

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate February 20, 2024  
Rough Draft

**KELLY:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirtieth day of the One Hundred Eighth Legislature, Second Session today. Our chaplain for today is Father Ryan Lewis, St. Elizabeth Ann Seton Catholic Church in Omaha in Senator McDonnell's district. Please rise.

**FATHER LEWIS:** Thank you, Mr. President. Good and gracious God, this distinguished legislative body convenes this morning on the day after a national and state holiday commemorating our Presidents. We convene in this our stunning State Capitol, specifically in this eminent Norris Chamber for the important work of governance of this, our great state. Please bless our state which we love. May the efforts of this representative Legislature lead not only to right order, compassion, humility, and gratitude for blessings received in our desire to be a state that is welcoming, girded with strong morals, and dedicated to the dignity and worth of every human life because every life ab initio is made in your image and likeness. Bless these citizen legislators, may they legislate and give counsel, aided always by your prudence, your wisdom, your compassion, your understanding, your justice, your mercy, your love. May they serve well those whom they represent in the state as a whole. Bless their families. Help them this day and throughout their public service to work always for the common good. Your common good. May everything they do begin with your inspiration, continue with your divine assistance and reach completion to your greater honor and glory. May it be so. Amen.

**KELLY:** I recognize Senator Bosn for the Pledge of Allegiance.

**BOSN:** Please join me in the pledge. 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.

**KELLY:** Thank you. I call to order the thirtieth day of the One Hundred Eighth Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** There's a quorum present, Mr. President.

**KELLY:** Thank you, Mr. Clerk. Are there any corrections for the Journal?

**CLERK:** I have no corrections this morning, sir.

**KELLY:** Are there any messages, reports, or announcements?

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**CLERK:** There are, Mr. President. Your Committee on Judiciary, chaired by Senator Wayne, reports LB832, LB898, LB918, LB1288, LB137, LB348, LB631, LB894 to General File, some having committee amendments. Additionally, Mr. President, communication from the Governor concerning the appointment of Christopher J. Gentry to the Nebraska Brand Commission [SIC]. Senator Bosn, amendment to be printed to LB137, as well as LB934, and Senator Bosn to LB934 as well. That's all I have this time, Mr. President.

**KELLY:** Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR300 and LR301. Speaker Arch, you're recognized for a message.

**ARCH:** Thank you, Mr. President. As promised, colleagues, I want to announce today my Speaker priorities that I selected over the weekend. Again, very difficult decisions. Obviously, I received many more requests for Speaker priorities than I had available, but these are the ones that I-- that I have selected. Just a reminder as well, Speaker priorities are 25 available. I had identified 3 early in the session and we had already heard those and those were: LB78, Senator Day, redefine massage therapy under the Massage Therapy Practice Act; Senator Bostar's LB308, adopt the Genetic Information Privacy Act; and Senator Riepe's LB664, provide powers and duties for the state Medicaid Fraud Control Unit and the Attorney General. So those have been heard. So now I selected 22 others and the list should be passed out to you shortly. But I want to read those to you so you are aware of the ones that I selected. These are in numerical order: LB233, Senator John Cavanaugh, provide for child support payment disregard under aid to dependent children program and eliminate child support income in determining eligibility; LB607, Senator McDonnell, change provisions relating to grants for the 211 Information and Referral Network; LB834, Senator Blood, establish requirements for the resident dental license; LB839, Senator Lowe, change provisions relating to the executive director and members of the State Racing and Gaming Commission; LB852, Senator Jacobson, provide limitations for reimbursement for durable medical equipment; LB870, Senator Machaela Cavanaugh, provide for additional rights of notification information and preservation of, of evidence under the Sexual Assault Victims Bill of Rights Act; LB874, Senator Bostar, change requirements relating to childcare licensing and childcare facilities; LB876, Senator Holdcroft, adopt the Newborn Safe Haven Act; LB894, Senator Ibach, change law enforcement certification requirements for candidates for county sheriff; LB906, Senator Riepe, change provisions relating to child labor laws; LB932, Senator Fredrickson, change provisions

relating to provisional mental health practitioner licenses; LB1027, Senator Clements, change provisions relating to schools which elect not to meet accreditation and approval requirements; LB1030, Senator Bostelman, change provisions of the County Bridge Match Program and provide for a transfer of funds from the Roads Operations Cash Fund; LB1051, Senator DeBoer, eliminate obsolete provisions and reorganize provisions of the Nebraska Juvenile Code and change certain filing deadlines; LB1069, Senator Halloran, change provisions relating to the State Fire Marshal Pipeline Facility Administration assessments and the Boiler Inspection Act and eliminate the Nebraska Fire Safety Appeal Board, appeals procedures and obsolete provisions; LB1088, Senator Linehan, change provisions relating to certain employment and investment requirements under the Nebraska Advantage Act; LB1126, Senator Bosn, create the National Career Readiness Certificate Pilot Program within the Department of Correctional Services; LB1195, Senator Conrad, change provisions relating to county attorneys, public defenders, and loan repayments for attorneys practicing in certain rural areas; LB1197, Senator von Gillern, change the Sports Arena Facility Financing Assistance Act; LB1306, the Education Committee, eliminate the Professional Practices Commission and provide, change, and eliminate provisions relating to standards for and, and conduct of teachers and administrators; LB1344, Senator Wayne, change provisions of the Nebraska Innovation Hub Act; LB1393, Senator Hansen, at the request of the Governor, change provisions of the Nebraska Student-Athlete Name, Image, or Likeness Rights Act. And those are the 22 that were selected to complete the Speaker priorities this year. Thank you, Mr. President.

**KELLY:** Thank you, Mr. Speaker. Senator Moser would like to recognize our doctor of the day, Dr. Dan Rosenquist of Columbus. Please stand and be recognized by your Nebraska Legislature. Senator Albrecht would like to recognize two guests in the north balcony, Jennifer Jackson and Lauren Wehr of the Heartland Counseling Services. Please stand and be recognized. Senator John Cavanaugh has some guests under the south balcony, Michaela Tallman, Lillian, Allison, Jonathan, Katherine, all from Omaha. Please stand and be recognized by your Nebraska Legislature. Speaker Arch would like to recognize a group in the north balcony, about 30 physicians, residents, and medical students from the Nebraska Medical Association. Please stand and be recognized by your Nebraska Legislature. Senator Hansen would like to recognize some guests in the north balcony, high school and teachers-- high school students and teachers from Blair High School, Blair, Nebraska. Please

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stand and be recognized. Mr. Clerk, please proceed to the first item on the agenda.

**CLERK:** Mr. President, before that, a single item. Speaker priority bills as referenced by the Speaker previously. Additionally, amendments and motions to be printed from Senator Linehan to LB1402. Mr. President, first item on the agenda, Select File, LB16A. I have nothing on the bill, Senator.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB16A be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB16A to-- for E&R Engrossing. All those in favor say aye. Those opposed say nay. It is advanced.

**CLERK:** Mr. President, next bill, Select File, LB605. First of all, Senator, there are E&R amendments.

**KELLY:** Senator Ballard.

**BALLARD:** Mr., Mr. President, I move the E&R amendments to LB605 be adopted.

**KELLY:** Members, you've heard the motion. All those in favor of adopting the E&R amendments say aye. All those opposed say nay. The E&R amendments are adopted.

**CLERK:** Mr. President, Senator Albrecht would move to amend LB605 with AM2417.

**KELLY:** Senator Albrecht, you're recognized to open on the amendment.

**ALBRECHT:** Thank you, Mr. President and good morning, colleagues. Good morning, Nebraskans. AM2417 rearranges and restructures Section 16 to make it consistent with drafting practices. The intent and the requirements of LB605 remain the same. This amendment moves the definition to subsection (1) and then restructures the remaining changes. The content itself stays the same and I just ask for a green vote on AM2417. Thank you, Mr. President.

