

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 29, 2025

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifteenth day of the One Hundred Ninth Legislature, First Session. Our chaplain for the day is Jesse Randolph, Indian Hills Community Church in Lincoln, a guest of Senator Lippincott. Please rise.

JESSE RANDOPHL: Good morning. Let's pray. Our God and Father, we give thanks and praise to you. We praise you as being our creator, as the one who sustains us, giving us life and breath and movement and being. We praise you for being the sovereign God that you are. There's not a speck of dust that dances in the afternoon sunray that's out of your control. We praise you for placing us in a nation and a state where we can gather peacefully and worship freely. And we praise you for every one of these men and women in this Chamber who you've providentially placed in these seats. We praise you, God, and we are thankful. At the same time, God, we grieve. We grieve that though your creation testifies to your existence, the pinnacle of your creation-- mankind-- denies and suppresses the truth that you were there. We grieve that sin has entered into this world. And worse yet, that sin is championed and celebrated as if it were some small thing to you or as if you've suddenly adapted to our ways-- the Creator bending the knee to the creature. We grieve that what you have declared evil is now championed as good in our day and that what you've declared to be good is dismissed as a dusty, old relic of our once religious past. We grieve. But there is yet hope. There is hope for mankind because you sent your Son, the Lord Jesus Christ, into this world to take care of our sin problem. There is hope because we who have gone astray, glory-robbing rebels that we are, can be restored to a right relationship with you through the shed blood of your son. There is hope because you have made a way through Jesus Christ for sin-cursed people like us to enjoy eternal life with you if only we would repent of our sin and believe upon Jesus. I pray, God, that you would flood this Chamber and this state with these truths. I pray that more and more hearts in this state would be turned to you as they see that true hope is found in Christ. I pray you'd give the senators this morning and this week immense wisdom as they seek you in your will according to your word. We pray all of this in the matchless name of Jesus Christ, our Lord. Amen.

KELLY: I recognize Senator Holdcroft for the Pledge of Allegiance.

HOLDCROFT: 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.

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KELLY: Thank you. I call to order the fifteenth day of the One Hundred Ninth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

KELLY: Thank you. Are there any corrections for the Journal?

CLERK: I have no corrections this morning, sir.

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

CLERK: There are, Mr. President. Your Committee on Business and Labor, chaired by Senator Kauth, reports LB197 and LB229 to General File. Additionally, notice of committee hearings from the Retirement Systems Committee, Banking, Commerce and Insurance Committee, the Government, Military and Veterans Affairs Committee. New LR: LR33, introduced by Senator Conrad. That will be laid over. Pursuant to that LR, a communication from the Speaker. The-- pursuant to Rule 4, Section 8, requesting a reference of LR33 to the appropriate standing committee for the purpose of conducting a public hearing. Notice that the Performance Audit Committee will meet under the south balcony at 10:15. Performance Audit, under the south balcony at 10:15. And the General Affairs Committee will meet in executive session in Room 2022 at 10:30 this morning. General Affairs, 2022, 10:30. That's all I have at this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Hardin would like to recognize some guests in the north balcony: Leadership Scotts Bluff from Scottsbluff and Gering, Nebraska. Welcome. And Senator Arch would like to recognize the physician of the day: Dr. James Watson of Papillion. Please stand and be recognized by the Legislature. Mr. Clerk for the first item on the agenda.

CLERK: Mr. President, first item: Senator Lonowski would move to withdraw LB418.

KELLY: Senator Lonowski, you're recognized to speak.

LONOWSKI: Thank you, Mr. President. And good morning, colleagues. This is my request to withdraw LB418 because other legislation introduced by a colleague will thankfully address the same concerns that were brought to me by a constituent. Conducting a public hearing on my bill, LB418, will not be necessary. And I want to respect-- be respectful of the committees and their time by withdrawing my bill. I

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ask for your support in this motion to withdraw LB418. Thank you, Mr. President.

KELLY: Thank you, Senator Lonowski. Seeing no one else in the queue. You are recognized to close. And waive closing. Members, the question is the motion to withdraw. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 44 ayes, 0 nays on adoption of the motion, Mr. President.

KELLY: The motion is adopted. Mr. Clerk.

CLERK: Mr. President, next item on the agenda: motion from Senator Moser to suspend Rule 3, Section 14, to permit cancellation of a public hearing, that hearing being the Transportation and Telecommunications Committee hearing on LB714.

KELLY: Senator Moser, you're recognized to open on the motion.

MOSER: Thank you, Mr. President. Good morning, colleagues. I move to suspend Rule 3, Section 13 [SIC-- 14], to permit cancellation of a public hearing, by the Transportation and Telecommunications Committee on LB714. Relevant facts would not be available in time for this hearing, and the bill's sponsor is requesting it be delayed at this time. Therefore, we will reschedule this hearing at a time when we can hear the full and applicable facts. Thank you.

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

CLEMENTS: Thank you, Mr. President. LB714 is my bill, and it's not ready for a hearing at this time. I'm collecting more facts, and there's some funding issues in that bill. And I would like to have a hearing later on, probably in March. So I, I support the motion. I ask you to vote green on the motion. Thank you.

KELLY: Thank you, Senator Clements. Seeing no one else in the queue. Senator Moser, you're recognized to close. And waive. Members, the question is the motion to suspend rules. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 45 ayes, 0 nays on adoption of the motion, Mr. President.

KELLY: The motion is adopted. Mr. Clerk.

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CLERK: Mr. President, pursuant to the motion just adopted by the Legislature, the Transportation and Telecommunications Committee gives public notice of cancellation of the hearing on LB714 for Monday, February 3. Next item on the agenda, Mr. President: General File, LB1, introduced by Senator Hansen as chair of the Executive Board. It's a bill for an act relating to medical cannabis; to amend Section 2, Initiative Law 2024, No. 437, and Section 2, Initiative Law 2024, No. 438; to eliminate an incorrect subdivision reference in provisions adopted by the voters at the statewide general election; to repeal the original section; declare an emergency. Bill was read for the first time on January 9 of this year and placed directly on General File.

