

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the Thirty-Eighth day of the One Hundred Ninth Legislature, Second Session. Our chaplain for today is Senator Dover. Please rise.

DOVER: Over the years, we receive many prayers and blessings from many people, from rabbis to pastors to priests and those in this body, asking God to provide us guidance to do his work. I'd like to take a different direction this morning. I want to pray for those of our loved ones who we are not able to be with, and I believe sometimes suffer from our absence. These are spouses, partners, grandparents, parents, brothers, sisters, children, grandchildren, and even great-grandchildren. I think I could speak for many in this Chamber that, during times of our loved ones' difficulties and illnesses, we'd rather be with them, holding their hands with a loving heart, and listening to provide comfort and care. I'm saddened that I'm not able to be with my grandchildren. Family is so important to their health and growth. Please join me in prayer. Dear Lord, please watch over and bless our loved ones as we do our best to serve you. In our absence, guide them, protect them, and comfort them. Also Lord, please comfort those in our body who have loved ones in need of suffering, or suffering from sickness. May they know that your presence is with them now. In your name we pray. Amen.

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

RAYBOULD: Good morning, colleagues. Please join me in the Pledge of Allegiance. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

KELLY: I call to order the Thirty-Eighth day of the One Hundred Ninth Legislature, Second Session. Senators, please record your presence. Roll call. Record, Mr. Clerk.

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

KELLY: Are there any corrections for the Journal?

CLERK: I have no corrections this morning, sir.

KELLY: Any messages, reports, or announcements?

CLERK: I have none this morning, sir.

KELLY: Senator Bosn would like to recognize the physician of the day, Dr. Joe Miller of Lincoln. Please stand and be recognized by the Nebraska Legislature. Senator Cavanaugh, you are-- John Cavanaugh, you're recognized for a-- an announcement.

J. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. I have the distinct honor to announce that Senator Dungan has welcomed a baby. His wife, Britta Tollefsrud, gave birth at 5:15 a.m. this morning to a 6-pound, 14-ounce baby named Stellan Alden Dungan. So hello, Stellan. Welcome to Earth. It's hot in the summer and cold in the winter. It's round and wet and crowded. On the outside, Stellan, you've got 100 years. There's only one rule that I know of, and Stellan, God damn it, you've got to be kind. So congratulations, Senator Dungan, and his wife, Britta Tollefsrud, and welcome, Stellan.

KELLY: Thank you, Senator Cavanaugh. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR352. Mr. Clerk, please proceed to the agenda.

CLERK: Mr. President, first item on the agenda: General File, LB1101 introduced by the Retirement Systems-- Nebraska Retirement Systems Committee. It's a bill for an act relating to retirement; changes the amount of the state contribution to the Nebraska retirement fund for judges; and repeals the original section; declares an emergency. The bill was read for the first time on January 16 of this year and reported to General File with committee amendments, Mr. President.

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

BALLARD: Thank you, Mr. President. LB1101 is a bill that was originally introduced by the Nebraska Retirement Systems Committee to comply with statutory process for adjusting the state contribution rate for Judges Retirement Plan, which was put into place in 2021. In November, the committee was notified by the Nebraska Public Employees Retirement System that the plan's annual actuarial evaluation report included a recommendation from the actuaries to adjust the state contribution rate from 5 percent to 4 percent beginning July 1, 2026. After the bill was introduced, my office participated in

discussions between the Nebraska District Court Judges Association, the Nebraska County Judges Association, and the governor's office regarding potential changes to the judge's retirement plan. Beyond those proposed in the green copy, LB1101, as part of those discussions, I introduced AM1978 with the purpose of having a various provisions contained in the amendment scored by the actuaries. The actuaries' study for the amendment, which is identical to the pending committee amendment, has been distributed to the members on the floor. As of July 1, 2025 actuarial evaluations report, the judge's retirement plan is currently over 105 percent funded. The plan has actually been over 100 percent funded since the 2021 actuarial evaluation. And no further-- if no further actions of the green copy will be taken, the projected-- the, the plan is projected to reach 127 percent funded ratio by 2046. LB1101 as amended represents the opportunity to provide both savings to the taxpayers and enhance our ability to recruit and retain judges. With that, I'd be happy to open up on the committee amendment, Mr. President.

KELLY: Thank you, Senator Ballard. As the Clerk stated, there's a committee amendment. Senator Ballard, you're recognized to open.

BALLARD: Thank you, Mr. President. The committee amendment, AM2263, makes several additional changes to the Judge's Retirement Plan beyond the green copy of the bill. First, rather than introducing the state's contribution rate, the amendment would eliminate the state's contribution altogether. As introduced, LB1101 would result in a General Fund saving of just over \$300,000 by reducing the state contribution from 5 percent to 4 percent; eliminating the state contribution entirely will result in General Fund savings of just over \$1.5 million. Importantly, AM2263 leaves a current statutory mechanism for regular review and the state's contribution rate based on the funding status of the plan. Should the plan drop below 100 percent funded in two years in a row, the plan's actuaries, actuaries will review the plan and make recommendations to the Legislature whether to reinstate the contributions at that time. AM2263 has provided a reduction in employee contributions along with a reduction in state contribution rate. The amendment reduces employee judges' contribution rate in two ways. First, the amendment reduces the contribution rate for all judges from 10 percent compensation to 9 percent of compensation. Second, the amendment would further reduce the contribution rate from 5

percent-- from 5 percent for those judges that reach 20 years of service credit. Both provisions would go into effect July 1, 2026 and revert the contribution rate under the Judge's Retirement Plan to the rates that existed prior to the legislative changes in 2015. Finally, AM2263 would increase the maximum cost of living adjustment for judges who became plan-- who became members of the plan after July 1, 2015 from 1 percent to 2.5 percent. Similarly, the provisions would revert to the maximum COLA and the maximum rate as existed prior to legislative effect. Effectively, by reverting both the contribution rates and the maximum COLA in 2015 levels, the amendment would eliminate the second tier within the plan and put all judges on equal footing. This would make the administrating the plan easier on NPERS. If you look at page 7 of the actuarial study that was distributed, you'll see even a-- you'll see that even with the reduced contribution and reinstatement of the higher COLA, that the judge's plan, it would still be projected to reach 112 percent funded by 2046. LB1101 saw no opposition testimony, and would advance as a Retirement Systems Committee on a unanimous 6-0 vote. I would ask for your adoption of AM2063 and advance to LB1101 to Select File. Thank you, Mr. President.