**KELLY:** Thank you, Senator Albrecht. Seeing no one else in the queue, you're recognized to close and waive closing. Members, the question is

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the adoption of AM2417. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 40 ayes, 0 nays on adoption of the amendment, Mr. President.

**KELLY:** AM2417 is adopted.

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

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB605 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the question. It is to advance LB605 to E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, next bill, Select File, LB908. I have nothing on the bill, Senator.

**KELLY:** Senator Ballard, you're recognized.

**BALLARD:** Mr. President, I move that LB908 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB908 for E&R Engrossing. All those in favor say aye. All those opposed say nay. LB908 is advanced to E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President, Select File, LB909. I have no E&R amendments. Senator Aguilar would move to amend with AM2413.

**KELLY:** Senator Aguilar, you're recognized to open on the amendment.

**AGUILAR:** Thank you, Mr. President and members of the Legislature. AM2413 would simply add the emergency calls to LB909. The current reporting deadline of July 1 falls prior to when bills passed without the emergency clause would otherwise go into effect. So the amendment will ensure that starting this year, state agencies only report on those rules and regulations which are required under OBRA. I would ask for your support and your green vote to adopt AM2413. Thank you, Mr. President.

**KELLY:** Thank you, Senator Aguilar. Seeing no one else in the queue, you're recognized to close on the amendment and waive. Members, the

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question is the adoption of AM2413. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 37 ayes, 0 nays on adoption of the amendment, Mr. President.

**KELLY:** AM2413 is adopted. Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB908 be advanced to E&R for engrossing-- LB909.

**KELLY:** Members, you've heard the motion to advance LB909 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Senator Bosn would like to recognize some guests in the south balcony. Members of the Nebraska Grocery Industry Association from Lincoln, Omaha, and McCook. Please stand and be recognized by your Nebraska Legislature. Mr. Clerk, next item.

**CLERK:** Mr. President, LB989. I have nothing on the bill, Senator.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB989 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB989 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, next item, LB992. First of all, Senator, I have E&R amendments.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB992 be adopted.

**KELLY:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. They are adopted.

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

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB992 be advanced to E&R for engrossing.

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**KELLY:** Members, the question-- the motion is to advance LB992 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced.

**CLERK:** Mr. President, next bill, LB257. First of all, Senator, I have E&R amendments.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB257 be adopted.

**KELLY:** Members, the question is to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. The E&R amendments are adopted.

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

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB257 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB257 for E&R Engrossing. All those in favor say aye. All those opposed say nay. They are adopted-- it is advanced.

**CLERK:** Mr. President--

**KELLY:** Mr. Clerk.

**CLERK:** Excuse me. Mr. President, LB144. First of all, Senator, I have E&R amendments.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB144 be adopted.

**KELLY:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. They are adopted.

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

**KELLY:** Senator Ballard, you're recognized for a motion.

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**BALLARD:** Mr. President, I move that LB144 be advanced to E&R for engrossing.

**KELLY:** Members, the question is to advance LB144 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, LB716, I have no E&R amendments. Senator Bostar would move to amend first with AM2582.

**KELLY:** Senator Bostar, you're recognized to open on the amendment.

**BOSTAR:** Thank you, Mr. President. AM2582 represents the majority of LB172, which was my legislation introduced last session to update the national-- the Nebraska electrical code up to national standards. That bill came out of the Urban Affairs Committee 5-2. And due to opposition, we were unable to move it any further at that time. AM2582 represents that legislation plus an amendment that we've been working with folks who are in opposition to the legislation that addresses their concerns, removes some of the sections from the updated electrical code and everyone is, is satisfied with. So I will leave it there and then open on the floor amendment to follow.

**KELLY:** Thank you, Senator Bostar. Mr. Clerk, for items.

**CLERK:** Thank you, Mr. President. Your Committee on Government, Military and Veterans Affairs, chaired by Senator Brewer, reports LB1175, LB1169, LB1174, LB1162 to General File; LB1174 and LB1162, both having committee amendments. Additionally, your Committee on Natural Resources reports favorably on the gubernatorial appointment of John Hoggatt and Donna Kush to the Game and Parks Commission. That's all I have this time, Mr. President.

**KELLY:** Thank you, Mr. Clerk. Seeing no one else--

**CLERK:** Apologies, Mr. President. Senator Bostar would move to amend with FA225 [SIC].

**KELLY:** Senator Bostar, you're recognized to open on the floor amendment.

**BOSTAR:** Thank you, Mr. President. The floor amendment simply cleans up the language and has us start with the adoption of the 2023 electrical standards. Again, this is with some of the elements of electoral standards removed in order to alleviate concerns of some industries



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who weren't satisfied with the, the bill in its original form. So with the floor amendment and AM2582 this bill doesn't have any opposition from outside this room. It's important that we get this done in order to remain in compliance with the National Electrical Reciprocal Alliance, or NERA. This is what allows our electricians to work in other states and in some ways, more importantly, electricians from other states to work in Nebraska. We currently have a shortage of electricians and the demand for their services is high. So it is essential that we remain compliant with NERA and this bill would allow us to do so and would satisfy concerns from other interested parties. Thank you, Mr. President.

**KELLY:** Thank you, Senator Bostar. Senator Hunt has some guests she would like to recognize in the north balcony, Nebraska-- Nebraskans for the Arts. Please stand and be recognized by your Nebraska Legislature. Returning to the queue, Senator Hansen, you're recognized to speak.

**HANSEN:** Thank you, Mr.-- thank you, Mr. President. I was hoping Senator Bostar could yield to a couple of questions. I just want to clarify a few things with the amendments that he's introducing here.

**KELLY:** Senator Bostar, would you yield to some questions?

**BOSTAR:** Absolutely.

**HANSEN:** So I-- I'm trying to remember with the home builders how-- what, what their opinion was of the new electrical codes. Were they in favor of all of them or just some of them, or was there some kind of, you know, a conjoined effort that you guys put together to move this forward? You know, I'm just kind of curious about, like, what the communication was with them with this.

**BOSTAR:** Yeah. Thank you for that, Senator Hansen. Yes. So the-- initially with LB172, the, the home builders were opposed to the bill, specifically due to 6 provisions within the electrical standards update. And so we have removed those 6 provisions, which now they-- and, and worked with them to do so. And so now they are-- they're good with this-- with this legislation at this point.

**HANSEN:** OK. Yeah. I, I just wanted to clarify that because I did have-- I, I remember that was a concern before. So I'm, I'm glad you got some of that worked out. But with-- just-- I just-- I want a little more clarification. I'm sorry. I apologize for this.

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**BOSTAR:** No.

**HANSEN:** I should have-- should have brought this to you before time, but there's nobody else in the queue. With the floor amendment-- FA225 [SIC], was, was that already currently in a bill that you're-- that you're adding on to this or is this more kind of a clarification amendment to, to the bill in the underlying amendment?

**BOSTAR:** It's a clarification amendment to the underlying amendment. There was a, a procedure established within AM2582 that had us jump to the 2020 codes and then to the 2023. All parties interested in this were interested in just having us go to 2023 with the 6 items that were the point of contention removed, that way we're not-- we're doing less changes to the code over time and so that's what FA225 [SIC] does.

**HANSEN:** So the floor amendment doesn't really add anything, it's just more clarifying dates. Right?

**BOSTAR:** Correct. It removes a step in AM2582 where we go to 2020 first. This would just have us skip that and go to 2023, which we were already going to do in AM2582.

**HANSEN:** OK. And if I can ask one more question. With, with the AM2582, do you anticipate that's going to increase the cost of home building or the cost on construction on new homes or with the-- since you took out some of those provisions does that kind of neutralize the cost or do you expect there to be increased costs with the-- with the new code enforcement?

