enough to stop somebody--

**HILGERS:** One minute.

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**FLOOD:** --from having progress. And you know who pays the price? That family in Madison that wants fiber, that family in Tilden that has been waiting for this, that family in Pierce or Bloomfield or Ponca or Verdigre or Niobrara. These towns need good service and we have to-- we're-- there's potentially going to be hundreds of millions of dollars flowing through this. We can't let the Public Service Commission have vague language in the law. We determine that, not them. We are the Legislature, not them. We are in charge. And there are some of us in the Legislature that don't have a high degree of confidence in what they-- in how fast they've moved. And certainly I haven't seen a hearing or anything on some of the issues we've raised. And in fact, there's a reluctance to even do anything. Refer you back to the article that's on your desk. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Flood and Senator Friesen. Seeing-- seeing no one else in the queue, Senator Friesen, you're welcome to close. Senator Friesen waives closing. The question before the body is the adoption of AM1168. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

**ASSISTANT CLERK:** 39 ayes, 0 nays, on the adoption of the amendment.

**HILGERS:** AM1168 is adopted. Turning to debate on the committee amendment. Senator Flood, you're recognized.

**FLOOD:** All right, I think we're ready to go. This is my last time here. This is an appreciated bill. I appreciate Senator Friesen, the committee, for putting up with all the different info they get, Senator Bostelman, Governor Ricketts, Speaker Hilgers for prioritizing it. This is the right thing to do and we are going to make a lot of people very, very, very, very happy with this. Let's commit between now and General File [SIC]-- at least I'm going to really work on some amendments that can, I think, improve the language in this process that we're setting up. There's going to be hundreds of millions of dollars running through this program potentially and we have an obligation to create something that doesn't let an incumbent take it just because they can. And I'm not saying that's the intent the way it's written, but I'm saying, if you're going to pump hundreds of millions of dollars through a program, we probably need more than six or seven pages of-- of guardrails to make sure that the citizens are protected. And in my opinion, if the mayor of a city and the city council or the county stands up and says this is a major issue in our community and we haven't been able to fix it, I want our elected leaders at the Public Service Commission or in the executive branch, wherever this ends up, I want them to be able to drive the fire truck to the house that's on fire and put out the fire and make people happy

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and solve people's problems. This is government money going to private businesses. Then they're going to have the ability to charge for this, on and on and on and on and on. And so with that, I'm going to support the committee amendment and the underlying bill. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Flood. Seeing no one else in the queue, Senator Friesen, you're recognized to close on the committee amendments.

**FRIESEN:** Thank you, Mr. President. And thank you, Senator Flood. And I will also be willing to work with you. If we can tighten up the guardrails, I'm more than happy to look at that. I-- I do have a little more trust in the Public Service Commission maybe than you do. But again, I'm willing to look at anything we can do to-- to make that process so that they are held accountable because it is a lot of money. I don't know what's coming from the federal government and eventually that well runs dry before we have this project done. So I am still concerned about how we finish and get everyone fiber to the home and we've got a long ways to go. We're not anywhere close to getting done and I'm sure there'll be bills in the future changing how we do things. But one thing we have to keep in mind sometimes is we change statutes so often that companies sometimes are just sitting back and waiting to see once what we're going to do next. So I'm a little concerned about that. We have made a lot of changes over the past three years and I-- I do feel there's probably more to come. So I do ask for your support of AM530 and LB388. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen. The question before the body is the adoption of AM530. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

**ASSISTANT CLERK:** 43 ayes, 0 nays on the adoption of the committee amendments.

**HILGERS:** The committee amendments are adopted. Returning to debate on LB388. Seeing no one in the queue, Senator Friesen, you are recognized to close. Senator Friesen waives closing. The question before the body is the advancement of LB388 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those vote who wish to? Please record, Mr. Clerk.

**ASSISTANT CLERK:** 44 ayes, 0 nays on advancement of the bill.

**HILGERS:** LB388 is advanced. Turning to Select File consent calendar. Mr. Clerk, first bill.

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**CLERK:** Mr. President, first bill is LB57. Senator Slama, I have no amendments to the bill.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB57 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB57 is advanced. Next bill.

**CLERK:** LB275. I have Enrollment and Review amendments, Senator.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that the E&R amendments to LB275 be adopted.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. The E&R amendments are adopted.

**CLERK:** I have nothing further on that bill, Senator.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB275 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB275 advances. Next bill.

**CLERK:** LB275A, I have no amendments to the bill.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB275A be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB275A is advanced. Next bill.

**CLERK:** LB355. Senator, I have no amendments to the bill.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB355 be advanced to E&R for engrossing.

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**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB355 is advanced. Next bill.

**CLERK:** LB261. Senator, I have no amendments to the bill.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB261 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB261 is advanced. Next bill.

**CLERK:** LB669. I have E&R amendments, first of all, Senator.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that the E&R amendments to LB669 be adopted.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. The E&R amendments are adopted.