KELLY: Senator Hansen, you're recognized to open.

HANSEN: Thank you, Mr. President, members of Legislature. All right. LB1 is what is known as a Revisor bill. So some of the newer senators who are unfamiliar with Revi-- Revisor bills, they are technical correction bills prevent-- prepared by the Revisor of Statutes, Marcia McClurg. Under Rule 5, Section 3 of the Rules of the Legislature, Revisor bills are introduced by the chairperson of the Executive Board, do not require a public hearing, and are placed directly on General File. Revisor bills are tech-- typically bills that correct internal references, harmonize statutory provisions, or repeal statutes that have become obsolete. Our first Revisor bill this year, LB1, corrects a subdivision reference found in the 2024 Initiative Laws, No. 437 and No. 438. More specifically, it makes the correct statute reference that defines hemp, which has changed this past year after the ballot initiative language was finalized. This makes no change to the definition of cannabis or hemp, nor does it change any implementation of what the voters approved this last November. It simply changes the statute number from Section 2-503-- 2-513 to 2-503, because if you look at our newest statute books, that is where you'll find the definition of hemp. I would ask for your support and green vote to advance LB1. Thank you, Mr. President.

KELLY: Thank you, Se-- thank you, Senator Hansen. Seeing no one else in the queue. You're recognized to close. And waive closing. The question before the body is the advancement of LB1. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 47 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB1 advances to E&R Initial. Mr. Clerk.

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CLERK: Mr. President, next item on the agenda: LB2, General File, introduced by Senator Hansen as chair of the Executive Board. It's a bill for an act relating to government; repeals the terminated provisions relating to the Children and Juveniles Data Feasibility Study Advisory Group, the Crimes Against Children Fund, the Industrial Recovery Fund, Medical "Cannabiloid" [SIC-- Cannabidiol] Pilot Study, the Municipal Natural Gas System Emergency Assistance Act, the Nebraska Economic Development Task Force; and to outright repeal Section 19-5601, 19-5602, 19-5603, 19-5604, 19-5605, 19-5606, 19-5607, 19-5608, 28-463, 28-464, 28-465, 28-466, 28-467, 28-468, 28-469, 50-40-- 50-435, 81-1213, 81-1429.01, Reissue Revised Statutes of Nebraska, and Section 43-1306, Revised Statutes Cumulative Supplement, 2024. Bill was read for the first time on January 9 of this year, placed directly on General File.

KELLY: Senator Hansen, you're recognized to open.

HANSEN: Thank you, Mr. President. Like LB1, LB2 is also a Revisor bill. LB2 would outright repeal statutes referring to the Municipal Natural Gas System Emergency Assistance Act. This act was created under LB131 in 2021 to assist municipalities which own and operate a natural gas plant or natural gas system as they experience extraordinary costs due to extreme weather events. If anyone remembers when it got down to negative 30 degrees and half of Texas lost its electricity, that's what this act was in response to. The act had a termination date of June 30 of 2023, and therefore the statutes codifying the act are no longer needed. LB2 also repeals statutes relating to the Medical Camidi-- Cannabidiol Pilot Study that terminated in October of 2019, Nebraska Economic Development Task Force that terminated in 2021, the Nebraska Industrial Recovery Fund that terminated in May 2015, and the Crimes Against Children Fund that terminated in July 2018. I would ask your-- for your support and a green vote to advance LB2. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Seeing no one else in the queue. You're recognized-- and waive closing. Members, the question is the advancement of LB2 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 47 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB2 advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President: General File, LB194, introduced by Senator Sorrentino. It's a bill for an act relating to the documentary stamp

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tax; amends Section 76-902; changes provisions relating to certain exemptions; repeals the original section. Bill was for the first time on January 13 of this year, referred to the Revenue Committee. That committee placed the bill on General File. There are no amendments at this time, Mr. President.

KELLY: Senator Sorrentino, you're recognized to open.

SORRENTINO: Thank you, Mr. President. Good morning, colleagues. I am reintroducing a bill now known as LB194. This bill was introduced in 2024 by Senator Brad von Gillern as LB1177, and it was voted out of committee 8-0 and placed in General File. It was IPPed on April 18 and it has now returned to General File after being again voted 8-0 out of the Revenue Committee. And there was no opposing testimony during the hearing. It has zero fiscal impact. This bill is offered with the intent to do two things. One, it clarifies that step relationships are to be considered the same as blood relationships. And two, to be exempt in a transfer of family-owned corporation or limited liability corporations, LLCs. The corporation or LLC must be wholly owned by an individual, be it yourself or a spouse or a family member. Estate planning attorneys work regularly with clients in planning for the transfer of their assets upon death. When real estate is involved, that planning can often give rise to a need to transfer the legal title to property in anticipation of death. The control of the person's home or operation of the farmland in question will remain with the client until their passing. Depending on the situation, limited liability corporations or other business entities may be established. A trust might be created or part or portions of ownership may be gifted with some remaining interest retained. In nearly all of these instances, instances where family is involved, no consideration or actual value is exchanged. Indeed, the property is not sold and control is not typically transferred. Understanding this, the Legislature provided an exemption from application of the document tax with respect to these types of transactions. Nebraska Revised Statutes 76-902 has provided for an exemption from the tax when property is transferred among family members, dating back to the 1960s. Recently, questions have been raised as to whether some of these types of transfers meet the definition of transfer among family members as the current statute exists. Most notably, the Department of Revenue has opined that a transfer from a married couple to an LLC with a sole member or from an individual to an LLC with a sole member does not fit within the definition of family of 76-902. That interpretation of the application of the exemption to such transfers departs from a long history of how attorneys and county officials have handled these types of estate planning transfers. The department then has advised counties not to accept the filing of real