**BOSTAR:** So, yeah, I think-- I think that's a-- that's a, a great question. One is-- I mean, obviously the home builders are, are very interested in watching that. So with their-- with them being satisfied with the bill, I would-- I don't have any concerns on that front. I would also say that the risk of losing reciprocity in our electricians would result in increased cost of construction. And so needing to get the bulk of the codes updated is essential in order to prevent increasing costs where the cost of, of electrician, electrician labor would potentially go through the roof when we fall out of compliance with reciprocity agreements and our access to our pool of electricians for construction services in Nebraska would be significantly reduced.

**HANSEN:** Yep. And I'm, I'm glad you brought that up, because that's one thing I was gonna mention about reciprocity and like how this would

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affect that. So I appreciate you bringing that up and answering my questions. Thank you very much.

**BOSTAR:** Thank you.

**KELLY:** Thank you, Senators Hansen and Bostar. Senator Erdman, you're recognized to speak.

**ERDMAN:** Thank you, Mr. President. Good morning. So as I listen to Senator Bostar's explanation and I begin to consider what it costs to build a home here in Nebraska, and daily I get an update from a real estate agent in Arizona and their building costs there are in that \$200 a square foot. And in Nebraska it's excess of \$300 or more. And when I asked the question last week in Appropriations why it costs so much more in Nebraska, they said about 40% of the cost of the home are the restrictive codes and the things that we put in place here in Nebraska that they don't have in Arizona. My wife and I own 4 homes there in Arizona as rental properties and I don't see any deficiencies in their electrical service there or any of those homes. And so we continually change the code and we make it more costly to build homes and then we wonder why we don't have workforce or middle income or any kind of other housing is because we're pricing ourselves right out of a job. And so every time we make an adjustment to some code, it costs more money. And for the life of me, I can't figure out why we're not removing some of these things that are obsolete or not necessary. But we continue to talk about making homes available to be hooked up to solar or have a charger for an EV vehicle or whatever we do. So it's peculiar to me to see that we want to continue to adjust all of our codes. So I was wondering if Senator Bostar would yield to a question?

**KELLY:** Senator Bostar, would you yield to some questions?

**BOSTAR:** Yes.

**ERDMAN:** Senator Bostar, you, I think, stated, and I'm going to try to say it correctly, that this won't cost any more to build a home today after this passes it does before.

**BOSTAR:** I think certainly considering it maintains our access to the pool of electricians available for construction services, I would say it's at worst a wash, if not a net benefit.

**ERDMAN:** So, so in other words, I'm going to conclude that you think that this will have no cost-- no cost effectiveness to building a new home?

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**BOSTAR:** I think with the provisions that we've removed from the codes, this will not have a detrimental impact on the costs.

**ERDMAN:** OK. Yeah, I, I hadn't seen the amendment until this morning, but I appreciate you answering the questions. Thank you.

**BOSTAR:** Thank you.

**KELLY:** Thank you, Senators Erdman and Bostar. Senator Hunt, you're recognized to speak.

**HUNT:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. I rise in tentative support on Select File for Senator Bostar's amendments. I want to read the amendment. The first bill I ever passed in the Legislature was an update to the building codes and so this is kind of special to me even though it's just like one of those little things that-- one of those bills that you introduce and see what happens with it. But, you know, I tend to be sympathetic to Senator Erdman's argument that, like, as we get into requiring different types of outlets, requiring different types of ways to charge electric vehicles and stuff like that, it is adding cost. And, you know, we, we have to think about the lobby and we have to think about what interests are controlling what's going into these bills. So I'll take a look at the amendment and I'll probably be a green vote on that. I'm rising because I understand we have some Blair Bears in the building today and I went to Blair High School. I, I grew up in Blair, Nebraska. I'm a sixth-generation "Blairite" and it's a very special town to me. I was a member of the Thespian Troupe 3142 in Blair High School. And, you know, I was-- I experienced a lot of bullying in high school. I struggled a lot in middle school and, and started to kind of get over that in high school when I became involved in theater and became involved in the arts and started to kind of find my people, quote unquote. And had the opportunity to do theater and speech and debate and get out of my shell a little bit and meet people who had similar interests to me. And I think that's why it's so important as leaders in government, as leaders in our communities, as we are term limited, or leave office or go do whatever it is we're going to do that we continue to advocate for support for the arts in our communities, whatever form that takes, whether that's volunteering for your kids' class or, or the school that's local to you or that's using the position and platform that you have here as a lawmaker to ensure that these programs have funding to the extent that we're able to do that or just consuming the art that these young people make. You know, going to the shows, going to the gallery openings, going to

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the-- you know, any opportunity you have to support the work that young people are doing that's creative, that's not merely productive, but that's actually challenging their minds and their hearts and their creativity and giving them ways to kind of reveal who they really are through something, something beautiful to put into the world. So that, to me, is what really motivates me and really changed my life when I was a kid. So I wanted to specifically welcome the Blair Bears to your Nebraska State Capitol today and welcome to your Nebraska Legislature. Thank you, Mr. President.

**KELLY:** Thank you, Senator Hunt. Senator Albrecht would like to recognize some guests in the north balcony, Leadership Wayne, a class of 15. Please stand and be recognized by your Nebraska Legislature. Seeing no one else in the queue, Senator Bostar, you're recognized to close and waive closing on FA227. Members, the question is the adoption of FA227. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 33 ayes, 0 nays on adoption of the amendment, Mr. President.

**KELLY:** FA227 is adopted. Seeing no one else in the queue, Senator Bostar, you're recognized and waive closing on AM2582. Members, the question is the adoption of AM2582. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 32 ayes, 0 nays, Mr. President, on adoption of the amendment.

**KELLY:** AM2582 is adopted.

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

**KELLY:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB716 be advanced to E&R for engrossing.

**KELLY:** Members, the question is advancing LB716 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, Select File, LB569. First of all, Senator, I have E&R amendments.

**KELLY:** Senator Ballard, you're recognized for a motion.

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**BALLARD:** Mr. President, I move the E&R amendments to LB569 be adopted.

**KELLY:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. The E&R amendments are adopted.

**CLERK:** Mr. President, next item, Senator Bostelman would move to amend LB569 with AM2496.

**KELLY:** Senator Bostelman, you're recognized to open on the amendment.

**BOSTELMAN:** Thank you, Mr. President. Good morning, colleagues. AM2496 is a technical cleanup amendment from Bill Drafters. The amendment clarifies that the new provisions of LB569 are in addition to, but not a replacement of, any Nebraska Political Accountability and Disclosure Act requirements that may apply. Also, doing the E&R process, Bill Drafters found some language they believe needed some additional clarification so they included those technical cleanup changes in this amendment. I ask for your green vote on AM2496 and LB569. Thank you, Mr. President.

**KELLY:** Thank you, Senator Bostelman. Seeing no one else in the queue, you're recognized and waive closing on AM2496. Members, the question is the adoption of AM2496. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

**KELLY:** AM2496 is adopted. Mr. Clerk.

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

**KELLY:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB569 be advanced to E&R for engrossing.

**KELLY:** Members, the question is to advance LB569 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Speaker Arch, you're recognized for a message.

**ARCH:** Thank you, Mr. President. I just want to let colleagues know that around 11:45 today we're going to take up a motion by Senator Linehan to suspend the rules to allow for the scheduling of a public hearing without 7 days notice. She'll explain the situation when she

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introduces her motion to suspend Rule 3, Section 14 later this morning, that'll happen towards the end of this morning around 11:45. Thank you, Mr. President.

**KELLY:** Thank you, Speaker Arch. Mr. Clerk, next item on the agenda.

**CLERK:** Mr. President, Select File, LB624. First of all, Senator, there are E&R amendments.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB624 be adopted.

**KELLY:** Members, the question is the adoption of the E&R amendment 62. All those in favor say aye. All those opposed say nay. The E&R amendments are adopted.