**CLERK:** Senator Vargas would move to amend with AM1170.

**HILGERS:** Senator Vargas, you're recognized to open on AM1170.

**VARGAS:** Thank you very much. This is a very simple change. First, I want to thank Senator Hilgers for-- for make-- being able to make this change. I also want to thank Senator Bostelman and Senator Groene. They brought up some really good points on this bill. This is the Veterans Promise Act that provided the priority admission to veterans in the state of Nebraska. One thing we realized is that this really applied to new student veterans, but in conversations we saw benefit to this applying to student veterans that have since graduated from high school from 2002. So there's a date change that changes the dates from those that have graduated high school from 2022, which would have been the-- the date that you would have had to qualify back, 20 years back, to 2002, so those that have graduated high school after 2002 qualify for the priority admission. And also there's an E clause to make sure that that component to put into place President Trump's change he made in his last year of office, to put that into our state statute to make sure it's operative in time for the University of Nebraska to basically utilize it before this next school year starts, pretty much as soon as possible. So it's an E clause and it's two date changes, changing from 2022 to 2002. Thank you to Senator Bostelman in particular for bringing this to my attention. I think it's a good

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amendment and I urge your support for AM1170 and the underlying bill, LB11-- LB669.

**HILGERS:** Thank you, Senator Vargas. Debate is now open on AM1170. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. Speaker. Thank you, Senator Vargas. This is a good amendment. I thank him for working with me on this. This does provide what I talked about on General File. This is an opportunity to ensure all of our enlisted folks have that opportunity that the bill affords and I encourage your green vote on AM1170 and LB669. Thank you.

**HILGERS:** Thank you, Senator Bostelman. Seeing no one else in the queue, Senator Vargas, you're recognized to close. Senator Vargas waives closing. The question before the body is the adoption of AM1170. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

**CLERK:** 39 ayes, 0 nays, Mr. President, on the advancement-- I'm sorry, on adoption of Senator Vargas' amendment.

**HILGERS:** AM1170 is adopted.

**CLERK:** I have nothing further on the bill, Senator Slama.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB669 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB669 is advanced. Next bill.

**CLERK:** LB291. I have no amendments to the bill, Senator.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB291 be advanced to E&R for engrossing.

**HILGERS:** It's a debatable motion. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker, and good afternoon. Probably what I'm about to say is probably standing between you and a steak, but I want to stand up and speak about LB291. This is a bill that Senator Chambers used to speak about all the time. He would say, what happens

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if we don't pass this? It's about the same thing. This bill is worthless. OK? So Senator Friesen brought this on behalf of the county assessors. And I asked NACO, how many filings do you get that are incorrectly filed? And the request-- the response I got was like 1,300 protests were filed in Lancaster County, but they didn't know how many were incorrect. I believe he did tell me Johnson County had 64 protests filed and three of those were left-- the-- the valuation was left off. So what we're doing here is we are now concerned, very much so, about those who collect and spend the taxes and we're not at all interested in those who pay the taxes. And so I want to bring your attention to the AM2-- of LB291, AM1023. At the bottom of the page, here's what it says, and I-- you judge whether this is correctly written. Each protest shall be made on a form prescribed by the Tax Commissioner, signed-- then it goes on to say, "and filed with the county clerk of the county where the property is assessed." And then it says it shall be acceptable for the county to create its own form, including electronic form, as long as the form captures the information required by this subsection. That's poorly written. It should say you can file a form prescribed by the Tax Commissioner or a form created by the county, but you can't do one or the other, can't do both, because it says in the start it's made-- it's pre-- the filing must be on a form prescribed by the Tax Commissioner, period. And then it goes on to say that it is acceptable for the county to create their own form. How does that work? So the last time I spoke on this bill and we voted, I think I was-- I know I was the only negative, no vote, and there was like 42 positive. So I was wondering if Senator Friesen would yield to a question.

**HILGERS:** Senator Friesen, would you yield?

**FRIESEN:** Yes, I would.

**ERDMAN:** Senator Friesen, on AM1023, on page 2, line 10, it says the following: Counties may make reasonable efforts to contact protesters. Where-- what is the definition of reasonable?

**FRIESEN:** They may make reasonable efforts. They don't have to do anything if they don't want to. So a reasonable effort might be a phone call. A reasonable effort might be to send them a postcard. It's whatever they choose it to be to notify them.

**ERDMAN:** Reasonable effort could be made-- do nothing, right?

**FRIESEN:** They can choose to do nothing because they "may."

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**ERDMAN:** OK, so it says that once the protest is filled out, it includes the request of valuation or acceptable description of the property. The protest shall be dismissed by the county board of equalization. So if currently the current language says the county board of equalization can dismiss this protest, why do we need to do this?

**FRIESEN:** The-- one of the things that's required is not the valuation that we're asking for and that's why we're clarifying that they have to fill out that portion because in the current statutes, it does not require that specific line to be filled out.

**ERDMAN:** But the board of equalization can still review those protests even if they didn't have the valuation in them. Is that correct?