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

DORN: Thank you, Mr. President. I'm in favor of this bill. I'm not getting up to talk about this bill. I'm getting up talk about more of what happened yesterday. And we had a vote on some increased revenue, we thought, and how we balance the budget. And I've talked to Senator Clements this morning, not about all this stuff, but about some of this stuff. So, I-- I've come up with a few other things now that I'm going to propose in Appropriations to, I call it, make up some of that funding, that \$50 million that yesterday isn't now going to come forward. And I just want to throw these out to everybody so as this body sits here you realize or learn that, hey, these ideas are developed a lot of times in Appropriation, or they come to Appropriation. We vote them out, budget bill 's been voted out, and we had to yesterday, just to show you what went on, we were at \$125 million deficit coming to the floor; we found out that the funding for Medicaid, part of that, they were too aggressive on their numbers, they had to pull them back down. With that came another \$14 million to the budget deficit, or now about \$140 million. So, that's what we have to make up yet, either in

Appropriations or on the floor. That would be part of all the discussion yet going on. So yesterday, \$50 million. Understand where that vote was, OK with the vote. Was really not happy with it last night. I understand today. But as part of that now, we will have more discussions in Appropriations, and I just wanted to throw some things out here that have come into the budget. And what I think, told Senator Clements, I would like a vote on it in the Appropriations Committee, see if we're going to still include them. Number one is the \$3.5 million of scholarship money instead of \$7 million, what the governor proposed. That was voted in 5-4, \$3.5 million. I'm going to ask for a revote on that. I think that needs to be pulled out, because I think that shouldn't happen. Second on my list is environmental trust. We didn't do the \$40 million or whatever was proposed. We did, I think, \$6 million and \$8 million or something like that. To me, the environmental trust is back on the drawing board. Next up is the school land or the BELF funding. We took \$40 million from BELF, which is our school land-- and I could go over all the numbers with you about where that funding has grown and what it is. It's over a billion dollars today, as we said here. But we took \$40 million, put into the Future Education Fund [SIC], which now meant we didn't have to fill that with General Fund dollars, so that's a \$40 million already in that budget, budget deficit. The next-- and I didn't know this, but visiting with my staff this morning, about 25 years ago, they took 40 hours of pay from every state employee. I'm going to ask for a vote in Appropriations to take 20 hours, in the next year, pay from every state employee. They did that because they had to balance the budget then. These are proposals that I'm just bringing up, and they're going to be brought forward in Appropriations. The next one is the Medicaid look-back. We've put into the budget a 30-day look back and a 60-day look back. The Big Beautiful Bill and all of that, that's what is in there. The governor's proposal was a zero look-back. I'm going to ask for a vote in Appropriations, a zero look-back. That will bring us an additional, I don't know, \$15 million, \$20 million. The other one-- and I've talked to Paul about this one, so it's not new for him-- the Ogallala funding that we put out there. I think that also needs to be looked at and voted on again. People, these are the type of discussions we will have in appropriations. And when we bring an amendment on Select File-- not on first round, but on Select File because the budget has been voted out-- this and others, we will be discussing. All of those people yesterday that you voted-- I'm open to more ideas. There will be more cuts. I will not vote for pulling back property tax relief, I will not vote for reducing or pausing the

income tax, and I will note vote for Perkins Canal or the prison to change any of those. Some of these other things, I will vote for now that I had voted against. So, part of what we do here is we balance the budget. We will come to that, hopefully, someday, that we will get that, but it's going to take 33 votes on closure [SIC], and I don't know if some of these bills have it right now to get 33 votes on closure [SIC]. That's how important this is. But some of those votes, they have other impacts.

KELLY: That's your time, Senator.

DORN: Thank you. Thank you very much

KELLY: Thank you, Senator Dorn. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. I just wanted to share a different perspective on the budget deficit. Cuts are certainly an option. Yeah, they are. What Senator Dorn is proposing isn't cuts; it's raiding constitutionally-protected cash funds, which would result in a lawsuit. So, that would cost us more money, so those are not suggestions that I think we should be taking seriously. But cuts-- yeah, cuts are an option. Another option is good governance and pausing the income tax cuts, which would fix-- it would just fix it. It would fix the problem. That's it. But that's a non-starter for some reason. Tax cuts that haven't happened yet are a nonstarter, but taxing poor people more so that we don't have to give up things that we all want is, is the basis of yesterday and why everybody's pissed off at everybody. So, you're welcome, Nebraska. We're doing great. Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. Good morning, colleagues. Good morning, fellow Nebraskans. I want to thank Senator Dorn. I think how we approach the budget can be different. We don't all look at the budget the same way, but I know that our Nebraska values will guide us. And this morning I had yet another handout, and the bottom line is we need to compromise, we need to work together to find solutions, we need to have a give-and-take. And here's an inspirational quote about compromise. Compromise is often the bridge between conflict and harmony, characterized as the art of finding solutions that honor

multiple perspectives. We're a diverse body. We bring a wealth of experience and lived experiences that help us manage budgets and says a lot about the direction we want our state to go in. We need to be willing to sit down together and have a give-and-take on multiple elements. And I applaud the stance of some of my colleagues, but we might have to bend a little to be able to move forward our state for future economic growth, for future economic stability. We know that we're in somewhat of a precarious situation, and there's many routes that we can go. We know that next year, there is not an opportunity to keep cutting. Our consultants that were hired through the Aksarben Foundation was very clear: you cannot cut your way to prosperity. That is very clear. There have been a number of solutions and suggestions thrown out by groups from all different political persuasions. We've heard loudly and clearly from our constituents at the multiple hearings of what they value. They value that the state of Nebraska takes care of the most vulnerable in our state. I think we can all agree on that. What we need to come together is to find compromises on how to fund something that we value. I ask my colleagues, don't double down, don't dig in on a philosophy, but reach out. Make that bridge happen. I reached out to Senator Sorrentino and said, hey, let's try to find a compromise. There was value in what he was bringing, but the value should also have merit for those that it would impact, and that's why I was advocating more funding for smoking cessation products that are made free and available, but with the caveat while supplies last. That's not a genuine plan of working towards smoking cessation. It's a good measure in the right direction, but it's a disingenuous one to help those after the deadline has passed. So, I ask my colleagues, please don't dig in, please don't double down on, on things that are important to you. There's solutions to everything. That's what I've learned throughout my years of business. There's always plan A, there's plan B, there's plan C, and plan D is get it done. You've got to get it done. And that's my philosophy. Nebraskans, we can do it. This is not an-- a, a daunting task. It's a math problem, for sure. Math problems are easy to solve, but it requires each and every one of us to be committed to doing that, to find the solutions. Is it something that you would always agree on? Perhaps not. But there has to be this give-and-take, and willingness to do what our fellow Nebraskans are encouraging us to do: find solutions that benefit all Nebraska families. Thank you, Mr. President.

KELLY: Thank you, Senator Raybould. Senator Hallstrom, you are recognized to speak.