**CLERK:** There is nothing further on the bill, Senator.

**KELLY:** Senator Clements, you're recognized to speak.

**CLEMENTS:** Thank you, Mr. President. Would Senator McDonnell yield to a question?

**KELLY:** Senator McDonnell, will you yield to a question?

**McDONNELL:** Yes.

**CLEMENTS:** I'm understanding this, this bill adds two more positions to the Tourism Commission. Would you explain what those are and the reasons for adding those people?

**McDONNELL:** So the first position would be-- we'd go from 11 people right now on the Tourism Commission to a total of 13. The first person would be the DED Director. And then the second person, whoever the Governor wanted to appoint, that is affiliated with the Nebraska Chamber of Commerce. No fiscal impact and the, the history-- can I go?

**CLEMENTS:** Go ahead. Yes. Thank you.

**McDONNELL:** The history on this came last year when I first introduced the bill to eliminate the tourism based on the idea of I didn't feel the, the slogan Nebraska wasn't for everyone was appropriate. I think Nebraska is for everyone. Having those discussions, I think part of the problem was a lack of communication between the chamber, the Department of Economic Development, and also the tourism board. So the

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compromise was if we could get these people in a room together, make the DED Director and someone that the Governor would appoint from the chamber part of the tourism board, we thought the communication, they could try to work that out without going further and eliminating the, the tourism board and, and, and, and actually going back to prior to 2017 where it was part of Department of Economic Development.

**CLEMENTS:** Thank you. So you think the tourism could use some input from other people that are aware of what's, what's going on around the state? Would this be a state chamber person?

**McDONNELL:** Yeah. Yes.

**CLEMENTS:** All right. Thank you, Senator McDonnell. Thank you, Mr. President.

**KELLY:** Thank you, Senator Clements and McDonnell. Seeing no one else in the queue, Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB624 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB624 for E&R Engrossing. All those in favor say aye. Those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, Select File, LB139. First of all, Senator, there are E&R amendments.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB139 be adopted.

**KELLY:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. They are adopted.

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

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB139 be advanced to E&R for engrossing.



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**KELLY:** Members, you've heard the motion to advance LB139 to E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, Select File, LB854. I have nothing on the bill, Senator.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB854 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB854 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Select File, LB847. Senator, I have nothing on the bill.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB847 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB847 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Select File, LB848. I have nothing on the bill, Senator.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB848 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB848 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, LB936. I have nothing on the bill, Senator.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB936 be advanced to E&R for engrossing.

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**KELLY:** Members, the question is advancing LB936 to E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, LB940. First of all, Senator, I have E&R amendments.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB940 be adopted.

**KELLY:** Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. They are adopted.

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

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB940 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB940 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, Select File, LB1102. I have nothing on the bill, Senator.

**KELLY:** Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that LB1102 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion to advance LB1102 to E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk, for items.

**CLERK:** Thank you, Mr. President, some items. Your Committee on Urban Affairs, chaired by Senator McKinney, reports LB1118 and LB1344 to General File; LB1344 having committee amendments. Additionally, amendments to be printed: Senator Cavanaugh to LB62-- Senator Machaela Cavanaugh, excuse me, to LB62, LB1021; Senator von Gillern to LB1134. That's all I have at this time, Mr. President.

**KELLY:** Mr. Clerk, for next item on the agenda.

**CLEMENTS:** Mr. President, turning to the agenda, next item, General File, LB844, introduced by Senator Erdman. It's a bill for an act relating to the Farm Labor Contractors Act; defines terms; requires certain actions by certain seed corn producers; provides duties to the Director of Agriculture and the Department of Agriculture; provides a penalty; harmonizes provisions; and repeals the original sections. The bill was read for the first time on January 3 of this year and referred to the Agriculture Committee, that committee placed the bill on General File with committee amendments. There is an additional amendment, Mr. President.

**KELLY:** Senator Erdman, you're recognized to open on LB844.

**ERDMAN:** Thank you, Mr. President. Good morning. So this morning, I will bring to you a, a workforce development bill. That's what I'm calling it. It is an opportunity for us to protect local-- the local workforce. But first of all, let me start with saying I appreciate what the Ag Committee did. Senator Halloran and the Ag Committee have voted this out and made it a priority and I do appreciate that very much. I had this bill-- a similar bill last year, but it dealt with hours of work. And so we this year have changed it to make sure that we're protecting the young people who cannot find work in detasseling. So some of the main points that I would like you to consider this morning is, in back in 2019, there were 710 young people who applied for detasseling jobs who were not available because the seed companies had contracted with other providers and they had hired H-2A workers to do that work instead of taking those local people to be employed. So what I told people this morning that asked about this, I said what this does, it develops the workforce that we need in Nebraska, but it shows young people that 5:00 does come twice a day. And so I can't believe how many people have stopped in my office that work in this building that said they did detasseling when they were younger. So the issue that's happened because of the lack of hiring local people, we've lost 9-- since 2019, we've lost 9 local detasseling companies that used to employ young people during the summer. And those people have been replaced by H-2A workers. And the federal law requires that they should apply for or make available to local people before you hire H-2A workers. And back in 2019, then Governor Pete Ricketts sent a letter-- sent a letter to the Department of Labor asking them to consider the enforcement of that policy that says you have to consider local employees before you hire H-2A workers. And he, he went on to say in his letter, the requirement-- if you change the law to require a local workforce first, the requirement would ensure that hiring American workers is prioritized and to prevent seed companies from

manipulating the system and indirectly hiring H-2A workers even when there were local people available to do the job. And so what this is going to do, it gives an opportunity for those young people who would like to do a summer job, who would like to earn a significant amount of wages, and who would also like to learn about what responsibility is, it prevents them from having that opportunity. And so as you looked at the bill and you begin to understand that all we're asking the seed companies to do is announce how many acres they have, and then at the end of the season is to make sure that the local people were taken care of and had their fair share of the work. And so that's what the bill is, very simple, straightforward bill that allows us to develop workforce people-- work-- people to work in our environment here in Nebraska because we're short of people. And the testimony was amazing. We had 136 letters in support, 1 in opposition. And the people who came in to testify were very enthusiastic. We had a gentleman come in that said he takes a month off of his job every year to do detasseling and I would guess the young man was probably 40 or maybe a little less. And so it is a provision that we can put in place to help protect our local workers and I would ask your support of LB844. Thank you.

**KELLY:** Thank you, Senator Erdman. As previously stated, there was a committee amendment. Senator Halloran, you're recognized to open on the committee amendment.

**HALLORAN:** Thank you, Mr. President. Good morning, colleagues. The committee amendment would strike existing subsection (3) of Section 3 of the bill and replace it with AM2449. As introduced, LB844, this subsection assigns a duty to the Director of Agriculture to publish a directory of exempt detasseling and roguing contractors under statute 48-1703, including the business locations and contact information. The committee amendment retains the existing provision as subdivision (3) (a) and inserts a second subdivision (3) (b), which assigns an additional duty to the director. Beginning January 15, 2026, and each year thereafter, the director would be required to mail a copy of the directory of exempt detasseling contractors to seed producers who have previously reported hiring contractors or who notify the director of their intent to produce seed corn in the upcoming growing season. The amendment would also correct in this numbering of subsection (5) of Section 3 in the original bill, this is corrected to be subsection (4). The Agriculture heard this bill on February 6. As you can see, the bill had several supporters and no opposition testimony. In addition, the committee received 136 proponents, as Senator Erdman pointed out, online comments and 1 in opposition comment. The bill was

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advanced by a vote of 7-0 with one not present. And I, I must add it, it was particularly exciting to see the enthusiasm of, of the youth that came to testify about working hard and wanting to be able to have that opportunity to continue to do that in a fair fashion. So I urge your adoption of the committee amendment.

**KELLY:** Thank you, Senator Halloran. And Senator Halloran announces some guests in the north balcony from Leadership Hastings. Please stand and be recognized by your Nebraska Legislature. Senator Machaela Cavanaugh, you're recognized to speak.