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estate documents with this exemption applied when it is structured in this way. What this means is that families can be on the hook for potentially thousands of dollars in filing fees for paperwork that is meant solely to plan for the future and when the transfer does not affect control of the property or result in any real value being exchanged, as you would see in a public sale. This departure from past practice has also resulted in inconsistencies among counties in how they've accepted the filing of these types of documents. At least one county official is determined to comply with the directions provided by the department and has refused to accept filings under this exemption and required payment of the tax. Other counties have continued the practice of applying the exemptions of these transactions. This bill does not create a new law. This bill does not amend an existing law. LB194 merely clarifies the long-standing interpretation and application of this exemption dating back to the 1960s in these real estate planning instances. Thank you. And I would encourage you to vote green. And thank you for your attention this morning.

KELLY: Thank you, Senator Sorrentino. Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. Would Senator Sorrentino yield to a question?

KELLY: Senator Sorrentino, would you yield to a question?

SORRENTINO: Yes, I will.

McKINNEY: Thank you. I was just curious. I was looking at this and then it said, it said step relationship. How do you establish a step relationship?

SORRENTINO: Thank you for the question, Senator McKinney. A step relationship would be an intervening entity, such as an LLC. It could be a partnership. It could be a trust. Those assets are transferred to that document or that entity in anticipation of another move eventually to a family member. It's done so for some fairly complicated tax reasons, to protect the assets, to protect the personal assets of those being transferred by that transfer. Or it's merely a conduit, if you will, between the eventual grantor and the eventual grantee.

McKINNEY: So it's ju-- like, merely like a business relationship and not a familiar-- familial relationship?

SORRENTINO: It, it is a relationship. LLCs are used in business relationships. But in this case, it's used as an estate planning tool

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to make sure that the asset remains with the family but gives the ultimate protection to the grantor's personal assets.

McKINNEY: OK. I don't know. It was just kind of confusing because when I saw step relationship, I was just trying to understand. Is it like-- could it be like a stepkid or like a son-in-law? I was just trying to understand.

SORRENTINO: It's, it's-- I'm not an estate planning attorney, just an attorney. It's a-- it's just a term of art that's used by estate planners.

McKINNEY: OK. Thank you. Thank you, Mr. President.

KELLY: Thank you, Senator McKinney. And Senator-- Senator von Gillern, you're next in the queue.

von GILLERN: Thank you, Mr. President. I rise very-- for a very short comment in support of LB194 again. And Senator McKinney, that's a great question. It-- this really was intended-- again, I-- Senator Sorrentino mentioned I brought this bill last year. Somehow we didn't get it attached to anything. And that was, that was just an oversight because it came out 8-0 last year, came out 8-0 again this year. It's simply is intended to clarify that, that transfers of property between two family members, whether they have moved that property into a different type of entity or not, it's still a family transfer. And the doc stamp was never intended to collect on transfers between family members, so. It's a very simple cleanup bill. And I encourage you to vote green on LB194. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Senator Dungan, you're recognized to speak.

DUNGAN: Thank-- oh. Thank you, Mr. President. And good morning, colleagues. I also want to rise just very briefly to stand in favor of LB194. I, I do sit on the Revenue Committee and did vote this out. It did come out 8-0. I want to take a second to congratulate my new colleague, Senator Sorrentino, on having the first bill up here today on worksheet order. So good for him there. I just would reiterate what Senator von Gillern said. My understanding is this is a cleanup bill. I've also had a chance to speak with some folks who have been around a lot longer than I am, and, and my understanding is this is how the Department of Revenue had historically always categorized these things. So if, if nothing else, this edition of this step language is a codification of just kind of how things used to be considered. So I

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think that all things said and done, this is a pretty simple bill. And I would encourage my colleagues to vote yea on LB194. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Seeing no one else in the queue. Senator Sorrentino, you're recognized to close. And waive. Members, the question is the advancement of LB194 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 44 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB194 advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President, next bill: General File, LB116, introduced by Senator Ballard. It's a bill for an act relating to revenue and taxation; amends Sections 13-2606, 13-2607, 81-3717, and 81-3720, Reissue Revised Statutes of Nebraska, and Sections 13-2603, 13-2604, 13-2605, 13-2610, Revised Statutes Cumulative Supplement, 2024; changes provisions of the Convention Center Facility Financing Assistance Act and the Nebraska Visitors Development Act; and repeals the original section. Bill was read for the first time on January 10 of this year and referred to the Revenue Committee. That committee placed the bill on General File. There are no amendments or motions pending at this time, Mr. President.

KELLY: Senator Ballard, you're recognized to open.

BALLARD: Thank you, Mr. President. Good morning, colleagues. Today, I rise to introduce LB116, which will serve as the-- enhance Nebraska tourism industry. If voted into law, the bill will accomplish two things. First, it amends the Nebraska Visitor Development Act to give counties greater fe-- flexibility in reinvesting lodging tax dollars into county-owned projects that are valuable to the local tourism industry. Second, the bill will-- includes cleanup language for the Convention Center Facility Financing Act. In line with this suggestion, the county developing consultants, LB116 empowers counties to strategically adopt convention center and future proof into human wants, events, and technol-- as technology involves. This measure would enable counties to capitalize on the convention center's positive economic impact in the local economy and, and support its own future improvements through strategic reinvestment and expands revenues into the County Visitors Improvement Fund. Giving counties this flexibility, the convention center will have an easier time remaining attractive and cutting-edge for convention planners and visitors. We cannot wait for the convention center to be complete before starting to plan for the

future. If we are going to make the most of investment in our community, we must give counties the flexibility to plan, act, and fortify future possibilities-- prosperity of the project. To improve ability of the County Visitor Improvement Fund dollars, we'll expand uses-- step towards in planning. The second bill-- the second part of this bill is some cleanup language in the Convention Center Facility Financing Assistance Act. The cleanup language will provide new definitions of applicants with the changes allowed in the area to be either contiguous or noncontiguous. The new language would also provide caps-- cap. It would, it would also improve provisions outlining public testimonies and decision-making. Lastly, it would stipulate for funds to be used towards expansion and maintenance otherwise not allowed currently. LB6-- LB116 was voted out of committee unanimous-- unanimously with zero opposition. I urge you to advance LB116 to General File-- to, to E&R for initial.