HALLSTROM: Mr. President, members, Senator Dorn addressed the substantive effect of our actions yesterday on LB1124. I'd like to address the impact of the process and the procedure that took place. Actions have consequences, and we saw that clearly yesterday afternoon. As we were approaching the witching hour on LB1124, the time for a motion to cloture to be filed, my understanding-- I'd run a vote count. I knew, at least to the best of my ability, where people were. But my understanding was that Senator Conrad was either going to withdraw her motion to recommit or get a vote on it, which happened. The recommit motion was defeated. After that, Senator Hughes was going to introduce an amendment to do vape only at 30 percent, cigarette tax was going to go away. Some of the concerns that some of you had expressed to me that you didn't like the money going to Medicaid for fear, and perhaps legitimately so, that it could be swept, that was swept off the table when the cigarette tax was out of the bill. But yet, those same people did not vote or voted no on the cloture motion, and we fell short. That's all well and good, except Senator Cavanaugh this morning acknowledged that people are upset with each other, and they're upset because of the way the process went. I went up and talked to the Speaker, and I asked, do we have to file the cloture at eight hours? We're on the cusp. I didn't tell him this. This is what I was thinking. We're on the cusp of getting this done without a motion for cloture. And my understanding is the people-- not everybody, but the people that are working on a, on a compromise and, and getting this moved forward had agreed on that process without having to have a motion for cloture. But guess what? We kept talking, and we got to the witching hour. Normal course of procedure-- and I've talked to the Clerk about this-- one set of facts that could have happened is the, the Clerk could have stood up in the normal course of business and said, Mr. Speaker, there's nothing more on the bill. And the Speaker could have said, Senator Hughes, you're recognized to close; there's nobody in the queue, there's nobody with anything else to say. If those people really wanted to take it to cloture, they could have gotten back in, they could've talked on the advancement of the bill, and they could have run the time out in that fashion. But my understanding was there was an agreement. That's about process, that's about procedure, that's about our word to each other, which, when we don't have that-- and it may have been a matter. I'm not being critical of the people that they went back on their word. But what happened was the hard and fast eight-hour rule and its implementation as we've traditionally done. And I'm not being critical of the Speaker, because he's been consistent in how he applies it. But it causes problems for us

in the future, because if this has happened once, it'll happen again, and we'll run up at the clock-- against the clock again, and we'll have to go through the same process and procedure. Now, there may be another bill that the vape and the cigarette tax can get worked out, and, and we will find it resurfacing if that's worked out within the body. But another process is the cloture rule under 10(d) [SIC] says when you have an unsuccessful motion for cloture, it says when the Speaker sets it back up, you can't have another cloture motion for two hours. If we have an agreement on that bill to go forward with vape only and everybody's on board, we don't have to take two hours. We can set it back on the agenda, and we can vote it up, as I think most people anticipated with their good faith negotiations yesterday was going to happen. I throw that out so we don't have the same-- I'm not going to say mistake, there were no mistakes made. But we don't have the same encounter in the future, and we have an opportunity to do what I think the people that were working in earnest-- Senator Conrad, Senator Dungan, Senator Raybould, Senator Hughes, Senator Sorrentino-- their expectation as to how this was going to flow out and flesh out should be carried forward. If we can do it, if it's on another vehicle, that's fine. If we come to consensus, so, so be it, and we can address some of the revenue issues and maybe avoid some of list of horrors that Senator Dorn has indicated may be the very result of our actions yesterday. So, I thank you for your time.

KELLY: Thank you, Senator Hallstrom. Senator Bosn would like to recognize some guests under the south balcony: coaches George O'Boyle and Bill Rice for the Lincoln Pius High School cross-country team, and the team. Please stand and be recognized by the Nebraska Legislature. Speaker Arch, you're recognized.

ARCH: Thank you, Mr. President. I, too, have been reflecting on the events yesterday and the votes that were taken. There was a plan. It, it included the possible revenue in the bills yesterday, and that obviously was not successful. But here's my larger concern at this point: we know that we have limited time now remaining in this session, and, and what is going to be required at this point is going to be leadership from this Legislature. We have a unique system. We don't have caucus, we don't have majority whips, we don't have minority leaders; we are 49 independent senators, and that was expressed yesterday. So, it becomes more difficult as we go along at this point because if we have a new plan that comes out-- and I say from the body-- and it is expressed on-- and, and socialized within

the members, it would be very easy to say, well, I'm taking that to cloture. I don't like that idea, I'm going to take that to cloture. And I-- my greatest concern is that we're going to look like Washington, D.C. before we get done with this session. And Washington, D.C. looks like this: they watch the President as he does the State of the Union address, some stand up and applaud, some don't, whatever. But it becomes the President's agenda, not the Senate, not the Congress, it becomes the President's agenda. We, this Legislature, have the responsibility to present a budget. We have the responsibility to appropriate. We cannot abdicate that because we can't come to agreement. It is our responsibility, co-equal branches of government. We are going to have some difficult discussions; we had them yesterday, they're going to continue, but we don't have forever. So, as ideas are floated, I appreciate Senator Raybould. I appreciate her comments. We have to be open to different ideas. And there's going to be some things that we're not going to be 100 percent supportive of, and we're probably going to have to vote yes on some of those. But if we continue to, to stand and build walls and refuse to compromise and whatever it might be, I'm very concerned of what the outcome is for the Legislature. We are responsible for the budget. We appropriate money, and we must keep that in this room. Thank you, Mr. President. Excuse me. I'm not finished. I yield the remainder of my time to Senator Bosn.

KELLY: Thank you, Speaker Arch. Senator Bosn, 1 minute, 30 seconds.

BOSN: Thank you, Mr. President. Colleagues, I don't want to take away from the seriousness of that conversation, but I do want to recognize this Pius cross-country team for the extreme accomplishments-- extremely important accomplishments that they've made in the last year. They earned second place at the Nike Cross Regionals Heartland championship in Sioux Falls, South Dakota; they also qualified for the Nike Cross Nationals in Portland, Oregon. They are the first high school team from Nebraska to compete at the Nike Cross Nationals, and they placed 20th in the country. So, these are some pretty significant accomplishments right here in Nebraska. I'd like to recognize each of the player-- of the teammates on the team. David Krier, Joe Majerus, Joe Norman, Lucas Schlautman, Sam Schlautman, Henry Vrooman, Noah Zach, and their coaches, Bill Rice, Josh Kramer, George O'Boyle, and Logan Pfeiffer. And so, please join me in congratulating them. Thank you for yielding me your time.

KELLY: Thank you, Senator Bosn. Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. President. I wish I still looked as trim as they do. I can't imagine the hours of work and the miles they travel. Unfortunately, life changes you a little bit or whatever, so. I will agree, listening to the comments a little bit, Speaker Arch, there. It's this body's budget. It's nobody else's. We will come up with something. We will have a lot of hard decisions to go forward with. One other thing. Senator Raybould-- and I talked to her a little bit about-- listened to her comments and about reason why I brought-- even into the discussion-- was visiting with my staff this morning about, I call it, taking away some hours from the state employees. And she made me think that, yes, we, we have a budget deficit, and we hear quite often out here, well, it's because of property taxes, or it's because of, of, of Perkins, or it is because of the income tax cut. 20, 25 years ago when they did that, when they furloughed-- or, not furloughed, I call it, take away or whatever the discussion was-- and we're trying to get more information about it-- when they did that from state employees, we didn't have no property tax relief, we didn't have no income tax reduction, we didn't have none of that. And yet, they had a deficit, and that's how they solved that. And, and that's just more for discussion than saying anything is right or wrong. I don't know that. But that is sometimes how we as a body need to make sure we look at everything and not just focus on certain things. There will be people in here that will very much be protective of certain things, and they are OK with other things. And how we come or how we decide to-- first with the Appropriations Committee, and then this body, how we decide to put together that budget will be critical again this year as it always is. But I do agree with Speaker Arch. This is our budget, and if you think people sometimes aren't happy with how we're performing down here, don't pass a budget and then wait to see what kind of comments you get. Thank you. I'll yield my time.