**M. CAVANAUGH:** Thank you, Mr. President. Good morning, colleagues. I wonder if Senator Erdman would yield to a question?

**KELLY:** Senator Erdman, would you yield to some questions?

**ERDMAN:** I'd be glad to.

**M. CAVANAUGH:** Thank you, Senator Erdman. So I did not actually do detasseling growing up, but some of my siblings did. I don't know if the other Senator Cavanaugh was amongst them or not. But I am aware of, of the hard work that it entails. So my question is, what happens if, and I apologize if you already spoke to this, but if they don't have enough local workforce that wants to participate in the program, could you explain that to me a little bit?

**ERDMAN:** Yeah, it's my understanding, Senator Cavanaugh, you put it out to the local people first and if there's not sufficient help locally then they'll be able to use H-2A workers which are available.

**M. CAVANAUGH:** OK. So it's like first right of refusal for the local community.

**ERDMAN:** That's correct. Yeah, we're just trying to protect the local people.

**M. CAVANAUGH:** OK. Thank you.

**ERDMAN:** Thank you.

**M. CAVANAUGH:** That was my only question/concern.

**ERDMAN:** All right.

**M. CAVANAUGH:** I appreciate it.

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**ERDMAN:** Thank you so much.

**M. CAVANAUGH:** As, as I said, I did not do corn detasseling, but I am familiar that it is a long-standing job for a lot of people, a lot of young people in Nebraska. I preferred to work in the air conditioned movie theater when I was in high school. So I yield the remainder of my time. Thank you, Mr. President.

**KELLY:** Thank you, Senator Cavanaugh and Senator Erdman. Seeing no one else in the queue, Senator Halloran, you're recognized to close on the committee amendment and waive. Members, the question is the adoption of AM2449. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 36 ayes, 0 nays on adoption of the committee amendment, Mr. President.

**KELLY:** AM2449 is adopted. Mr. Clerk, for an item.

**CLERK:** Mr. President, Senator Erdman, I have AM2208 with a note that you wish to withdraw. In that case--

**KELLY:** Without objection, it's withdrawn.

**CLERK:** In that case, Mr. President, I have nothing further on the bill.

**KELLY:** Senator Erdman, you're recognized to close.

**ERDMAN:** Thank you, Mr. President. I'll be brief. I do appreciate the support on this. I think it's an opportunity for the young people in Nebraska to understand that we've taken their concerns at heart and we'll make it available to them to work hard. Thank you for your vote. I appreciate it.

**KELLY:** Thank you, Senator Erdman. Members, the question is advancing LB844 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 36 ayes, 0 nays on advancement of the bill, Mr. President.

**KELLY:** It is advanced. Mr. Clerk.

**CLERK:** Mr. President, next item, LB1394, introduced by Senator Brewer at the request of the Governor. It's a bill for an act relating to

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revenue and taxation; exempts Nebraska National Guard income from state income taxation as prescribed; and repeals the original section. The bill was read for the first time on January 17 of this year and referred to the Revenue Committee. That committee placed the bill on General File.

**KELLY:** Senator Brewer, you're recognized to open.

**BREWER:** Thank you, Mr. President. This bill has been generated because of a need by the National Guard. The, the numbers within the ranks of the National Guard has not been able to keep up with the demand and we've missed our recruiting goals for a number of years now. Part of it is in the past, we've had the luxury of a bonus program, federal bonuses to help in [INAUDIBLE] skills that were short and those are no longer available. So the only tool that we can make available in order to help bring our ranks to the level we need to be would be to help by "detaxing" the weekend drill pay of a National Guardsman. And so that's what this bill would do, is it would help in a little way to "detax" that pay that they receive for their service on weekend drills, their annual training. So I would ask for your support on LB1394. Thank you, Mr. President.

**KELLY:** Thank you, Senator Brewer. Seeing no one else in the queue, Senator Brewer, you're recognized close and waive closing. Members, the question is to advance LB1394 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 37 ayes, 0 nays on advancement of the bill, Mr. President.

**KELLY:** LB1394 advances to E&R Initial. Mr. Clerk.

**CLERK:** Mr. President, next item, LB1067, introduced by Senator Clements. It's a bill for an act relating to counties; adopts the State Prisoner Reimbursement Act; eliminates the inheritance tax as prescribed; changes provisions relating to inheritance tax reporting and refund procedures; changes the authorized uses of the County Visitors Promotion Fund and the County Visitors Improvement Fund; harmonizes provisions; repeals the original section; declares an emergency. The bill was read for the first time on January 8 of this year and referred to the Revenue Committee. That committee placed the bill on General File. There are committee amendments, Mr. President, as well as additional amendments.

**KELLY:** Thank you, Mr. Clerk. Senator Clements, you're recognized open.

**CLEMENTS:** Thank you, Mr. President. I rise to introduce LB1067, my priority bill this session, which would phase out Nebraska's inheritance tax over 5 years. LB1067 seeks to improve Nebraska's tax structure. Allowing people to transfer more of their assets to family and loved ones will keep them from leaving Nebraska upon retirement, preserving estate assets, increasing capital formation, and encouraging economic growth. The tax on death has been repealed by 42 states since 1925 with 14 of those states dropping the tax since 2001. Nebraska remains 1 of only 5 states in the United States that still collect an inheritance tax, which includes Kentucky, Pennsylvania, New Jersey, and Maryland. Iowa was the sixth state, but its inheritance tax will be phased out January 1, 2025, less than a year. The inheritance tax rates vary by relationship to the deceased. Direct descendants, such as children, pay 1%; other relatives, such as nieces and nephews, pay 11%; nonrelatives pay 15%. This is fundamentally unfair. Even though the Nebraska Supreme Court has upheld it as constitutional, two people could jointly inherit a property with one paying 15 times more tax than the other. Only Pennsylvania and Nebraska still levy this tax on children. Nebraska is tied for fourth with New Jersey on a nephew tax of 11% and tied for third with Pennsylvania with a tax of 15% on all others. The rich state and poor state tax index shows Nebraska currently ranks 37th nationally, the worst ranking among our 6 surrounding states. LB1067, when fully implemented, would move us up to 32nd in a tie with Iowa for last at sixth and seventh in our region. As a tax preparer and a banker for the last 40 years, I've become aware of many instances where our inheritance tax seemed arbitrary and excessive. Not only are people usually grieving the loss of a family member or a loved one, but they may have to sell the real estate they just inherited to pay the tax they owe or take out a loan. For example, one of my customers died a few years ago owing no federal estate tax, but his niece and nephew owed over \$600,000 in Nebraska inheritance taxes. Another person inherited 80 acres from an aunt and received the deed to the farm, along with the bill for \$50,000 of inheritance taxes. I think we can do better as a state. Nebraska is losing retirees faster than we are gaining population from other states. Our inheritance tax plays a major role in this outmigration. A 2022 movers report showed that 61% of those who moved out of Nebraska were aged 55 and older. We've been working to alleviate that by eliminating tax on military retirement, and in 2024 we will have 100% exemption for Social Security benefits from Nebraska tax. Nebraska is losing retirees to the 45 states who don't take up to 15% from their estates when they die. The saying is, don't get caught dead in Nebraska. The inheritance tax is a very