**FRIESEN:** I believe so. This is meant to just speed up the process. And any time that I can--

**HILGERS:** One minute.

**FRIESEN:** --help the county speed up a process so that it costs less tax dollars, I'm also looking out for the taxpayer.

**ERDMAN:** OK, and how are you looking out after the taxpayer?

**FRIESEN:** By making this process go faster.

**ERDMAN:** Explain "go faster." What do you mean by that?

**FRIESEN:** Any-- anytime you can move a process along and make it more so that the-- the county itself, the assessor doesn't have to spend time looking up numbers and they can be put in there by someone who's required to fill out a form, if you don't want the information on there, don't put the line on the form. So require them to fill it out, make sure it's on there; otherwise, take the question off the form. But make it simple, make it easy. We're supposed to understand when they require information from us, we should give it. And if not, let's get rid of the process.

**ERDMAN:** OK. How much time do I have?

**HILGERS:** Five seconds, but you're next in the queue. You can continue.

**ERDMAN:** OK, thank you. Thank you, Mr. Speaker. OK, Senator Friesen, if you would yield, I'd ask you another couple questions.

**FRIESEN:** Yes, I would.

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**ERDMAN:** OK. On the bottom of page 1, that part I read about a form can be prescribed by the Tax Commissioner and then it goes on to talk about the county can create their own form, do you see an issue with the way that's written?

**FRIESEN:** I do see that it's a little-- it is a little confusing, but this was done for counties who wanted to put more information on a form than what the Tax Commissioner was requiring and so that was why we added that. So Douglas and Lancaster County, they have a few extra questions that helps them schedule these protests, so they added to their forms. If another county wanted to ask for some more information, they could, but the-- they have to have the required information on the form.

**ERDMAN:** So do you-- you see how it's written? It says it's made-- you can file a protest on a form prescribed by the Tax Commissioner, period, and then it goes on to say it shall be acceptable for the county to create its own form.

**FRIESEN:** Yes, and--

**ERDMAN:** If--

**FRIESEN:** --if that's objectionable to you, we can work on an amendment that fixes that.

**ERDMAN:** If the first part of it says you must have a form filed, made available by the-- by the Tax Commissioner, how can the second part be applicable?

**FRIESEN:** I-- we'll-- we'll work on a correction if that bothers you. But that seemed to be that everyone agreed that this would be-- would-- this would work. But if we need to clarify it, we'll come up with an amendment that clarifies it.

**ERDMAN:** Do you think that this works?

**FRIESEN:** Everyone that read this and suggested the amendments said it works.

**ERDMAN:** Well, wouldn't it make more sense to say, "made on a form prescribed by the Tax Commissioner or a form created by the county to include the following information," and include all that? Wouldn't that make more sense?

**FRIESEN:** I can easily add an amendment down the road that fixes this problem--

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**ERDMAN:** So if-- if--

**FRIESEN:** --be more than happy to.

**ERDMAN:** OK. If you have an electronic form, how do you sign it electronically?

**FRIESEN:** Well, we-- I sign documents electronically all the time. And I think these-- some of these forms, you can use DocuSign, but I don't know if this is just the report that's sent to the-- the electronic-- down the road, we're allowing that process to happen if it's-- if a county is set up for that.

**ERDMAN:** But it says it shall be acceptable for a county to create its own form, including an electronic form, as long as the form captures the information required in this subsection and this subsection says it must be signed. So you have to figure out a way to sign an electronic form, correct?

**FRIESEN:** There-- there are ways to sign an electronic form.

**ERDMAN:** Does a county have that capability?

**FRIESEN:** I would assume Douglas County may. I don't know.

**ERDMAN:** OK. I think this is a bill a lot about nothing and I don't think it helps speed along the process. And I don't-- I won't support this bill and I would ask you not to support it as well. And I would call for a roll call vote.

**HILGERS:** Colleagues, the question is the advancement of LB291 to E&R for engrossing and a roll call vote has been requested. Roll call vote in regular order has been-- regular order has been requested on the advancement of LB291 to E&R for engrossing. Mr. Clerk, please call the roll.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Blood voting yes. Senator Bostar. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements not voting. Senator Day voting yes. Senator DeBoer. Senator Dorn voting yes. Senator Erdman voting no. Senator Flood voting yes. Senator Friesen voting yes. Senator Geist voting yes. Senator Gragert voting yes. Senator Groene. Senator Halloran not voting. Senator Ben Hansen voting yes. Senator Matt Hansen voting yes. Senator Hilgers

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voting yes. Senator Hilkemann voting yes. Senator Hughes voting yes. Senator Hunt. Senator Kolterman voting yes. Senator Lathrop voting yes. Senator Lindstrom voting yes. Senator Linehan not voting, Senator Lowe not voting. Senator McCollister voting yes. Senator McDonnell. Senator McKinney. Senator Morfeld voting yes. Senator Moser not voting. Senator Murman voting yes. Senator Pahls. Senator Pansing Brooks. Senator Sanders voting yes. Senator Slama voting yes. Senator Stinner voting yes. Senator Vargas voting yes. Senator Walz voting yes. Senator Wayne. Senator Williams voting yes. Senator Wishart voting yes. 34 ayes, 1 nay on the advancement of the bill.