KELLY: Thank you, Senator Dorn. Senator McKinney has some guests in the north balcony to recognize. They are here for Rising Towards Justice lobby day, hosted by RISE and the ACLU of Nebraska. Please stand and be recognized by the Nebraska Legislature. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good morning, colleagues, and welcome to our many guests. I actually was thinking, looking at

the agenda today, I was like, oh, we're going to move through quite a few bills today. But it seems that there's some airing of grievances left over from yesterday's votes, and I-- that's very strange to me for a variety of reasons. And as a member of the Retirement Committee, I rise in support of the retirement measure that's on the board, and I understand and appreciate how retirement issues connect to budget and tax and otherwise, which has sparked a significant amount of discussion today. I just want to be clear here, and I know there's a lot of new members, so there's a lot of learning on the fly. But a handful of conservative members put out a pledge and a press release months ago expressing their intentions in regards to their political philosophy. The progressive members of this body, most of them consistently, have never voted for the many multiple proposed regressive tax hikes that the governor and this Legislature has tried to enact over many years. So, I don't know what the surprise is, folks. All that information is public, is clear, is consistent, and it is what it is what it is. So, let's just acknowledge that. Let's also acknowledge, late in the day, when it became clear that votes were uncertain, Senator Hughes approached with a compromise amendment that was that: a good-faith compromise amendment. I said, I'm not going to support it, I'm against regressive tax increases, but I'm going to filibuster it, and I didn't. We put it up on the board. I had more motions I could have filed because I had a new day for new brackets and reconsideration, and various floor amendments that I had on the dais that I didn't file ahead of Senator Hughes's amendment. So, her amendment went up. People wanted to know what it did. We talked about it. I honestly thought that there would probably be a handful of protest votes on cloture, and we would move on with our lives. That's not what happened. Members decided to vote their conscience as they saw fit. Some members were gone. Everybody knows that these conversations are going to continue to happen, and they will. And when it comes to shared governance and a true nonpartisan spirit, I really hope that members listen to that and take that to heart, and practice what they preach. Because thus far, it's been a one-way street. Look at leadership. Look at committee assignments. Look at measures that are introduced that are good ideas to save money, to increase revenue, to have a more progressive approach, and they're buried, and they're not out of committee, and they were tanked late on the calendar. And we're here every day working in good faith to try and find paths forward on important issues. So, the fact that people can't run a vote card or don't understand the rules is not our fault. And if we're going to operate in a nonpartisan fashion, it has to be a two-way street.

And the fact that the reaction after the vote, rumbling on the floor, and now the group-chat histrionics that have spilled into the legislative record from the right are present and clear on the mic, that if you Democrats and you hard-right conservatives don't get in line, the result is we're going to hurt the poor more? That's your philosophy, that you're proud of? That's the threat that you bring out in the open? Really? Senator Dorn, how many state employees that now you have in their crosshairs voted to wreck the budget, voted to move from a record surplus to a structural budget deficit due to unsustainable, inequitable tax cuts? Why are those hardworking public employees responsible for bearing the burden of your fiscal recklessness? Why? I heard the tough, tough, tough talk, but why? Finish the sentence. And we're going to take the time that we have available to make our points, to use the rules as they're presented, find consensus when we can, and be unafraid to speak truth to power when we have to. So, reflection is good. Learning about the rules in and the process is good. Extending a true olive branch--

KELLY: That's your time, Senator.

CONRAD: --for collaboration is good. Thank you, Mr. President.

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

STORER: Thank you, Mr. President, and good morning. I didn't realize that-- I'm guessing Senator Ballard didn't realize that we would be talking budget on his bill, but-- I-- a couple of things that I just want to address since, since that has been brought up about yesterday, the, the broader prob-- the broader issue of how we're going to balance the budget. The first thing I want to say is, "Thank you, Senator Dorn. A sincere and heartfelt thank-you." It's like an exhale for me that we're going to start to get down to even yet the harder work that is not going to be fun for anybody. Not going to pretend that. But I have said very clearly, I have been as transparent with my colleagues as I can be, and that doesn't mean that there's not an openness to the pathways that we figure out how to balance this budget. But at the end of the day, there were commitments made. And I'm not pointing fingers, and I'm not-- this is not a shaming conversation. This is just the facts. There were commitments made in '22, Special Session '23, that everybody for the most-- maybe not everybody, but there was a recognition that it was not sustainable. There were commitments made that were

not sustainable to fund. I'm not saying that the commitments were bad. Individually, there's a lot of good things that were done. But they were not tied to revenue triggers. Nobody stopped and said, can we afford it? How fast can we afford it? All of it. I'm not picking and choosing one issue of appropriations. But we've seen a 44 percent increase in appropriations since '21-'22, and I don't feel like it's right to act like we're just-- like money's no object here. I feel very, very strongly that our job down here is to manage the taxpayers' money. It's not our money. We're here to manage taxpayers' the money. And I feel strongly that the more we leave in their pocket, the better for everybody. And so, when we're in a budget crisis, the idea that we're going to do a shakedown of the money tree and dip further into people's pockets is not acceptable to me, and I'm not going to apologize to that for anybody. And several of my colleagues-- and I am not going to-- I'm not here to get in a name-calling match, but I've had very good conversations with some of my colleges that didn't like how yesterday's vote turned out but that don't disagree with the statement I just made. There were commitments made that we knew we couldn't afford. So, yeah, we have to take a hard look at, how do we shrink back spending? I believe it was-- I don't have the year in front of me-- in Senator Ricketts' second term, where there was an across-the-board cut. Everybody had to feel the pain. Probably nothing more fair than that. There are ideas, and I do believe that this body can get to a place where there's going to be something we can agree on that nobody will be entirely happy with, and that's usually how you know you've reached a compromise. But I thank you, Senator Dorn. I have a mount-- an immense amount of respect for Appropriations Committee, and I have a lot of respect for Senator Dorn, and I-- it's like an exhale to realize that, yes, we've got to go back and look at where we can pull back some spending. Thank you.

KELLY: Thank you, Senator Storer. Senator Dover, you're recognized to speak.