inconsistent form of revenue for most counties and can fluctuate wildly from year to year, especially in smaller counties in which one or zero residents might die in a year. According to a survey conducted by the Platte Institute in 2021, 78% of Nebraska voters support repealing the county inheritance tax. The number one argument you will hear against phasing out the tax is that counties will be forced to raise property tax to make up for the loss of inheritance taxes. I have been looking for ways to replace some of the revenue loss. Also, I have faith in the county board's ability to make necessary adjustments, especially over a very gradual 5-year reduction. Then if the-- if the levies stay the same, increases in property valuations will more than make up for the loss of inheritance tax revenues. The 12,000 people per year who pay these taxes benefit the other 1.8 million Nebraskans who use those county services every year. That's why I call this tax unfair. The proposed rates in the handout that will be coming around show Class II and Class III rates drop to 5% immediately, creating a 17% drop in revenues statewide for county revenues. For the remaining 4 years, rates are lowered equally producing 20%, 20%, 20%, and 23% reductions over the remaining years. The individual county experience will vary as it normally does with inheritance tax. This strategy, strategy of gradual reduction allows counties to adjust accordingly. In order to offset part of the loss of inheritance tax, the bill restores the State Prisoner Reimbursement Program, which ended in 2009. With a new Penitentiary being built, having the option to shift prisoners could be useful to the state and beneficial to counties. The rate in 2009 was \$35 a day per prisoner. I understand the committee amendment, which I support, raises it to \$100 a day, which allows for inflation. The bill also loosens current restrictions on the use of County Visitor Promotion Funds, which come from lodging taxes, to be used for other purposes if necessary. The committee amendment, which I support, changes the amount available and reduces it. It makes sense to me that maintaining roads and bridges does benefit tourism, but I agree that the tourism funds are very important. I've been working on inheritance tax bills since 2020 to free Nebraskans of this antiquated, regressive, and arbitrary tax. I believe we can do better as a state in this area. We need to continue to give people more reasons to stay in our state and not leave. You'll be getting a handout, which I believe will be coming around, and it will show how the rates grade down over the 5-year period and showing the-- about 20% per year amounts. So it's not going to eliminate it this year or next year. It's going to be gradual. I am willing to work on amendments on Select File to help ease the effect on counties. I

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understand they have some ideas and be willing to consider those. I thank you for your consideration of LB1067. Thank you, Mr. President.

**KELLY:** Thank you, Senator Clements. Senator Conrad, for what purpose do you rise?

**CONRAD:** Thank you, Mr. President. Pursuant to Rule 7, Section 3(e), I'd like to call for a division of the question.

**KELLY:** Senator Conrad and Senator Clements, please approach. The request for a division is taken under advisement by the Chair. Senator Linehan, you're recognized to open on the committee amendment.

**LINEHAN:** Thank you, Mr. President and good morning, colleagues. AM2492 to LB1067 changes 2 items. First, the amount for prisoner reimbursement in Section 3 is increased from \$35 per day to \$100 per day. Second, the new subsection (6) of Nebraska Revised Statute Section 81-3717 is amended to allow governing-- excuse me, amended to allow county governing bodies to use 50% of the County Visitors Promotion Fund and the County Visitors Improvement Fund from the initial ability to use all of those funds for whatever purposes the governing body deems suitable. I would ask this body to support both AM2492 and LB1067 and advance them to Select File.

**KELLY:** Thank you, Senator Linehan. Returning to the queue-- there is a committee-- there is an amendment to the committee amendment. Senator Conrad, you're recognized to open.

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. Let me just take a step back before we jump into some of the meat of the substantive amendment that is before you. And I just want to make sure everybody's kind of singing from the same sheet of music in regards to where we are procedurally here. I, I really want to thank Senator Clements for his statesmanship. I know that this is an issue he has worked tirelessly on. I know the Revenue Committee has worked very, very hard on making sure that we have a thoughtful approach to our tax policy, in particular, in regards to how we handle our inheritance tax in Nebraska. But I wanted to put before the body a few different opportunities to help structure the debate. The first being a call for a division of the question. As my friend Senator Clements eloquently stated in his opening on his priority bill, really this bill does three separate and distinct things. One, it reforms our approach to the inheritance tax. Second, it addresses county jail reimbursements. Third, it addresses tourism issues. I understand why the committee and

why Senator Clements are seeking to combine those discussions in regards to LB1067 because they relate to both losses and increase in county revenues. But I do think that there is a significant track record in the legislative history over many years that shows that these are separate and distinct issues and should be debated and deliberated as such. So I made a motion to divide the question initially that is under advisement for the Chair for-- by the Chair. The Clerk's office is working with the Bill Drafters to accomplish that. And as such, while that process moves forward, with the opening of the committee amendment and then the substantive amendment that I have filed here, it can help to additionally structure debate while that technical component is carried out. Friends, I deeply appreciate what Senator Clements and the Revenue Committee is trying to do because we have made gains in reforming and updating our inheritance tax in Nebraska over the years. And recently, this has been a big topic of discussion and progress on the federal level as well and we need to make sure our tax policy is working as intended. Senator Clements and others had absolutely hit upon important issues wherein how this inheritance tax is ensnaring too many middle-class families in Nebraska. We need to think about the equities involved in this component of our tax policy. I think that as part of this discussion, we should definitely also have consideration about how this, in particular, impacts farm families in Nebraska. And we want to make sure that our inheritance tax is structured appropriately so that we are not overly burdening family farmers in Nebraska or the middle class. So I think this amendment will help to illustrate, at the initial stages at least, how if we're going to continue to make updates to our inheritance tax, which I think are right, we need to make sure they're equitable, and we need to make sure that they're equitable from a public policy perspective. And we need to be thoughtful about how any changes to this revenue stream could have significant unintended consequences or perhaps well-intended-- I can't speak to the introducer's intent in this regard-- but since the state doesn't capture this tax, it primarily impacts county revenues, and counties are reliant upon this as one revenue stream to help mitigate the impacts against other revenue streams like the dreaded property tax in Nebraska. So we need to proceed very, very carefully so that we aren't putting additional pressure on property taxpayers in Nebraska and on county boards to move perhaps in the wrong instead of the right direction when it comes to collaboratively solving our property tax issues in Nebraska. The other thing that I think can and should be part of this debate is a recognition and understanding that in some instances the assets that are part of an estate may have been subject

to prior taxation. And so we want to be thoughtful about the double taxation components, but we also want to ensure that we're not casting the net too widely because there can be some assets within the estate that have not yet been subject to taxation. And we want to make sure that we're thoughtful and consistent in that regard. Colleagues, the other piece that I want to, to really reaffirm this morning as we jump in together to perhaps one of the most important debates that we've had thus far in the Legislature this session on restructuring our overall revenue policy, our tax policy, is just to ensure that we have equity in our tax policy. You will remember, last year we made significant strides in making huge tax cuts that primarily benefited the largest corporations and the wealthiest Nebraskans. And we did very little, if any, to give a tax break to Nebraskans who need it most. And that's working Nebraskans. And whether it's through the EITC, whether it's through the child tax credit, whether it's through a restructuring of LB1067 or other solutions that we have before the Legislature, we need to make sure that our overall approach is targeting tax relief to those who need it most, instead of doubling down on policies that have huge price tags and that benefit the wealthy above other working Nebraskans. So I think that those components are all a part of this very important discussion. I let Senator Clements know at the outset, I'm not planning to wage a filibuster at this stage of the debate. I can't speak for other members, but I do think that this is a significant policy debate that needs to have a clear structure to it for the combined issues that are before us in LB1067 and the related public policy issues that we're concerned about when it comes to property taxes and our overall revenue structure. Finally, colleagues, I do appreciate and understand that Senator Clements and the Revenue Committee were trying to combine disparate ideas to mitigate the impact on the counties and that is understandable. However, we do need to recognize and make sure that we're not combining disparate parts to result in a classic log rolling. We need to make sure that we're taking policies on their face with an up or down, on their own merits, distinctly. And I think a 3-way division of LB1067 will allow us to do that. Thank you, Mr. President.