KELLY: Thank you, Senator Ballard. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good morning, colleagues. As things are moving so quickly as we settle into our committees and as we commence our floor debate this morning, I hadn't had an opportunity to visit with Senator Ballard just yet about some of the technical components in the measure that he has before the body today in LB116. So I was hoping that perhaps he could yield to questions.

KELLY: Senator Ballard, would you yield to some questions?

BALLARD: Yes.

CONRAD: Thank you, Senator. I appreciate it. So as I understand it, this is part and parcel with the laudable goal of trying to bring a convention center to Lincoln. Is that right?

BALLARD: Correct.

CONRAD: OK. And I understand that you and other members of this body and other members of the private sector and other public elected officials serve on a subcommittee of the Lancaster County Board, which has been called Assemble Lincoln. Is that right?

BALLARD: Correct.

CONRAD: OK. So Assemble Lincoln has narrowed potential sites for a convention center in Lincoln to three potential locations, according to news reports this summer from July of 2024, that includes a Garfield

location with public-private development, a REV development, and then the post office in the Haymarket. Is that right?

BALLARD: Correct.

CONRAD: OK. So looking at the components of the legislation, it seems to be a rather vague and undefined sort of grant of authority for the turnback in regards to either proximity to the Capitol or to the project itself. 600 yards sounds pr-- pretty significant. So can you tell me-- have you or Assemble Lincoln have-- had you-- I'm trying to understand what space you're looking at to grab turnback tax from if this project moves forward. And the bill that you have before us includes a grant of authority for contiguous or noncontiguous space. So is there indeed actually any limitation on, on the project area that would be subject to this financing mechanism?

BALLARD: Is-- yes. So currently, it-- this has never happened in Nebraska, but currently, if we decided to move forward with this project, we could in theory draw lines around Omaha, Kearney and turn that tax back to Lincoln. What LB116 does, it says it has to be within the political subdivision in which the project is being built.

CONRAD: OK. So there was some sort of drafting error perhaps in the-- in that-- in original legislation--

BALLARD: Yes.

CONRAD: --that was too broad, beyond the city limits or county limits. OK. Is there any limitation in what you've brought forward in regards to LB116 as to the application within Lincoln or Lancaster County? Or could the project area be set really in-- it-- in any configuration within those political boundaries?

BALLARD: It just has to be contiguous.

CONRAD: It doesn't, actually. It says contiguous or noncontiguous.

BALLARD: So it has to be within the boundary of the political subdivision.

CONRAD: OK. So arguably, the project could utilize this funding for the entirety of the city of Lincoln or the entirety of this-- Lancaster County?

BALLARD: Within that 600-- within the, the parameters set in the original bill, which is 600 yards, I believe.

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CONRAD: Right. And then this modifies it to say contiguous or noncontiguous.

BALLARD: It has to-- within the su-- the political subdivision. That's the goal of LB116.

CONRAD: OK. It seems to me that maybe we have a little bit of work to do to tighten that up because it seems to be a rather vague and undefined and broad grant of authority there. Senator, thank you so much for the dialogue. I do have another area of questions-- I don't know if I'll need to punch in again-- but it's in relation to some changes on the public engagement and public comment components in the legislation. And if you would look, for example, on page 7, there's a change from the existing law in LB116 that would allow for, quote unquote, any additional evidence shall be provided contemporaneously to the applicant-- "after the conclusion of the public hearing" as modified by the, the sentence above that. So are you in essence allowing for some sort of ex parte communication with the decision-makers outside of the public hearing? What is your attempt-- what are you trying to attempt with a modification of that section in regards to public engagement?

BALLARD: And that is in Section 4 or Sec--

CONRAD: 3.

BALLARD: Section--

CONRAD: Yeah, 4. Sorry. Sub (3). Yeah.

BALLARD: So the board shall provide any acceptance in additional evidence after the conclusion of public hearing. Any such additional evidence shall be provided-- OK. Yes, that is correct.

KELLY: That's your time, senators. Thank you, Senators Ballard and Conrad. Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. Would Senator Ballard yield to a question?

KELLY: Senator Ballard, would you yield to questions?

BALLARD: Yes.

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McKINNEY: Thank you, Senator Ballard. I just had a quick question. Do you know how much is in the county fund that, that this bill is referencing?

BALLARD: So we're capped at \$150 million.

McKINNEY: So each county could try to access \$150 million?

BALLARD: If they fall under this specific turnback tax.

McKINNEY: You know how many counties fall under this?

BALLARD: I do not, no.

McKINNEY: OK. All right. So-- but this is kind of geared towards Lincoln primarily?

BALLARD: Correct. And I, I believe Omaha has a project as well. But this is-- this proposal's geared more towards Lincoln.

McKINNEY: OK. Thank you.

BALLARD: Yes.

KELLY: Thank you, Senators Mc-- McKinney and Ballard. Senator Conrad, you're recognized to speak.