DOVER: First of all, I'd like to thank the senators who've gotten up and spoken so far today. We in Appropriations have "reviewed" the same list for four years now. And trust me, there are not many, if any, good decisions to be made. We've had a lot of tough discussions, and made even tougher decisions. Please understand, too, also, that there isn't anyone in our body who doesn't have a cause that they'd like to see supported by appropriated dollars, or that is currently supported by

appropriated dollars. So, we are all in this together. And I would, I would like to-- I wasn't going to talk about this, but I'll say this about across-the-board cuts. Across-the-board cuts is not the fair way to do it. It may be the politically easy way to do it, but you can't tell me that each agency is as important as the next agency. You can't tell me that every program is just as important as any other program. We're here to take care of the people, I believe; public safety, public health, transportation, et cetera. But across-the-board cuts is just an easy political out, and I would not support that. I'd like to address kind of the base root-- or one of the causes, not the base root of what we're talking about here today-- but a tax on cigarettes is simply those people paying for the cost of smoking. Why should those who don't smoke pay for those who choose an unhealthy lifestyle? The vote's not about balancing the budget either; it's about bal-- it's about having those who incur the cost pay for it. In ending, I'll say that I've enjoyed working with a number of people in this body, and that doesn't have to do with what, what politics they, they subscribe to. I'd like to say I enjoyed work-- working-- housing is my thing. I enjoy working with Urban Affairs. I working-- I enjoy working with Senator McKinney. But after the vote that was taken place, after what happened yesterday-- and I don't think what happened yesterday should have happened yesterday. And I went and talked to some other senators. I see some of them-- I see them actually sitting in the same spot under the-- under, under the aisle here, and saying "We need to work together." This could be a nuclear event, everyone. And those who say we need to stand up for what I believe, whatever-- well, you know what? We need to work together in this body. We need give a little bit, and we have to actually-- and thank you very much Senator Dorn, one of the senior people on Appropriations, who-- I look to his wise, balanced counsel. He's one of nicest senators we have in this body. I appreciate him standing up. And if you think that's easy for Senator Dorn to stand up and talk about those kind of tough cuts, if you know Senator Dorn, that is not easy for him to do. And when he stands up and says that, that's when we have a problem. And we need to work together. We need not to focus right now on what we're fighting about. We need to work together. There will be things that we, that we don't agree on, but we do-- the one thing we have to do is balance this budget. Thank you.

KELLY: Thank you, Senator Dover. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I think some of you know that I call this place "As the Legislature Turns," because we are sometimes a little bit like a soap opera. And if that's the case, the next week is sweeps week, because that is going to be the moment where we have to do the hardest work we will do this session. And I think there's going to be a lot of heartache in the next week as we try and figure out how our budget is going to go. And I'm sure I'm going to get frustrated. I might even raise my voice, some point. I think we are in a unique situation where our budget shortfall is so bad that what this body is usually shielded from by the Appropriations Committee, the kinds of "if not this, then what?" cuts that they talk about, or "if not this, then what?" revenue-raisers that the Appropriations and Revenue Committee typically sort of funneled down the number of options there are-- that's not where we're going to be next week. There are things that I want in the budget. I still want them in the budget. I think they're really important. But I do think we have to look at everything, and if everything is on the table, then income tax cuts also need to be on the table, because everything needs to be on the table. One thing that I think which tangles up our budget that I've seen in the last eight years is when we pass bills with effective dates in the future. We cannot afford it now, but we create for ourselves a kind of future tax bomb, a future appropriations bomb, whatever kind of bomb we put out into the future. And I've seen this over and over again, where people will say, oh no, no, no, you can pass it because the A bill will be nothing right now, because it doesn't go into effect until next biennium. And I think that is frankly irresponsible. And I think when we do the same thing with how we schedule either appropriations or tax cuts, the same sentiment applies. If we cannot afford it in this biennium, then we shouldn't think that we're going to be able to afford it next year. You don't buy a car or a house in your personal life that you have enough money for this year, but you know you don't have enough money for the payments for next year. So, I think everything should be on the table, and I think we have to stop playing the tricks where we say, "We don't have the money for it this year, but we'll put it into law, and then the next year's Legislature will have to deal with it." So, if everything is on the table, then everything needs to be on the table. And I say that knowing the, the, the doom, in the Tolkien sense, that that brings upon us, because that will be bad for me, too. But we need to have some pretty open conversations about it all. And that has to include those things which I am told every time I ask about them are sacrosanct-- that has to include them too, which means the income tax cuts have to be on the table, just

like everything else. Those are future cuts, and they have to be on the table, just like everything else. I voted yesterday for the tobacco tax cut because I believe in it not as a way to fix our budget, because I believe in it as a ways to regulate things. So, I'm not coming from that standpoint. I'm coming from the standpoint of looking at where we're at and how we're going to get through to really solving our budget crisis. And we can't play balance-sheet bingo and just say, "Well, we're not going to do that until two years from now" and think that solves our problem, because that's lazy and it's what, what has partially helped us get here. Thank you, Mr. President.

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

SORRENTINO: Thank you, Mr. President. Good morning. I want to thank Senator Dorn also for his well-thought-out testimony this morning. It's a difficult topic to address. I will spend my five minutes making the case, an irrefutable case that all taxes, all taxes are regressive. All taxes are regressive by nature and by intent. We heard an awful lot of testimony yesterday about regressive taxes, and I respect their opinion. I also respectfully disagree, as a tax practitioner for 50 years, longer than many of you have been alive. I have never encountered a tax that was not regressive. The very definition of a regressive tax, a tax system that-- excuse me-- imposes a higher percentage burden on lower-income earners than on higher-income earners as the tax rate effectively decreases as income increases. Now, there's enough noise in the back of the Legislature that I have to guess those are people who don't want to listen to the definition of a regressive tax. We heard the term bandied-- "regressive tax" bandied about yesterday, for the last couple of days, fueled not by their research or business experience; by outside inf-- outside forces, interesting in some other topic. Disappointing. So, this morning, I'll respond to that testimony that was used to hurt Nebraskans, testimony portraying the cigarette/vape tax as regressive. Not comparing it to every tax we pay as also being regressive. I'll give you some examples. Income tax, sales tax, payroll tax. Let's take a look at them. Here's the low-hanging fruit. How many of you buy gasoline in Nebraska? When I buy gasoline, they do not ask my income. I pay the same tax as somebody who makes more or less. That's an excise tax, that's a regressive tax. I expect some senator to bring a bill next year to ban that. How many of you bought a marriage license? They don't ask how much money you

make. Obviously, a regressive tax. I expect that to be banned next year. Let's take a look at a more common one. I hope most people in here file Nebraska state income taxes. If you do, you know that the very first line your tax return is what? Federal adjusted gross income. Well, I guess we've got to look at the federal tax, then. Let's say we have two taxpayers, Taxpayer A and Taxpayer B. They both make \$100,000. One, because of their itemized deductions, reduces their income to below that number for Taxpayer B who claims the standard deduction. Therefore, Taxpayer A is paying more tax than Taxpayer B, who may actually make less money. That sounds like a regressive tax. Not only does it sound like it, it is. I've prepared a few thousand of those. So therefore, Nebraska state income, by reference to federal income, is a regressive tax, and we must abolish it. I expect that bill to be brought next year. That is a regressive tax. I could go on. Let's talk about payroll taxes. If you don't remember, look at your W-2. It's 7.65 percent matched by your employer. It is the most regressive tax in the United States. Because whether you make \$100,000 or \$20,000 a year, you pay 7.65 percent. And it gets worse, friends. If you get to the income levels of about \$180,000, that's reduced to 1.45 percent. That's the hospital tax. Now, those rich people are paying way less than you are. I expect that someone will bring a bill to abolish payroll taxes, and the list goes on and on and on. To suggest that yesterday's defeat of that bill-- which is fine; that's the legislative process-- because it was a regressive tax, is an uneducated view. I sit in row three, I'll see. Please come talk to me if you're embarrassed to be on the mic about taxes. I can show you an example that every single tax in this state is a regressive tax. Thank you.