**DeBOER:** Thank you, Senator Conrad. Senator Raybould, you're recognized.

**RAYBOULD:** Thank you, Madam President. Like Senator Clements, I've been involved in working on this issue since 2011. So this is a very important issue and I stand in opposition to the two amendments proposed by Senator Con-- by Senator Conrad. Good morning, colleagues,

and good morning, fellow Nebraskans watching this debate on TV. I do want to spend a considerable amount of time in opposition to this, but I wanted to spend some time this morning explaining the tax revenue structure in Nebraska. Why, you ask? Because there is so much misinformation about what inheritance tax is and what it isn't. Many of those that testified in support of eliminating the inheritance tax called it a regressive tax. Sadly, this term is often incorrectly used in reference to property taxes, in reference to sales tax and so it's time that people that are listening have a better understanding how that term is used. Inheritance tax is a progressive tax that impacts those small number of Nebraskans and their estate. Absent this source of revenue, the greater number of Nebraskans will share in the cost of any property tax increase. For those on the Revenue Committee, I do applaud them for coming up with creative ways to supplant this loss of revenue to the counties, but it's insufficient and inaccurate work that they have done. It needs to go back to the drawing board to find better and more substantial and permanent ways to supplant this loss of revenue to the cities and the counties. So, for example, as a county commissioner back in 2011, we had what was called state aid to cities and counties. Counties received \$1.4 million. The city of Lincoln received about \$1.6 million. This was done away with in 2011, which meant we had to come up with creative ways to do cost cutting or to eliminate services. A recent survey that was done in 2023, clearly shows all Nebraskans overwhelmingly hate taxes of all kinds but, in particular, property taxes. The survey demonstrates that once Nebraskans understand the mechanics of inheritance tax, more than 60% of those, and this is across all party lines, support it as it helps maintain services and provides the communities much needed financial funding for public safety and costly infrastructure projects. Several of my colleagues here in this body have served as county commissioners and county supervisors understand this fiscal impact very well. In my discussions this morning and to carry over into tomorrow, I want to also take time to address the lid limitations being proposed to both counties and cities, as well as future infrastructure needs in my presentation and, hopefully, if colleagues yield me time to address unfunded mandates. So let's begin. The state of Nebraska has multiple revenue sources, such as sales and use taxes, individual income taxes, corporate income taxes, gas and fuel taxes. The majority of the revenue in our state of Nebraska comes from individual income taxes and sales taxes. If you look at the cities and--

**DeBOER:** One minute.

**RAYBOULD:** --thank you, Madam President-- if you look at the cities and towns, they have only two primary sources of revenue and that is property taxes and sales taxes, and to an increasingly lesser extent, occupation taxes. Cities have bonding authority for major infrastructure projects like stormwater, but only with a majority vote of their residents. Counties, on the other hand, have really only one primary source of revenue and that is property taxes, and to a lesser extent, fees for services. Counties also have bonding authority, but only with a majority vote. In Lancaster County, for example, we approved a bond for a new jail that is actually now 10 years old. Looking only at property taxes in Lancaster County, we know 62 cents out of every tax dollar goes towards funding public schools.

**DeBOER:** Time, Senator.

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

**DeBOER:** Thank you, Senator Raybould. Senator Wayne, you're recognized.

**WAYNE:** Thank you, Madam President. Colleagues, this is a great opportunity to have a debate and a broader debate about what we're doing with unfunded mandates. But, more importantly, our overall property tax relief. I find it ironic that we're raising the reimbursement for jails to \$100 or, yeah, roughly, to provide some offset. I have two bills in Judiciary, which are part of the my START Plan, which is Safer Towns and Reducing Taxes. I was trying to come up with something like EPIC, but I couldn't quite come up with a catchy name so I went with START Plan. Sorry, it's the best I can come up with, but I like the idea of Safer Towns and Reducing Taxes. But the bill, LB996 actually moves all county jails from the county and puts it on the state budget. What I would be amenable to is let's just do a 100% reimbursement. The fact of the matter is, is almost every person in a county jail is on a crime that is passed by this Legislature and the penalty passed by this Legislature. So why is the county covering the cost for the prosecution or the enforcement of the laws that we pass? So if we were to, say, reimburse the county a hundred-- 100% of the cost of operating the jail, and we can separate out those like in Omaha who are on city misdemeanors versus state law charges and get reimbursed only on the state law charges. But, roughly, my fiscal note was \$185 million. NACO, over a 2-year period, said the cost of county jails to be operational is \$140 million. That's 140 million of direct property tax relief that we can put in to these counties to reduce their overall budget, provide them with the revenues for enforcing our state laws, and then if you add the county attorneys, and just saying

you can throw that in there, probably, probably don't have enough support for that this year, that's an additional \$8 million. But here's the deal, let's just do 100% reimbursement, eliminate the inheritance tax. It's more than enough to cover the heritage tax. But also it, it makes sure that we don't have unfunded mandates to counties. Again, county jails, over 90% of the people in county jails, if not 100% in some rural counties are, are in there because they are violating state statute and we should cover the cost. So we could take the increases in closing in the sales tax or closing the exemptions, put that into the 100% reimbursement of the counties for their jails and it's a win-win for everybody. Pass the inheritance tax. Get rid of it. That's fine. Reimburse the counties at 100% of what it costs to maintain their facilities for those in violation of state crimes or potential state crimes and go from there. I think that's a win-win. I look forward for Senator Clements to draft that amendment and put it on this bill. Thank you, Mr.-- Madam President.

**DeBOER:** Thank you, Senator Wayne. Senator von Gillern, you're recognized.

**von GILLERN:** Thank you, Madam President. I stand this morning in support of LB1067 and AM2492 and am considering AM2580 as the conversation proceeds here. My primary objection to the inheritance tax is really more philosophical, and that is that it is a redundant tax. It's tax on dollars that have already been taxed, and sometimes more than once. Your paycheck is subject to income tax and Social Security tax. If you have something left from your paycheck, you can invest that and, and, hopefully, that investment grows. If those funds grow, as we all hope they do, those are subject to capital gains taxes. If you own a home as part of your estate, you've been paying property tax on that every year that you've owned it and it's subject to capital gains tax when it gets sold. Every dollar that is subject to inheritance tax has already been taxed. It's a tax on tax dollars and that's not supposed to happen. My second objection is that it's taxation without representation. And as I recall, that's what-- part of what this country was founded upon. If I'm not here, it's pretty hard to represent me in that discussion. Thirdly, it is a simple redistribution of wealth. And if you don't believe me, pull up the testimony from OpenSky at the hearing that was held on February 24, where they said on the record that the inheritance tax is one of the best ways to access wealth. Let those words settle in a little bit. Friends, that is pure socialism. If your goal is to take from the rich and give to the poor, we've already read that story. I don't think that's our goal here. I had a constituent reach out to me, a gentleman



that lives in my district told me his story. Single, elderly gentleman with no children, never married, no children. Very close with his family, however. Worked hard all of his life. He has a relatively substantial estate that he wants to pass on to two nieces. He said these nieces have been like my children to me. I was-- again, never married, never had any children. So they are like his daughters. Should those women not receive the full value of their uncle's estate? In his own words again, they're like my own children. And to Senator Conrad's comments a, a few minutes ago about benefiting the rich with tax policy, this gentleman clarified that his nieces are not wealthy. He said what I am able to pass on to them will substantially impact them and their families in a positive way. The last comment stuck with me the greatest. He said, I am seriously considering moving from the state that I have lived in all of my life in order to better care for my nieces and their families and ensure that they receive all of what I worked so hard to earn. I ask that you consider all of these comments in this discussion. I understand, by looking at the board, it's going to continue for a while so we'll have plenty of time to consider these comments and others. Thank you, Madam President.