CONRAD: Thank you so much. And I appreciate the question my friend, Senator McKinney, brought forward because that was another question that I had looking at page 3 on lines 22. It seems to indicate that there's not an overall hard cap of \$150 million kind of writ large, but \$150 million per any one approved project. So-- perhaps I'm reading too much into it there, but it seems to be a grant of authority for far more than \$150 million, but-- because that could include any one project. So if there are multiple approved projects, I'm guessing they each would be eligible for the \$150 million. So I'd ask Senator Ballard if he'd like to respond to that component.

KELLY: Senator Ballard, will you yield some questions?

BALLARD: Yes.

CONRAD: Senator, is it your intent that, overall, any project underneath this act would be limited to \$150 million for any entity? Or does it allow-- is, is it important to have the qualification that it's \$150 million per project? So with various approved projects, they

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actually could draw down \$300 million, \$450 million. You see kind of where I'm going there?

BALLARD: Yeah, absolutely. And, and I, and I really-- I wanted that cap of \$150 million in this, in this plan because I don't want to exceed more than \$150 million for this, for this project specifically. But it would be what the county approves.

CONRAD: OK. And then to continue our dialogue, Senator, if you would help me understand more about how the public engagement component works. And there's an existing session-- section which is modified through your legislation, which-- can you help the body understand what weight is given to the application itself, the evidence provided, the testimony at the public hearing, and then I-- whatever this provision means for additional evidence provided outside of the public hearing, I guess? I'm not-- again, I'm not sure what you're trying to do on--

BALLARD: No. Yeah, I appreci--

CONRAD: --on page 11 and 12-- on lines 11 and 12 there.

BALLARD: Yeah. That language actually came from the county. They wanted some statutory authority for the applicant and their evidence to kind of correspond and making sure that all their bases are covered.

CONRAD: OK. And so the public wouldn't have any sense about those communications or the substance thereof?

BALLARD: That, that is not my intention. I would be willing to clear that up with--

CONRAD: OK.

BALLARD: --somebody.

CONRAD: We might want to clean that up from General to Select File. I, I appreciate that. I'm always, always concerned when we limit the citizens' right to know what their government is doing in their name and, and in-- and with their money. The other question that I had is, have there been any projections by Assemble Lincoln or related parties about how this turnback tax, this financing component, would impact, say, for example, the arena or the special sales tax district in SouthPointe?

BALLARD: There has been discussions of that. And some of those location discussions, we're trying to work through some of those issues.

CONRAD: OK. And the result of those discussions were what?

BALLARD: Were, were-- that's part of the location discussion. If we choose a certain location, that would be part of the discussion.

CONRAD: OK. And then has there also been communications with the city of Lincoln in terms of how this would impact their budget?

BALLARD: Yes. That's part of the-- that's part of the discussions as well.

CONRAD: OK. And what have been kind of the, the general flavor of those communications?

BALLARD: The-- they, they want to see the project move forward because this is an economic driver. So they're willing to work with the Asse-- with-- work with the state, the county, and the committee to make sure that their budget's held harmless.

CONRAD: OK. And then the-- just one final set of questions, Senator. Thank you for your, your patience and, and helping me get a better understanding of it on a, a short timeline. But-- so looking at the three final sites for potential selection, there's some that are public based, there's some that are pipe-- public-private partnerships. And then it seems, I guess, that Lancaster County is the main driver as the political subdivision under this act. But there is a sect-- a component in your legislation which seems to indicate that-- if you look on page 6 in lines 11 through 12, there's a strike that utilization of these funds for these projects has to include public purposes. And you strike the inclusion of requirement for public purposes. So I'm concerned about what that means for taxpayer financing for private purposes. Why is that stricken?

BALLARD: That was another issue that the county wanted to address.

KELLY: That's your time, senators.

CONRAD: Thank you.

KELLY: Thank you, Senators Conrad and Ballard. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Would Senator Ballard yield to a question?

KELLY: Senator Ballard, would you yield to questions?

BALLARD: Yes.

M. CAVANAUGH: Thank you, Senator Ballard. So I, I heard-- Senator McKinney, I believe, asked about the cash fund. You don't know how much is in it, but I'm trying to find just information on the cash fund. Do you know what cash fund it is and how that cash fund is funded?

BALLARD: Yeah. I, I can get that information for you.

M. CAVANAUGH: OK. It doesn't say in the bill. It says that there's a county cash fund, but it doesn't say how it's funded and--

BALLARD: Yeah, so-- yes. So it is a turnback tax.

M. CAVANAUGH: OK.

BALLARD: And so the, the mon-- the taxes that are levied through lodging tax, a portion of that would go back into funding this cash fund.

M. CAVANAUGH: OK. And then Senator Conrad asked you a question about the site selection. And, and the city, as far as-- you said they're involved in the conversations. Who's leading the site selection?

BALLARD: So it's the committee that was-- that's assembled among state senators and stakeholders and in conjunction with the county and consultants.

M. CAVANAUGH: Is-- and the city does not have a seat in that committee?

BALLARD: They, they did have a seat on the committee when we started, yes.

M. CAVANAUGH: But they don't have a seat--

BALLARD: They, they opted to, to, to jump off, I guess.

M. CAVANAUGH: OK. So this is a committee created by us, the Legislature?

BALLARD: The county.

M. CAVANAUGH: But it involves legislators?

BALLARD: It involves the Legislature because they need statutory authority for the turnback tax.

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M. CAVANAUGH: OK. And how are legislators selected to be participants on the committee?

BALLARD: It's a subcommittee of the, of the county.

M. CAVANAUGH: So the count--

BALLARD: So it has to be county authority, yes.

M. CAVANAUGH: So the county appoints us?

BALLARD: App-- so-- yes. In conjunct-- yes.