KELLY: Thank you, Senator Sorrentino. Senator Strommen would like to recognize some guests in the north balcony from the Nebraska Petroleum Producers Association. Please stand and be recognized by the Nebraska Legislature. Senator Dorn, you're recognized to speak. This is your third time on the amendment.

DORN: Thank you, Mr. President. And I wanted to clarify something. Got-- I got accused of I wanted to take money away from state employees. That's not it. When I brought this list for discussion, it was-- these are things that I think, or I am proposing to bring up in Appropriations. I'm open to any other ideas. One of them was the state employees, and I'm going to take away money from the state employees. No, I'm not. This body will make that decision, I won't. Appropriations first might

make that decision. I don't expect the vote to go anywhere, but it's up there for discussion, as many other things are here. So, I wanted to clarify it, that no, I did not say that we are taking money away from state employees. It is another option out there that happened at some time in the future; it at least deserves the respect to get looked at. And I have Fiscal Office now running those numbers, so at least we know where those numbers are. Thank you very much, and I yield my time.

KELLY: Thank you, Senator Dorn. Senator Rountree, you're recognized to speak.

ROUNTREE: Good morning, and thank you, Mr. President. Good morning, colleagues, and those that are watching online this morning. I just rise just very quickly to state my vote against this cigarette tax yesterday was voted because of my constituents. I listened. I was communicating while we were in the discussion. And regardless of how it might have appeared to anyone, I voted according to what my constituents ask. Some of their letters are read into the file. But this morning, I was approached because of how I voted yesterday, that the one item that I have in Appropriations that I've asked for money for, that's going to extend well beyond anything that I could ever serve, that would meet my region-- instead, because of my vote, that that's not going to happen now. This is our fabulous Unicameral. I'll be 67 years old in June, the Lord willing, and I see that. I'm not a "tit-for-tatter." Not a "tit-for-tatter." If that's what we are in here, then we are most miserable indeed. Yes, we are. But I came here because my people voted me here. I communicate with them, they're watching online, and I voted their interest on yesterday. And if that's offensive to the Unicameral, then it should be offensive to all of the Nebraskans that voted each one of us here to serve them. With the exception of Senator Fred Meyer, all of us got here by the people's vote and we speak what the people want. Now, have we always honored that? No, we have not. We have not done some of the things that people ask us. But to the best that I am able to, our voice-- well, our people down in District 3 will ask me to voice. So, if it means that the one item that I've asked for in the Appropriations-- if it's on the chopping block, then so be it. If I don't ever get another bill passed in this Unicameral, then so be it. But I will state that I will continue to bring good legislature [SIC], not for my personal use, not for my personal desires, but for the needs of our people that's down in District 3, and hopefully extend to the needs of our

people in Nebraska. So, with that, Mr. President, I yield the remainder of my time. Thank you.

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

McKINNEY: Thank you, Mr. President. I think I support this bill. I just wanted to get up and say that, you know, about yesterday's vote and everything that's happened this session, I think there's a cause and effect to everything. And I don't think we-- many take that into account, and did not take that into account yesterday. And I understand the cause and effect to everything, because there's a cause and effect to me standing up right now. Because some will say, we're going to teach him a lesson, and something may or may not pass or come out. It is what it is. But I think we need to take that into account. Because I was very offended on my way home from this place yesterday when I saw a post that said governor signs LB653 to suspend five-year-olds because they're violent and whatever else. Then, I thought about it. There's a cause and effect to everything because, one, nobody ever talked to me about that bill yesterday. I don't think so. Two, when you suspend five-year-olds, there's consequences, and we should think about that. Maybe I would have been open to it. But it's hard to be open to something when people adamantly stand up and say violent kids need to be put out of classrooms because this, this, and this, and that, then ignore all the data that shows that it's very harmful to suspend those kids at those-- at that age. So, if I am being told I need to compromise and work with everybody, who did-- nobody worked with me when I put up an amendment to clarify language on that bill. Nobody. It didn't take away from the bill, but just clarified language. But the same people telling me to compromise and there's consequences, and you got to think about this, and we got to make hard decisions, voted for it without considering the impact of that bill on kids that look like me. So, when you stand up and say, we need to think about consequences and things like that, I would just say, you should. You know? Why should taxpayers have to pay for tax exemptions for people to play-- fly private? If we're talking about why should people-- why should taxpayers have to pay for people to smoke cigarettes, we could look at all the tax exemptions, because there's many that I believe if a taxpayer was to look at it, they would say, why is that an exemption? But we don't do that. We don't put other things on the table that might help this budget. We don't consider other things that

might improve or impact the budget in a positive way because of who put it forward. That is the issue in this place. We're picking and choosing when we want to be offended, we're picking and choosing when something is a, a, a considerable piece of legislation. The bill that Senator Sorrentino introduced was introduced by Senator Machaela Cavanaugh, and it was dead on arrival. That is the problem. If it was good yesterday, it was good all the other times Senator Machaela Cavanaugh introduced it as well. If we're being told to take politics out of this, we should do it every day, not when a tax package does not move forward for whatever reason. And then also, when we say this should not be like D.C., and we should-- the Legislature should be moving things forward on our accord, we should stick to that. But we all know that doesn't happen throughout the budget process in Appropriations; it's considering what the governor has put forward. We don't even do a Legislature's budget anymore. It's cause and effect to everything. And it-- it's, it's just something I just couldn't let go, because I'm being told to compromise and work with people who couldn't compromise and work with me to put clarifying language in a bill that's going to disproportionately suspend black boys, but want me to vote for a \$1 cigarette tax or a 30 percent vape tax. I-- it-- you-- we can't pick and choose. Either we're going to work together, or we're not. That's the problem here, and that's why we're in, in the space we are today. And next week is probably going to be filled with a lot of contentious conversation as well. Thank you.

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

LONOWSKI: Thank you, Mr. Speaker. I stand in support of LB1101 and the amendment, AM2263. And I stand here to let everyone know that famous wrestling coach Dan Gable said, once you wrestle in life, everything else is easy. So I'm asking Dan Gable to help us now to figure out our, our, our budget shortage. And Iowa City hosts the first women's Division I wrestling tournament this weekend, and Coach Jensen from UNK is heading to South-- Sioux Falls, South Dakota. In fact, they're already there wrestling to defend their crown in Division II. But once again, I stand in, in support of LB1101, and I yield the rest of my time.