**HILGERS:** LB291 is advanced. Turning to 2021 Speaker priority bills, Select File. First bill, Mr. Clerk.

**CLERK:** Mr. President, LB411, no E&Rs. Senator Lathrop would move to amend with AM1043.

**HILGERS:** Senator Lathrop, you're recognized to open on AM1043.

**LATHROP:** Thank you, Mr. President. Colleagues, good evening. I appreciate the opportunity to further discuss LB411, which expands the statewide health information exchange to include all relevant medical records. This will improve healthcare for all of us by ensuring that our medical providers will be able to access our full medical history wherever in Nebraska we are receiving care. AM1043, if you'll recall from our discussion of this bill on General File, the only opposition to the bill remaining at the time was from the Department of Health and Human Services, but it had not clearly articulated its concerns so we were unable to address them prior to General File. Since then, the department clarified their issues with the bill and our office worked with CyncHealth, the department, Senator Arch, and the Governor's Office to address them. The main thing you need to know about the resulting amendment, AM1043, is that it satisfies all the concerns of the department and the executive branch and still achieves what we intended to achieve in the first place. The new language that we add by way of this amendment clears up concerns the department had regarding state Medicaid data flowing from the department to the health information exchange. The department interprets the federal Medicaid statutes to require that the department must maintain control over what happens with its patient data, preventing them from ceding decisionmaking to the health information exchange or the HIT Board. To preserve this control, the amendment simply requires DHHS and CyncHealth to enter into a data-sharing agreement regarding Medicaid data and that it will do so by agreed-upon date of September 30, 2021. This is how other states with strong health information exchanges have been successfully managed in their relationship between Medicaid and

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the health information exchange. Next, the amendment carves out from inclusion in the health information exchange state institutions such as BSDC and the Regional Center. This means the state will not incur any potential costs associated with the data sharing. The amendment postpones the start date of the HIT Board's activities until September 1, 2021, at the agreement of Senator Arch and DHHS. Finally, the amendment adds a new patient opt-out procedure whereby a patient can choose to include their medical data in the health information exchange for use by their medical providers, but prevent their data from being released for research purposes. This was added at the request of the Governor's Office and adds one further measure allowing patients to have control over what happens to their data. LB411, with the addition of this amendment, will help Nebraska stay at the forefront of innovation in the health information technology. Most importantly, this will be good for patients, improve the quality of care across the state, and cut cost. I appreciate all the parties coming together to help strengthen this measure. And with that, I would encourage your support of AM1043 and the underlying bill. I do want to take a moment to thank-- to thank specifically Senator Arch for his help in working with the department and arriving at the solutions which make up AM1043. And with that, I would appreciate your support of the amendment and the underlying bill. Thank you.

**HILGERS:** Thank you, Senator Lathrop. Debate is now open on AM1043. Senator Arch, you're recognized.

**ARCH:** Thank you, Mr. Speaker. I-- since we're passing out the thanks here, I-- I want to thank Senator Lathrop for bringing this bill. This is-- this is an important step. We-- we are going to be hearing more and more over the years about this health information exchange. CyncHealth is the-- is the name of the vendor that-- that is our-- our designated health information exchange, used to be called NeHII. And-- and what has evolved over the years, I think I just want to give a very brief history of this because it's-- it's-- it's moving, and that's why there's a bill here today. The-- the original-- the original genesis of-- of this HIE had to do with this PDMP. And it-- and that's-- and that is the drug, the-- the inputting of the prescription drugs, useful at-- originally, at the very early part of this HIE, it was very useful, especially in emergency rooms for people that would be coming in and seeking narcotics. It has been a inst-- very instrumental in helping us with opioid issues here in the state of Nebraska, but now it has-- it has become much more than that. It has become really the repository of-- of clinical information, both for Medicaid as well as commercial, which is why last year I brought a bill, LB1183, that created this health information exchange board, an

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oversight board above-- above the HIE. And-- and there is where we're working out exactly what the relationship of the state and the Medicaid information, the commercial carriers and all of that information, that is what this process is that you're seeing today. So very happy that the language was worked out that would give the department assurance that-- that they can meet the federal regulations for protecting the information for Medicaid beneficiaries and commercial insurance also. But-- but we have a very unique situation in the state of Nebraska because we have one HIE. Many other states have multiple HIEs and they're competing with each other. We have now one repository of clinical information that we protect. It's confidentiality. Patients can opt out. They are not forced to participate. But we have now-- we have now the ability to do the research necessary to determine how are we progressing in the health of the state of Nebraska. And so having all the providers participate is important. We now know that we will have that information. How we handle that research is important, very important for the confidentiality. So I don't think this will be the last time you'll hear about the HIE, but we're on the-- we're on the cusp of great opportunities of improving the health of the state of Nebraska because we have the information, the protected information that we can access. And for those of you that are listening at home, this is not information that we-- that we as policymakers or researchers dig into and say, I wonder how John Arch's health is today, but rather, in aggregate, anonymized data can be researched and-- and looked at. It is available to providers. It is available to physicians and other providers that have a need to know that are involved in the treatment of the patient, but not to others outside of that. So with that, I urge you to support AM1043 and LB411. Thank you.