M. CAVANAUGH: And do they bring that to the Executive Board, or how does that work?

BALLARD: It's, it's completely separate. So the, the state has the turnback tax authority. That's what the-- that's what the state's component is. And then the county is finan-- is in control of the, the project.

M. CAVANAUGH: Is-- I don't know-- I'm-- maybe I'm missing something. I don't know of any process in which we have state senators represented on a committee that it wasn't appointed by the Executive Board or the Legislature. Is, is this-- are you aware of other committees that op--

BALLARD: I'm not, I'm not aware of other committees.

M. CAVANAUGH: How did this come to be? Like, how long has this existed? What is the committee called?

BALLARD: We had our first meeting in-- I believe it was 2021, was our first meeting.

M. CAVANAUGH: Who's we?

BALLARD: It was the Assemble Lincoln Committee.

M. CAVANAUGH: Assemble Lincoln is the name of the committee?

BALLARD: Yes. That's the name-- that's the name of the group.

M. CAVANAUGH: And who from the Legislature is a member of this committee?

BALLARD: It was, it was Senator Wishart, Senator-- myself and Senator Bostar, and then Senator Bosn. So Lincoln senators. And then it was

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also the League of Municipalities, a county representative, and a federal-- someone from the federal government.

M. CAVANAUGH: OK. So is this piece of legislation brought on behalf of Assemble Lincoln?

BALLARD: So this is brought-- this is in conjunction with the county. The county wants some clarification.

M. CAVANAUGH: The La-- Lancaster--

BALLARD: Lancaster County wants some clarification.

M. CAVANAUGH: What about the other counties in the state?

BALLARD: NACO testified in neutral on this. But this is mainly a Lancaster County issue because we're the only ones with the project right now.

M. CAVANAUGH: So no other counties use the turnback tax?

BALLARD: I believe Douglas County uses a turnback tax, to my knowledge, but I don't think any other county-- I'll, I'll have to follow up with the-- make sure they get the exact date-- the exact counties.

M. CAVANAUGH: And Douglas County, Sarpy County, Cass County, they didn't come in--

BALLARD: I'll get, I'll get that information for-- I-- I'll get the exact county.

M. CAVANAUGH: OK. OK. I-- I'm a little concerned about the creation of this committee and the process that it went through. But since this is all new information for me, I do think that this maybe is something that should be discussed with the Exec Board if this isn't a proper way to appoint senators to committees that are doing government business that is because of your role in the Legislature, so. I know you are a member of the Exec Board, and I will be sending an email to the full Exec Board asking for that. So thank you.

BALLARD: Thank you.

KELLY: Thank you, Senators Cavanaugh and Ballard. Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. Would Senator Ballard yield to a question, please?

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KELLY: Senator Ballard, would you yield to some questions?

BALLARD: Yes.

HANSEN: All right. Thank you. I think there's been a little misconception sometimes about the Convention Center Facility Financing Assistance Act and Nebraska Visitors Development Act that I either hear from my constituents or I've heard online about the whole idea that Nebraska taxpayers are paying for convention centers in Lincoln and Omaha. And from my understanding, this actually does not cost the Nebraska taxpayers anything. We're just now allowing counties and to-- to use this turnback tax if they so choose. Is that correct?

BALLARD: Yes. LB116 will-- has no fiscal note.

HANSEN: OK. Good. And we're not appropriating any Nebras-- state tax or state revenue towards this program for anything?

BALLARD: Correct.

HANSEN: OK. Good. All right. Like I said, I-- this is, this is one of the things that I've heard I think ever since this has been passed, that Nebraska taxpayers are now funding convention centers when we have a property tax crisis. And that is not the case when it comes to this or LB116. So I just want-- just for clarification sake for my constituents and people around the state of Nebraska: this does not cost Nebraska taxpayers any money as a whole. Thank you, Mr. President.

KELLY: Thank you, Senators Hansen and Ballard. Seeing no one else in the queue. Senator Ballard, you're recognized to close.

BALLARD: Thank you, Mr. President. I'll just clarify a few things. I'm willing to work with any of the members of this body on clarifying some of the provisions in LB116. And I ask for your green light.

KELLY: Thank you, Senator Ballard. Members, the question is the advancement of LB116 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 36 ayes, 1 nay on advancement of the bill, Mr. President.

KELLY: LB116 advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President, General File, next bill: LB209, introduced by Senator von Gillern. It's a bill for an act relating to revenue and taxation; changes provisions relating to homestead exemptions for

certain veterans and surviving spouses and a property tax exemption for certain skilled nursing facilities, nursing facilities, nursing facilities, and assisted-living facilities; repeals the original section; declares an emergency. Bill was read for the first time on January 14 of this year and referred to the Revenue Committee. That committee placed the bill on General File. There's nothing on the bill at this time, Mr. President.

KELLY: Senator von Gillern, you're recognized to open.

VON GILLERN: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. I rise today on behalf of LB209, a cleanup bill brought to the Legislature on behalf of the Department of Revenue. This bill is simple, contains very new-- very little new language, and is meant to remedy two issues arising from ambiguities currently on our books regarding property tax exemptions: one for nonprofit and for-profit nursing and assisted-living facilities, and secondly for disabled veterans. First, Section 1 of LB209 provides clarity and distinguishes between nursing homes and similar facilities that operate for profit and those that operate on a nonprofit basis in order to properly determine property tax exemptions. Prior to, to passage of LB1317 in 2024, nonprofit nursing and assisted-living facilities were completely exempt from any property taxes whatsoever, which makes perfect sense considering the tremendous service they offer Nebraskans. Facilities that offer for profit also provide a public service by treating and caring for Medicaid beneficiaries, and often do so at significant loss because of Medicaid reimbursement rates. Accordingly, LB1317 passed, again, in 2024, provided property-- a property tax exemption for facilities of this kind equal to the percentage of their patients and/or residents who are Medicaid beneficiaries multiplied by their property tax liability. Unfortunately, as written, last year's bill failed to adequately distinguish between for-profit and nonprofit facilities. This bill, LB209, clarifies those distinctions. Similarly, Section 2 of LB209 intends to clarify provisions providing homestead exemptions for disabled veterans. LB209 ensures that a special class of disabled veteran are able to retain homestead exemptions that currently occupy a kind of statutory gray area. Currently, Nebraska law clearly provides a total homestead exemption to veterans with a service-connected disability rated at 100% by the Department of Veterans Affairs. Federal provisions governing disability ratings by the VA allow for the department to classify veterans as totally disabled in instances where they are, quote, unable to secure or follow a substantially gainful occupation as a result of service-connected disabilities, unquote, even if their disabilities do not amount to a 100% disability rating, per se. Nebraska has a number of veterans who