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

F. MEYER: Thank you, Mr. President. Just a few comments after listening all day yesterday and this morning so far. And something I've learned two years ago when I was down here, and Senator Erdman was in the audience yesterday, and something that he said that really, really stuck with me, and something that everybody in this body who has to make those decisions that were talked about earlier by Speaker Arch-- it's up to us. And Speaker made, made that very, very clear, that it's our decision. Well, Senator Erdman was, was quoted as saying a number of times, "the people behind the glass." Please, please, fellow senators, do not let the people behind the glass-- and you all know who we're talking about-- make those decisions that we need to make in here. And some of those people out there maybe don't have-- they all have their own interests at heart. I mean, let's be perfectly honest. But we have to make those decisions in here, and when you get called out to visit with a certain representative from a constituent group, I try to listen respectfully, but I certainly don't always agree that whatever position they're encouraging me to take is not one that I will end up taking. So, we need to be independent thinkers in this body, sometimes, many times maybe even ignoring the people behind the glass. And I hope that we all take that to heart. Senator Erdman-- and I didn't always agree on some issues, but boy, he was spot on when he gave that bit of advice to everybody in this body. So, with that, I'll yield my time. Thank you, Mr. President.

KELLY: Thank you, Senator Meyer. Seeing no one else in the queue, Senator Ballard, you're recognized to close on the amendment.

BALLARD: Thank you, Mr. President, and thank you, colleagues, for the discussion. I'll bring back what LB2263 [SIC] does. It does three main things. First, it reduces the state contribution to the judge's plan by \$1.5 million. So, in July, we'll save \$1.5 million. Second, it reinstates 2015 benefits that have-- were adjusted through-- for judges, to help recruit and retain judges to the bench. And third, it reduces the contribution by, by judges from 10 percent to 9 percent, and for judges that have 20-plus years of service, to 5 percent. And I think this is all important that we will maintain a, a funding status of the plan above 100 percent until 20-- it will maintain a budget funded above 100 percent. So, with that, I hope you vote green on AM2063. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate March 5, 2026

Rough Draft

KELLY: Thank you, Senator Ballard. Senators, the question is the adoption of AM2263. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

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

KELLY: AM2263 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Ballard, I have AM1978 with a note that you'd withdraw.

KELLY: So ordered.

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

KELLY: Senators, the question is the advancement of LB1101 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

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

KELLY: LB1101 is advanced to E&R Initial. Senator Hughes would like, like to recognize some guests in the north balcony from Nebraska Women in STEM from Omaha and Lincoln. Please stand and be recognized by the Nebraska Legislature. Mr. Clerk, for an announcement.

CLERK: Mr. President, the Banking, Commerce and Insurance Committee will have an exec session at 10:30 in Room 2102. Banking Committee, 10:30 in Room 2102. Additionally, some items for the record, if I could, Mr. President. Communication from the Executive Board, designating LB1071 and LB1072 as Speaker major proposals, consistent with Rule 1, Section 17. Additionally, your Committee on Banking, Commerce and Insurance chaired by Senator Jacobson reports LB762 to General File with committee amendments. Amendments to be printed from Senator von Gillern to LB901. And Senator Brandt-- excuse me. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Please proceed to the next item on the agenda.

CLERK: Thank you, Mr. President. General file, LB967 introduced by Senator Jacobson. It's a bill for an act relating to the Mutual Insurance Holding Company Act; provides requirements for electronic notice of annual meetings as prescribed; and repeals the original section. The bill was read for the first time on January 12 of this year and referred to the Banking, Commerce and Insurance Committee; that committee placed the bill on General File with committee amendments.

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

JACOBSON: Thank you, Mr. President. First, everyone just take a deep breath and slowly exhale. We're going on a fun journey. You'll like this bill. Thank you, Mr. President, and good morning, colleagues. Today, I'm asking for your green vote on LB967. LB967 is about aligning our statutes with the digital reality of the 21st century. Currently, mutual insurance holding companies, which are owned by their policyholders, often face outdated requirements that, that, that comes to notify-- when it comes to notifying their members about annual meetings. This bill establishes a clear legal framework for these companies to provide those notices electronically so as to reduce administrative burdens while maintaining strong protections for members. The core of LB967 is about creating a flexible but secure on-ramp for digital communication. Specifically, this bill establishes that a company can provide notice of its annual meeting with direct mail or by notification on a designed website. To ensure this is fair-- and the bill requires that the member must have either designated his or her email account for notices or have been previously informed of the web, website procedure. The bill ensures comprehensive information. Electronic notice isn't just a heads-up; under this bill, the digital notice must include all the information required by law, including clear instructions on how to access meeting materials and how to participate or vote electronically, if the company allows it. The bill also creates accountability. This bill notices-- to prevent notices of disappearing into the digital void, the bill requires companies to demonstrate delivery or publication through logs, delivery receipts, or records. While we want to encourage digital efficiency, we recognize that not every Nebraskan prefers or has access to electronic communication. That is why LB967 includes a crew-- critical consumer protection clause. Any member, after receiving an electronic notice, has the right to contact the company and

request the printed materials be sent via U.S. Mail. The bill, the bill also explicitly states that these physical materials must be provided at no cost to the member, ensuring that going digital never becomes a barrier to participation. Finally, the bill clarifies that notice can also be provided as part of the policy language itself, such as through an endorsement or a rider. This allows companies to streamline their mailings and reduce the paper fatigue that may-- many policy holders experience. By passing LB967, we're giving our Nebraska-based mutual holding companies the tools to communicate faster, more affordably, while, while strictly preserving the right of every member to receive information in the format they choose. Now, since I've been-- since I have time on this open, I'm going to go ahead and move straight to the committee amendment, and AM2324 is the committee amendment, and it will add four bills into the committee priority bill, LB967. I'll briefly describe the four bills being added into LB967, and I'll have the bills' representative introduce yield to any questions along the way so that they can describe their bill in more full-- more fully. But before I do, I'd like to make it clear that all four bills in LB967 came out of the BCI Committee with 8-0 votes. The first bill added to LB967 by the committee amendment is Senator Bostar's LB1062. This bill amends the powers of the Department of Insurance and Insurance Producers Licensing Act and the Pharmacy Benefit Manager Licensure, and Regulation Act to modernize the administrative and financial oversight of the, of the insurance industry. I'd ask now if Senator Bostar would yield to a question.

KELLY: Senator Bostar, would you yield a question?

BOSTAR: Yes, of course.

JACOBSON: And Senator Bostar, would you please describe the terms of your AM1859?

BOSTAR: Absolutely. Thank you, Senator. AM2324 includes the provisions of LB1062 that updates Nebraska's oversight of the insurance industry by modernizing how licenses are verified, enforced, and administered. The bill moves the state away from manual verification and fixed fees, and instead relies on reciprocity and nationally-maintained licensing data that better reflects how the insurance industry works today. The bill updates how the Department of Insurance verifies and, when necessary, terminates non-resident insurance producer licenses.