**HILGERS:** Thank you, Senator Arch. Senator no one else in the queue, Senator Lathrop, you're recognized to close. Senator Lathrop waives closing. The question before the body is the adoption of AM1043. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

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

**HILGERS:** AM1043 is adopted.

**CLERK:** I have nothing further on the bill, Senator Slama.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** [RECORDER MALFUNCTION] LB411 be advanced to E&R for engrossing.

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**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB411 is advanced. Next bill.

**CLERK:** LB271. Senator, I have E&R amendments, first of all.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that the E&R amendments to LB271 be adopted.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. The E&R amendments are adopted.

**CLERK:** Senator Morfeld would move to amend, AM1002.

**HILGERS:** Senator Morfeld, you are recognized open on AM1002.

**MORFELD:** Thank you, Mr. Speaker. Colleagues, after our discussion a few weeks ago, I've made some amendments based on what I heard from folks. First off, we made it very clear that this has to be ordered by a court. So we added language in there, in the amendment. We also made clear-- we made clarifications, making it clear that the judge could also determine the type and form of technology to be able to detect the presence of alcohol or drugs, and then also have to comply with other forms of supervision deemed appropriate by the court. So some of the concerns last time was making sure that, number one, a court had to order this, and then, number two, that they had the flexibility to order other things pursuant to whatever the circumstances of that individual and what it would be. And so the-- the last thing that we did was we made sure that all of the-- the criminal statutes were also uniform in terms of how this would be treated with Interlock as well. I would urge your adoption of the amendment. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Morfeld. Debate is now open on AM1002. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. Speaker. I noticed in the amendment we're changing a violation from a Class IV to a Class III misdemeanor, which is quite a bit of a drop in penalty. And would Senator Morfeld yield to a question?

**HILGERS:** Senator Morfeld, would you yield?

**MORFELD:** Yes.

**CLEMENTS:** Thank you. Senator Morfeld. Would you explain why this is being dropped so far from a Class IV felony?

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**MORFELD:** Because the current criminal penalty for violation with an Interlock system is a Class III misdemeanor. So really, we never intended it-- for it to be a Class IV felony. This is the same type of program and system as an-- as an Interlock device, so the penalty should be uniform for the violation of it. There's no reason why, if you violate it on an Interlock system, that you make it a Class III misdemeanor, whereas if you violate it on the 24/7, you make it a Class IV felony.

**CLEMENTS:** And was-- isn't it true that Omaha's pilot program had the Class IV felony in it?

**MORFELD:** I don't know if that's true or not, Senator.

**CLEMENTS:** OK. My staff--

**MORFELD:** I-- I don't believe-- I don't believe it would be, actually, because the pilot program isn't currently something in statute, so I wouldn't-- because this is the first time 24/7 would be in statute, so--

**CLEMENTS:** All right. Then--

**MORFELD:** But I'll have to look into that, Senator.

**CLEMENTS:** --was there a reason why it started out with Class IV felony?

**MORFELD:** I think it was just a drafting issue.

**CLEMENTS:** I see. Well, this-- we're talking about people have been-- are given quite a few chances here for drunk driving. And it's not just-- may not just be the first time this has happened and I would have preferred to leave that as a Class IV felony, so I don't think I can support this amendment. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Clements. Seeing no one else in the queue, Senator Morfeld, you are recognized to close. Senator Morfeld waives closing. The question before the body is the adoption of AM1002. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

**CLERK:** 27 ayes, 11 nays on the amendment, Mr. President.

**HILGERS:** AM1002 is adopted.

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

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**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB271 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB271 is advanced. Turning to 2021 senator priority bills, Select File. First bill, Mr. Clerk.

**CLERK:** Mr. President, if I may, LB271A. I have no amendments to LB271A, Senator.

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB271A be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. LB271A advances. Next bill.