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fall into this category described above who are willing-- who are currently utilizing this much-needed, well-earned homestead exemption. Unfortunately, as stated before, these exemptions occupy a gray area due to a lack of specificity in the relevant provisions of the Nebraska tax code. LB209 adds the specificity needed to ensure that these homestead exemptions are secure in the future for this class of disabled veterans. LB1317, which this bill modifies-- again, passed in Final Reading in 2024 by a vote of 49-0. This bill, LB209, came out of the Revenue Committee with an 8-0 vote and no opposition. I respectfully request that you vote to advance LB209 to Select with your green vote. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. Would Senator von Gillern yield to a question?

KELLY: Senator von Gillern, will you yield to a question?

von GILLERN: I will.

CLEMENTS: Senator von Gillern, I see the fiscal note is zero on this. Does that mean-- well, could you tell me why the fiscal note's zero? We-- the state does reimburse all homestead exemptions to the counties. And looks like they're saying there isn't going to be any costs. Is that true?

von GILLERN: Yeah. The, the Department of Revenue, again, has asked for clarification on these two items in order to, to give the, the, the, the backup for what the-- basically, the counties and the state have been following what the implications were or the direction of the original bill, LB3-- LB1317, implied. But they're requesting these clarifications to ensure that the counties clearly understand that this is how the exemptions are supposed to be granted.

CLEMENTS: Oh. So the counties have been administratively doing what this bill is clarifying. Is that it?

von GILLERN: That's my understanding. Yes, sir.

CLEMENTS: All right. Thank you. Thank you, Mr. President.

von GILLERN: Thank you.

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KELLY: Thank you, Senators Clements and von Gillern. Seeing no one else in the queue. Senator von Gillern, you're recognized to close. And waive. Members, the question is the advancement of LB209 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk.

CLERK: 45 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: The bill advances to E&R Initial. Mr. Clerk.

CLERK: Some items quickly, Mr. President. Your Committee on Banking, Commerce and Insurance, chaired by Senator Jacobson, reports LB251 and LB250 to General File, LB250 having committee amendments. Additionally, your Committee on Health and Human Services, chaired by Senator Hardin, reports LB42 and LB10 to General File, LB10 having committee amendments. Notice of committee hearing from the Revenue Committee. The Performance Audit Committee has selected Senator Dorn as chair and Senator Jacobson as vice chair. Mr. President, next item on the agenda: Legislative Bill-- General File, LB20, introduced by Senator John Cavanaugh. It's a bill for an act relating to renewable energy; defines terms; and provides for electric service between a local distribution system and an agricultural self-generation facility as prescribed. Bill was read for the first time on January 9 of this year and referred to the Natural Resources Committee. That committee placed the bill on General File. There is an amendment filed to the bill, Mr. President.

KELLY: Senator John Cavanaugh, you're recognized to open.

J. CAVANAUGH: Mr. President, can I just go straight to the amendment? Both are brief.

KELLY: Mr. Clerk.

CLERK: Mr. President, Senator John Cavanaugh would move to amend with AM69.

KELLY: You're recognized to open on the amendment, Senator Cavanaugh.

J. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. This is LB20. It's a bill that I brought in cooperation with the Nebraska agricultural industry and the public power to allow agricultural self-generators-- self-generation facilities. I want to thank-- especially thank the Nebraska Pork Producers and the Nebraska Rural Electric Association for working with me on the language for this bill that is agreeable to all stakeholders. Briefly, LB20 allows for agricultural producers to generate electricity on their own land for

their agricultural operation and connect to the grid. It guarantees that utilities can charge appropriate rates to recover the cost of service from the owner generator and limits the capacity to 100 kilowatts or less. It is not net metering. So-- repeat that. This does not address net metering, for those who are concerned. LB20 was advanced unanimously to-- from the Natural Resources Committee and has the support of the agricultural industry and the Rural Electric Association. And just so you know, the agriculture industry includes the Nebraska Pork, Pork Producers, Nebraska Farm Bureau, Nebraska Sorghum Association, Nebraska Dairy Association, Nebraska Cattlemen, Soybean Association, Nebraska Corn Growers Association, Nebraska Wheat Growers Association, Nebraska Biofuels Association. And-- so the amendment here was offered at the request of the Nebraska Rural Electric Association to clarify that they can charge the amount that it actually costs them to connect these folks. So what it does is clarifies the abilities-- utilities' ability to charge rates and fees and adds a requirement that the, the ag producer has to notify the Rural Electric Association when they are placing one of these generations on their facilities. So I'd encourage your green vote on both the amendment and the underlying bill. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Seeing no one else in the queue. You're recognized to close on the amendment. And waive. Members, the question is the adoption of AM69. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 44 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM69 is adopted. Seeing no one else in the queue. Senator John Cavanaugh, you're recognized to close on LB20. And waive. Members, the question is the advancement of LB20 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB20 advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President, next bill: General File, LB35, introduced by Senator Brandt. It's a bill for an act relating to privately developed renewable energy generation facilities; changes provisions relating to the requirements for certain exemptions; repeals the original section. The bill was read for the first time on January 9 of this year and referred to the Natural Resources Committee. That committee placed the bill on General File with committee amendments, Mr. President.