**DeBOER:** Thank you, Senator von Gillern. Senator Jacobson, you're recognized.

**JACOBSON:** Thank you, Madam President. Well, I rise in tentative support of LB1087 [SIC--LB1067]. I am a cosponsor of the bill but I would be honest with you, when I first was told the bill, before I signed on, I didn't see some of the other expansive pieces of the bill that I actually have concerns with. So let me just kind of take off a little bit from Senator Conrad's comments. There's really three pieces to this bill. I have a lot of concern about taking dollars away from tourism. In fact, I'll be very clear. I will vote against the bill if we can't separate the tourism dollars and maintain those tourism dollars to be kept to themselves and managed separately by the tourism people. So I would be opposed to AM2492 unless we're allowing 100% of the dollars to stay with tourism and not make that a slush fund for the county. Secondly, I have concerns on the reimbursements because the \$35 a day. But if you read on, it's only available if the appropriation is there which means there's no guarantee that that reimbursement is going to be there. Senator Wayne is spot on. These, in many cases, are state prisoners because of laws that we've passed. I don't know why the counties have to bear that cost and try to figure out how they're going to pay for it. Because I can tell you how they're going to pay for it, they are going to pay for it with property taxes. And I adamantly-- there's one thing I hate more than



inheritance tax and that's property tax. And so if we take away the inheritance tax, which I'm all in favor of, everything that Senator Von Gillern said is spot on. I agree with him 100%. However, if we take that revenue source away, we've got to figure out a way to replace it, at least replace a substantial piece of that. And I think therein lies the question. And I have had conversations with Senator Clements about it. I've made him-- made it clear to him that I intend to vote for this bill on General File, but I will vote no if we can't get amendments on Select. And specifically, the amendments I'm looking for would be, number one, to find a revenue replacement. I will plant this seed. One of them I have in mind is potentially making a small increase in the documentation stamp fees, which are collected by the county for real estate transfers. Right now, they get 50 cents of that, of the \$2.25, a hundred that's charged now and then it goes-- some of it goes to affordable housing and some other dollars elsewhere. So we may look at some increase there to be able to offset that revenue loss from the loss of inheritance taxes. But I'm not locked on that, I'm open to other ideas. I realize that the gaming revenues will increase county receipts to some extent and I realize that the bridge program will also help counties and revenue. We just need to work through the revenue so that there's not a huge revenue loss to counties because I know what happens when that occurs. It goes to property taxes, and that is too high today. I don't want to be part of adding to that. So I think we need to put our heads together between now and Select on an amendment that's going to create that change. So with that said, I am supportive of the bill with amendments and I will look forward to working with Senator Clements between now and Select to get those amendments made. Thank you, Mr. President-- Madam President.

**DeBOER:** Thank you, Senator Jacobson. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Madam President. I appreciate the discussion we've been having. I want to bring us back to the overall issue is overall tax reform for Nebraska to make us more competitive with other states. And I believe that we can bring amendments to this bill to improve-- lessen the effect on the counties. I'm certainly willing to consider those. Senator McDonnell is telling me about the documentary stamp tax proposal that he has which would raise some revenue for counties. Senator Conrad's amendment with exempting the states with less than \$100 million, I, I like that. I'd support that one. I think that'll definitely help. Senator Wayne talking about \$185 million, I think the budget doesn't quite stretch that far this year, but the,

the \$100 amount in the committee amendment does, I think, cover most of the costs. In fact, we were told that there was a county who said \$59 would allow them to cover their jail costs. And so, you know, there are other items, other bills that aren't attached to this one. The gaming tax on the skill games will provide, you know, a million or more. The county bridge match bill will put about \$3.8 million additional to the county bridge match which would have the state pay 75% of bridge projects. And-- but I do, do want to have you look at page 2 of the handout which shows, over the last 25 years, the increase in inheritance tax has increased at a 5% compounded rate. So if the counties say they haven't been raising taxes, they have been raising taxes, just raising it on people that don't complain. As they say, dead men tell no tales. And it's a small number of people that have been paying this to benefit the vast majority of other people. And I, I believe that's unfair and I appreciate people who are willing to work on this to try to lessen the effect. But the overall goal, I think, is overall tax package to make Nebraska more competitive. The Governor's been working hard that-- on that. Appreciate the Revenue Committee with the bills they have coming out. And we're just going to be on an island with nobody closer than Kentucky having a tax like this and we've just been giving-- getting so many emails from the state planners that do tell people to move out of Nebraska before they die, especially if they have no children. And so that-- I appreciate the support for improving our tax system and also for finding ideas that the counties can use to offset some of this. And we're, we're going to be continuing to work on ideas like this and, and amendments. The, the people of Nebraska deserve more fair treatment than what they've been getting and I think we have the ability to do that. With that, thank you, Madam President.

**DeBOER:** Thank you, Senator Clements. Mr. Clerk, for items.

**CLERK:** Madam President, pursuant to the Speaker's announcement earlier, Senator Linehan would move to suspend Rule 3, Section 14 to permit the Revenue Committee to conduct a hearing on LB1346 with less than 7-days notice.

**DeBOER:** Senator Linehan, you're welcome to open on your motion.

**LINEHAN:** Thank you, Mr. President and good morning again, colleagues. So this is on me trying to manage staff, trying to manage all the bills. Senator Vargas had asked that we have a hearing on his LB1346 tomorrow. And because we're moving things around, it slipped. But I talked to the Speaker this morning, we can-- we will go ahead and have

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the hearing on LB1346 tomorrow. But we will also have another, another hearing on the same LB1346 on February 28. So a week from tomorrow. So if there's anybody, because they don't have the 7 days since it's tomorrow, we will make a 7-day hearing so that anybody should still have ability to come in and testify on LB1346. So I'd appreciate your support for this. Thank you very much.

**DeBOER:** Thank you, Senator Linehan. Seeing, seeing no one in the queue, Senator Linehan, you're welcome to close on your motion.

**LINEHAN:** I should have said Senator Vargas-- disconnect here-- our committee-- again, our fault-- he has testifiers lined up traveling in tomorrow so it'd be very helpful if we could do this. Thank you very much. Appreciate it.

**DeBOER:** Thank you, Senator Linehan. The question before the body is the adoption of the motion to suspend the rules. Reminder, colleagues, this vote takes 30 votes to pass. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 31 ayes, 1 nay, Mr.-- Madam President, on suspension of the rules.

**DeBOER:** The motion is adopted.

**CLERK:** Madam President, pursuant to the previous rule suspension, the Revenue Committee gives notice of public hearing. Additional items, Madam President, your Committee on Health and Human Services, chaired by Senator Hansen, reports LB421, LB422, LB910, LB913, LB1355 to General File, all having committee amendments. Additionally, your Committee on Transportation, chaired by Senator Moser, reports LB1004 to General File with committee amendments. Your Committee on Urban Affairs, chaired by Senator McKinney, reports LB948 to General File with committee amendments. Your Committee on Education, chaired by Senator Murman, reports LB855, LB878, LB1029, LB1091, LB1193, LB1270, and LB1328 to General File. Amendments to be printed: Senator Wayne to LB253 and Senator Fredrickson to LB856. Senator Cavanaugh, a series of motions to LB1067. Notice of committee hearing from the Revenue and Education Committees. New LR, LR303, that will be referred to the Executive Board. Series of name adds: Senator Fredrickson to LB20; Senator Conrad to LB198 and LB233; Senator Wayne to LB253; Senator Clements and Senator Lippincott to LB441; Senator Slama, LB844; Senator Dungan, LB856; Senator Dungan, LB928; Senator Brewer, LB951; Senator Conrad, LB1078; Senator Ibach, LB1251; Senator Conrad, LB1392.

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Notice that the Reference Committee will meet in Room 2102 upon adjournment; Reference Committee, 2102. The Transportation and Telecommunications Committee will hold an Executive Session of the committee immediately following the committee hearings this afternoon in Room 1202, T&T Committee, Executive Session, Room 1202. Finally, Mr. President, Senator Vargas would move to adjourn the body until Wednesday, February 21, 2024 at 9:00 a.m.

**DeBOER:** Thank you, Mr. Clerk. Senator Lowe would like to announce 6 students, 1 teacher, and 1 sponsor from the University of Nebraska at Kearney American Democracy Project. Please stand to be recognized by your Nebraska Legislature. The question is, shall the Legislature adjourn? All those in favor say aye. All those opposed say nay. The motion is successful.