**CLERK:** Mr. President, LB260. I have no E&Rs. Senator Moser would move to amend the bill with AM1094.

**HILGERS:** [RECORDER MALFUNCTION] you are recognized to open on AM1094.

**MOSER:** Thank you, Mr. Speaker. Earlier on this bill, I talked about the estimate of what this bill was going to cost and the estimate was around \$750,000 a year. And looking at the logic behind that estimate, I think that that estimate could be way low. It was based on how many people quit last year to take care of family members knowing that they weren't going to get unemployment. And I think that when we turn around and offer it to people who know that they can get unemployment to take care of family members, that that number will be a lot higher. So this amendment just limits the cost of this bill to \$750,000 a year. I think it's a smart thing to do because otherwise there's no limit on how much this could cost. And from an actuarial standpoint, looking at who quit with a negative incentive to quit and using that number to say how many people are going to take care of this in the future-- or take advantage of this in the future, I think, is-- is wrong. I think any actuary is going to look at what you're incentivizing and these people have interest in taking care of family members. And I-- I understand that. You know, I've-- I've had family members that I've had to help take care of over the years. I'm not unsympathetic to the problem, but I do want to limit the cost of this to the Unemployment Fund. This is not the reason the Unemployment Fund was created. It's not why the taxes were collected from the employers

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and I-- I-- I want to limit the amount of the cost of this to the Unemployment Insurance Fund. Thank you.

**HILGERS:** Thank you, Senator Moser. Debate is now open on AM1094. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. Speaker. Senator Moser is talking like someone who has never been on unemployment in Nebraska. I have and it's not true that people will just take unemployment knowing that they can take care of family members because they're forced to be searching for jobs. They can't just coast on this unemployment. And if you reject a suitable offer, then you're disqualified from unemployment for 12 weeks. So there is no incentive for people to coast on this unemployment and that's not something that we've actually seen borne out. That's a theory that-- that is not borne out by the evidence. Colleagues, after the last round of debate, I just want to clear up a few questions that were asked and reiterate a few key points. I won't go into a detailed opening on the bill because, for the most part, I think we understand what the bill does. It allows family caregivers to be eligible for unemployment while looking for a new job that might be better fit for their caregiving duties or once they've made other arrangements for their loved one's care and they're ready to get back to work. Under LB260, employers would not be charged for any additional benefits paid out to caregivers and workers can only get benefits if they have made all reasonable efforts to preserve employment before quitting. So that means they have to have talked to their employer about adjusting hours or looking into working from home or trying to make a deal so they can keep that job. And that's something that the Department of Labor already deals with when it comes to other good-cause reasons for leaving a job and they know exactly how to implement this. The major business groups that we view as important policy stakeholders in this issue are neutral on this year's bill. We've already done the work by incorporating the committee amendment from the previous version of the bill. Twenty-five senators of all political stripes have cosponsored it and I want to thank each one of you. We've also heard concerns from some senators that LB260 might somehow raise the unemployment tax rate on all employers, constituting a burden for business. I'm here to say that it's not a realistic possibility under LB260. Our state's Unemployment Trust Fund currently sits at over \$552 million. And in the past five years, not counting 2020 because of COVID, which made it a really wild outlier, we've averaged in the upper 40,000s for initial claims from individuals. The maximum weekly benefit for 2021 is \$456 a week. If we presume that of the hundred-some people who quit their jobs due to caregiving each year in Nebraska, not all of them are going to be

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ready to go back to work, so not all of them would be eligible, let's say half of those, if 50 people file claims each year and they each get the maximum claim for four weeks, that's only about \$91,000 drawn down from the fund. That's only one ten-thousandth of a percentage of our Unemployment Trust Fund. Even if we assume that all 100 claimants qualify and get the maximum benefit for the maximum time, that's still only seven ten-thousandths of 1 percent of our Unemployment Trust Fund. To remind you, colleagues, claimants can only receive a maximum of 26 weeks of benefits. And if they refuse a job offer, then they're disqualified for 12 weeks. This is such a minute amount that it's not reasonable to have concerns about this raising the employer tax rate when the amount they might draw from the fund is so small. This bill contends that family caregiving is an example of something that happens to someone through no fault of their own. And so what we're saying by passing LB260 is that because this does occasionally happen where someone has a family crisis and for whatever reason they cannot maintain their job while also caring for a loved one and they have to quit through no fault of their own, it should be justified as a "good cause" quit. That is the policy that we're deciding here. Is caregiving during a family emergency a good cause for quitting a job--

**HILGERS:** One minute.

**HUNT:** --once someone has made all efforts to keep their job but could not? Unemployment insurance is intended for someone who has had to leave work through no fault of their own and the conditions described in LB260 fit that criteria. Over the years, the Legislature has added to the unemployment good-cause list for various things like domestic violence. At first, business groups were concerned about an additional liability and fiscal conservatives were worried about the impact on businesses. But the Legislature decided, as a matter of policy, that it makes sense to say that someone experiencing domestic violence has good cause for being eligible for unemployment. There's been opposition to all of the reasons we've codified in the past and it's all turned out OK. With this bill, LB260, the draw from the fund will be tiny relative to the fund balance and the amount of other claims that are typically filed in a year. Businesses will not be harmed, but this change could mean survival for the families who need it. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Hunt. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. And good afternoon, colleagues. I rise in continued support of LB260, Senator Hunt's priority bill. I did want to note that I just passed around a handout and it's just a