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KELLY: Senator Brandt, you're recognized to open on the bill.

BRANDT: Thank you, Mr. President. Good morning, colleagues. Today, I'm introducing LB35, which is a technical modification to legislation we passed last year. This suggested modification ensures that renewable energy developers can meet the North American Electric Reliability Corporation's critical infrastructure protection requirements at the appropriate time, when a facility reaches its commercial operation date. As it stands, these requirements are technically unattainable for developers prior to construction, as full compliance can only be demonstrated once the project is operational. By adjusting the phrasing, we provide a practical and realistic path for developers to certify compliance to the Nebraska Power Review Board while maintaining our commitment to safeguarding critical infrastructure. This was unanimously voted out of the Natural Resources Committee with AM48. And Mr. Chair, if I can move on to the committee amendment.

KELLY: As the Clerk indicated, there are committee amendments. Senator Brandt, you're recognized to continue.

BRANDT: Thank you. AM48 simply corrects an outdated CFR number and replaces it with the current federal regulation number and specifies as such regulation existed on January 1, 2025. With that, I would ask for your green vote on AM48 and the underlying LB35. Thank you.

KELLY: Thank you, Senator Brandt. Seeing no one else in the queue. You're recognized to close on AM48. And waive. Members, the question is the adoption of AM48. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on the adoption of the committee amendment, Mr. President.

KELLY: AM48 is adopted. Seeing no one else in the queue. Senator Brandt, you're recognized to close on LB35. And waive. Members, the question is the advancement of LB35 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB35 advances to E&R Initial. Mr. Clerk.

CLERK: Mr. President: General File, LB58 [SIC-- LB126], introduced by Senator Sanders [SIC-- Holdcroft]. It's a bill for an act relating to bonds; to amend Section 10-126; changes provisions relating to the redemption of certain bonds; and repeals the original section. Bill was

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read for the first time on January 10 of this year and referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File. There is nothing filed to the bill at this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Sanders, you're recognized to open.

SANDERS: Thank you, Mr. President. Good morning, colleagues and Nebraska. LB58 would eliminate four sections of statute relating to county jeweler's lien. This bill was brought to me by NACO, Nebraska Association of County Officials, and it is a cleanup bill. These provisions date back more than a hundred years ago. They give counties a responsibility relating to items that are dropped off at the shops of jewelers, silversmiths, and watch/clock repairers. Sometimes people do not return to pay for or pick up their item. Since this section of the law were originally enacted in 1921, a more streamlined process has been implemented from the Uniform Commercial Code. Simply put, this bill eliminates the obsolete section with the old county-based process, recognizes the more efficient UCC process has already replaced it in practice. After hearing no opposition, the Government Committee agreed and chose to advance this bill 8-0 to file. I would appreciate your green vote on LB58. Thank you, Mr. President.

KELLY: Thank you, Senator Sanders. Seeing no one else in the queue. You're recognized to close. And waive. Members, the question is the advancement of LB58 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 42 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB58 advantages to E&R Initial. Mr. Clerk.

CLERK: Mr. President, next bill: General File, LB126 [SIC-- LB58], introduced by Senator Holdcroft [SIC-- Sanders]. It's a bill for an act relating to liens; to eliminate provisions relating to jeweler's liens; to outright repeal Section 52-301, 52-302, 52-303, and 52-204. Bill was read for the first time on January 9 of this year, referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File. There's nothing currently on the bill, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Holdcroft, you're recognized to open.

HOLDCROFT: Thank you, Mr. President. LB126 was brought on behalf of the Nebraska Association of County Officials, known to us as NACO. It would allow counties that sell their bonds using a competitive sale process to have a ten-year call rather than the current five call-- five-year call for all bond sales. There are two approaches to selling bonds: a competitive approach and a negotiated approach. Under a competitive approach, underwriters submit bids to purchase the issuer's bonds in accordance with the terms set by the issue in a notice of sale. LB126 would allow counties using a competitive sale process to use a ten-year call. A ten-year call is a customary provision in the national bond market where competitive sales occur. This flexibility is expected to help lower borrowing costs for counties that use this method. Counties that currently use a negotiated sale process would continue to be able to use a five-year call. Negotiated bond sales for counties normally involved underwriters selling bonds to Nebraska bond purchasers who are accustomed to the five-year call provisions. In addition to the call provision, Section 3 of LB126 would modernize the statutory bond provisions to match current practice. I would like to thank Chairwoman Sanders and the members of the Government, Military and Veterans Affairs Committee for voting LB126 unanimously out of committee on January 24. Thank you, colleagues, for your consideration of LB126. I would appreciate your green vote. Thank you, Mr. President.

KELLY: Thank you, Senator Holdcroft. Seeing no one else in the queue. You are recognized to close. And waive closing. Members, the question is the advancement of LB126 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB126 advances to E&R Initial. Mr. Clerk for the next item.

CLERK: Mr. President, some items for the record. Name adds: Senator Wordekemper named added to LB173; Senator Conrad, LB569; Senator Raybould, LB626; Senator McKeon and Lonowski, LR21. Notice that the Referencing Committee will meet in Room 2102 at 11:30. Referencing Committee, 21-- 2102, 11:30. And the Government Committee will have an executive session immediately following their hearing today in Room 1507. Finally, Mr. President, a priority motion: Senator Lippincott would move to adjourn the body until Thursday, January 30 at 10:00 a.m.

KELLY: Members, you've heard the motion to adjourn. All those in favor say aye. Those opposed say nay. The Legislature is adjourned.