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one-page excerpt from a much longer publication. But the federal Department of Labor does an analysis of the different states' unemployment accounts' solvency. And as you can see, Nebraska, as Senator Hunt mentioned, has near half-a-billion dollars in our Unemployment Insurance Trust Fund balance, including making at least \$10 million on interest alone last year, and that we are rated as a 1.55 on their scale in determining solvency, which goes from zero to 2.5. And I'll let you know that I believe that is fifth in the country in terms of having the most stable and most solvent Unemployment Trust Fund. The Unemployment Trust Fund has actually been overfunded, kind of acknowledged by the department, including two years ago now, we actually gave the department the ability to administratively lower the highest-- one-- excuse me, administratively lower, sorry, some of the tax rates on employers because we had so much money in the Unemployment Trust Fund and it has stayed in good shape through the coronavirus pandemic. Again, these numbers are from Janu-- as of January 1, so just a couple months ago. And to just give you a sense of the scale, the federal government recommends that you're at least a minimum of a 1 on the scale and many states fail to get that point. Many states do and Nebraska and a handful of others, largely in the Rocky Mountains, are way exceeding that and up at the top end. We are in a very stable place in our unemployment. We are a very stable place in our Unemployment Fund, even going through all of the claims that we had last year. It was overfunded to begin with, it is in a stable spot, and I think the fiscal note represents and clarifies that we are in fact in a stable spot. Yes, there will be some cost to this bill, but the cost, as Senator Hunt laid out in her response to the motion, is so minuscule to our Unemployment Trust Fund's overall balance that if your opposition is based on the worry that it will raise taxes, that is so disconnected from where we are at the reality right now. That is not something that is likely to be triggered ever by this bill, let alone anytime soon. As-- as Senator Hunt mentioned, you know, comparing half-a-billion dollars to the fiscal note of maybe a few hundred thousand, you know, it's-- it's drops of rain in the ocean. It's a very small impact. It's a very small impact in the overall system and the overall trust fund, but a great individual impact when we're helping families go through unemployment. And as she laid out, just a reminder that when you're on the unemployment system, you have to be actively seeking work and have to be logging that with the department and have to be, you know, liable to checks on a weekly basis in terms of what you're doing to seek work. So this is intended to be a little bit of help for qualifying individuals who have worked long enough in the state of Nebraska to earn unemployment, because it is something you have to earn, and it is not an overall risk to our system. For that, I cannot support the-- the-- the Moser amendment.

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Capping an individual prong of unemployment would be unusual. I would dare say it's the first, and certainly the first I've ever heard of it, and would lead to situations that, you know, if we ever had another year where it might get close to that, there's going to be somebody who is expecting unemployment, thinks they're eligible for unemployment. And if we do ever hit that cap, you know, there's going to be somebody who, by all means, should be receiving unemployment, has worked the hours over multiple quarters as they're required, has been logging their jobs with the Department of Labor, as is required, and they're all of a sudden--

**HILGERS:** One minute.

**M. HANSEN:** --going to have their check, you know, turned away, not sent, what have you, because of an arbitrary cap we put in. This is not a risk to the overall system and I think we could see from the data that that's pretty plainly true. So with that, thank you, Mr. President.

**HILGERS:** Thank you, Senator Hansen. Senator Moser, you're recognized.

**MOSER:** I think one of the main reasons that our Unemployment Fund is in such good shape is that we've been very conservative about how we offer unemployment benefits for workers and it's there to help workers when they get laid off, no fault of their own. One of the handouts that Senator Hunt gave out said "Future Caregivers" on the headline and it below says: Nearly one in five noncaregivers expect to become caregivers within two years. So if that prediction is correct, then 20 percent of all workers in Nebraska could possibly become caregivers. And if any small fraction of those apply for and get benefits, it's going to cost way more than what the estimate of the-- that the-- came out with the bill. And that's why I thought it was smart for us to put some limits on this. Even in the estimates that the sponsor of the bill puts out, they don't think it's going to be even \$750,000, so I-- I think it's smart of us to put some limit on it so we can make sure that the trust fund stays solvent and is cared for in the right way moving forward. Thank you.

**HILGERS:** Thank you, Senator Moser. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker. I strongly support Senator Moser's amendment. I-- I think he made a very thorough explanation of why. I listened to Senator Hunt's explanation about how many may be a claimant and it never appeared that, according to what she calculated, that it would even get close to \$750,000, even if there was an enormous increase in people filing. So I would-- I would think that

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\$750,000 is a sufficient number and I would think moving forward that we could sure advance this and move on. And next year, if we find out it's not enough, we can make an adjustment. But this is-- makes common sense and I appreciate Senator Moser bringing this and I'll be supporting this. Thank you.

**HILGERS:** Thank you, Senator Erdman. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. Speaker. I-- I appreciate the conversation today. One other point that was brought up during General File that I just wanted to speak to was the idea that if employees quit, that it can be harder for the business to find someone suitable to fill that position. But that's another theory that doesn't really play out in reality. If you as a business owner want to keep someone who's a really good employee, if they're vital to the functioning of your business, then you as a business owner have the choice to work with them. Maybe it's allowing them to work from home. Maybe it's giving them a different set of hours or a temporary part-time arrangement. As a business owner myself, you know, I've done this with many employees, whether they had to, you know, take time off for their family care or to have a child or whatever it was. And I know that many other business owners in this body have shared the same thing, that they're always willing to be flexible on those things, and that's all the employer's prerogative. In some rare cases, it might not be possible for the employer to work around the employee's circumstances, but whether or not LB260 passes, people in this situation are going to need to quit, regardless, if they're not covered by federal family leave that would grant them unpaid time off. No one would intentionally quit a job just to rely on unemployment, which is a fraction of their usual pay, all while being forced to search for a new job and show weekly that you've been searching for new jobs and then potentially become ineligible for unemployment if you don't accept a job that's offered to you. And the legitimacy of each claimant's need is going to be verified by the Department of Labor and they're totally ready to take on, you know, the administration of the provisions of this bill. We don't cap unemployment insurance for any other good-cause reason for leaving employment. And for that reason, I oppose AM1094, just for the sake of consistency in governance. There's a very narrow minority of caregivers whose loved ones' caregiving needs are so substantial that the employee, for whatever reason, has to quit their job. The majority of caregivers, the vast majority continue to work, oftentimes multiple jobs. I know that we all know what is right here. I hope that hearing and seeing some of the numbers helps relieve some concerns about future impact on employers. You have my word that if-- if this becomes a problem in the future, I would be

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happy to retool the bill and look at this again. But this is just not even going to put a dent in our UI Fund or harm employers. What it is, is going to really help the people, it's going to help the workers, and it may be life or death for some Nebraskans, honestly, if they can have that caregiver with them. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Hunt. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. President. I'm an employer who pays unemployment tax and I also have employees that I have supported when they had an illness or an illness in the family. But the \$750,000 proposal in AM1094 is reasonable. I support AM1094 and-- and gives us a chance to know if that's-- it's been proposed that that's plenty of money. And if it is, that's fine. But if it's not, the-- I think we need to come back and take a look and let somebody report to us what the real experience is, because the future could be much more than this. I think the people who left a job when there were-- they knew there were no unemployment benefits, I think it is a good question whether more people would leave knowing there were unemployment benefits if they left their job. And so the 180 claimants that the Fiscal Office used I think is inadequate and I'd like to see the \$750,000 limit be maintained until we find out how things are going. So I support the AM1094. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Clements. Seeing no one else in the queue, Senator Moser, you're recognized to close.

**MOSER:** Thank you, Mr. Speaker, I'm not going to take very long to talk about this. We've discussed it before. I think it's a reasonable amendment. I did talk to Senator Hunt about this beforehand. She obviously wasn't crazy about this amendment, but she crafted the amendment that I substituted for one that I had handwritten. And so I-- I appreciate her talking to me about it even though we have a disagreement here on how much it's going to cost. I think it's reasonable to limit this to \$750,000. I-- I hope that the senators can see the possible liability here and how much work it would be to try to fix it if-- if we were wrong on what it was going to cost. So with that, I would request a call of the house and machine vote.

**HILGERS:** There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

**CLERK:** 27 ayes, 3 nays to place the house under call, Mr. President.

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**HILGERS:** The house is under call. All unexcused senators, please return to the floor. All unauthorized personnel, please leave the floor. The house is under call. Senator Erdman, please check in. All unexcused senators are now present. A machine vote has been requested. The question before the body is the adoption of AM1094. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

**CLERK:** 20 ayes, 17 nays on the amendment, Mr. President.

**HILGERS:** AM1094 is not adopted. I raise the call.

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

**HILGERS:** Senator Slama for a motion.

**SLAMA:** Mr. President, I move that LB260 be advanced to E&R for engrossing.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say. Opposed say nay. LB260 is advanced. Mr. Clerk for items.

**CLERK:** Mr. President, thank you. I do have some items. Enrollment and Review reports LB682, LB396, LB396A, LB64, and LB26 to Select File, some having Enrollment and Review amendments. New resolutions: LR109 by Senator Kolterman and LR110 by Senator Lathrop. LR109 is a layover resolution. LR110 is a study resolution. Amendments to be printed: Senator Groene to LB103; Senator Wayne to LB388; Senator Erdman to LB572; Senator McCollister, LB108; Senator Brieese to LB2; Senator Lathrop, LB307; and Senator Groene to LB307 as well. New A bill, LB411A by Senator Lathrop. It appropriates funds to implement LB411. A Reference report referring LR107 to the Executive Board. I have a motion with respect to a re-referral from Senator Hunt that will be laid over. And one last amendment: Senator John Cavanaugh, an amendment to LB644. Name adds: Senator Matt Hansen to LB26. And, Mr. President, Senator Lowe would move to adjourn the body until Wednesday, April 28, at 9:00 a.m.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. We are adjourned.