It allows the department to use national data-- databases maintained by the National Association of Insurance Commissioners to confirm a producer's licensing status, and establishes a clear process to cancel a non-resident license when the individual is no longer licensed and good standing in their home state. LB1062 also clarifies enforcement authority by clearly defining grounds for license discipline, and confirming the Director of Insurance's ability to act when a producer's home-state license lapses or is revoked. This provision-- this provides greater clarity and consistency for both regulators and licensees. In addition, the bill updates licensing fee provisions to reflect retaliatory practices, helping ensure Nebraska remains aligned with other states and competitive for resident producers. Finally, LB1062 strengthens oversight of pharmacy benefit managers by requiring prompt notification of material changes in ownership or control, and by clarifying renewal, suspension, and penalty provisions. It also includes pharmacy benefit managers under the Nebraska Unfair Trade Practices Act, so they are held to the same standards as other insurance entities and third-party administrators. LB1062 was heard on February 3 in the Banking, Commerce and Insurance Committee. There were no opponents, and it advanced out of committee on a vote of 8-0, and I would request your support for the amendment and the underlying bill. Thank you.

KELLY: Thank you, Senators Bostar and Jacobson. As the Clerk--

JACOBSON: I am--

KELLY: You're, you're recognized open on the committee amendment, sir.

JACOBSON: Thank you, Mr. President. The second bill being added to LB967 by the committee statement is Senator Bostar's LB950. This bill modernizes Nebraska's health care system by expanding the use of health information technology to facilitate the electronic exchange of data. The bill authorizes the, the electronic submission and acceptance of prior authorization requests, increases participation in the state's health information exchange, and updates the duties authorized in membership of the Health Information Technology Board. I'd once again ask Senator Bostar if he would yield to a question.

KELLY: Senator Bostar, would you yield to questions?

BOSTAR: Yes, I would.

JACOBSON: And I'd ask you to go ahead and please, if you would, describe the benefits of our-- what's in LB-- AM1881.

BOSTAR: Thank you, Senator. And of course, AM2324 includes the provisions of LB950, which update Nebraska's Population Health Information Act and strengthen the framework for the state's designated health information exchange. The bill builds on Nebraska's existing health data infrastructure, and helps ensure that providers have timely access to the information they need to deliver coordinated care. A persistent challenge in healthcare delivery is that patient information is often fragmented across multiple systems that do not communicate effectively with one another. When providers lack access to complete and timely information, care can be delayed, services may be duplicated, and costs increase for patients, employers, and insurers. LB950 reinforces the statewide health information exchange as the central infrastructure for securely sharing clinical information across Nebraska's health care system by requiring that health care facilities and health insurance plans participate in the exchange. LB950 also updates the structure of the Health Information Technology Board, which provides governance oversight of the exchange. The bill modernizes the board's composition to reflect the stakeholders involved in health data exchange by requiring an additional hospital administrator representing critical access hospitals, and one individual with experience in the electronic exchange of sensitive information. These updates help ensure that the exchange continues to operate with strong oversight, modern technical standards, and appropriate protections for sensitive patient information. LB950 strengthens Nebraska's health information exchange and helps ensure that accurate and timely health information can be securely shared across the healthcare system to support better patient care, more efficient delivery of services, and reduce costs. LB950 was heard on February 2 in the Banking, Commerce and Insurance Committee. There were no-- there were no opponents, and it advanced out of committee on a vote of 8-0, and I would request your underlying support. Thank you.

JACOBSON: Thank you, Senator Bostar. The third bill being added to LB967 by the committee amendment is Senator Hallstrom's LB1138. This bill adopts the Nebraska Protection of Seniors from Insurance Exploitation Act. It is designed to provide insurance

companies and, and producers with the legal tools and immunity needed to identify, report, and temporarily halt transactions that appear to be the result of financial exploitation of seniors and vulnerable adults. And I'd ask if Senator Hallstrom could yield to a question.

KELLY: Senator Hallstrom, would you yield to questions?

HALLSTROM: Certainly.

JACOBSON: Senator Hallstrom, could you please describe the ins and outs of AM1920?

HALLSTROM: I can. Thank you, Senator Jacobson. The provisions of AM2324 to LB967 that constitute my part of this bill, of the committee amendment, were originally LB1138. As Senator Jacobson indicated, the bill advanced on a vote of 8-to-nothing from the Banking, Commerce and Insurance Committee. There was no opposition. It had broad-based support from the insurance industry, the banking industry, the Department of Insurance, and AARP. The act would follow in the footsteps of similar trusted contact or designated third-party legislation already in law for-- in Nebraska for financial institutions and security brokers governed by the Nebraska Department of Banking and Finance and the Financial Industry Regulatory Authority, otherwise known as FINRA, by setting up necessary standards, processes, timeframes, and immunities for insurance companies or insurance producers to delay a disbursement or transaction involving a senior or vulnerable adult involving suspected financial exploitation. Beyond the legislative intent and definitions in the bill, the heart of the legislation is the process for an insurer to follow if it needs to delay a disbursement or transaction based upon suspected financial exploitation of an eligible adult. The process is described in detail in Sections 19 and 20 of the amendment, and sets the timelines for the insurer to follow related to notifications of the delay to permissible third parties, to persons authorized to transact business on the policy, and the Department of Insurance. The legislation also creates deadlines for the insurer to complete its investigation and end the delay by disbursing the proceeds or completing the transaction as requested. If the insurer comes to the end of the timeframes for the delay, it or the Department of Insurance may ask a court to terminate, extend, or modify the delay, or provide other protective relief if necessary. The bill also provides the

needed civil and administrative immunities to permissible third parties, insurers, and insurance producers who are involved in delaying a disbursement or transaction to encourage parties to take the necessary steps to protect consumers and make the proper decision without fear of needless litigation in the future. Finally, this part of the amendment provides that the insurer would need to submit information to the Department of Insurance upon request pursuant to an investigation, but such information would be protected and confidential when shared with the department and other officials, including law enforcement. The amendment tracks closely with the FINRA-designated third-party notification already in law in Nebraska; similar legislation is making its way through the Iowa Legislature, and would make Nebraska one of the leaders in protection of seniors from insurance financial exploitation. There were committee amendments that were adopted, and are part of the white copy AM2324 that were clean-up amendments on definitions and training, along with immunity provisions to mirror other senior fraud provisions currently in law with respect to banking and securities transactions. I would request your green light on AM2324 and the advancement of LB967. Thank you.

JACOBSON: Thank you, Senator Hallstrom. The fourth and final bill being added to LB967 by the committee amendment is Senator von Gillern's LB953. The bill will amend the Site and Building Fund [SIC] Development Act by expanding the scope of the Site and Building Development fact-- Fund to include the construction of major golf facilities and their supporting infrastructure. I'd ask if Senator von Gillern would yield to a question.

KELLY: Senator von Gillern, would you yield?

von GILLERN: Yes.

JACOBSON: Could you please give us--

KELLY: 2, 2 minutes, 39 seconds.

JACOBSON: And I think I'm next in the queue, so if you would--

von GILLERN: Thank you.

JACOBSON: --I would yield that time as well.

von GILLERN: Oh, I think I can get this done in 2 minutes.

JACOBSON: All right.

von GILLERN: Thank you, Senator Jacobson.

JACOBSON: Thank you.

von GILLERN: LB953 amends into-- through the AM2324 proposes amendments to the Site and Building Development Fund to allow for an application to include the construction of a major public recreational facility with programs target-- targeted to veterans and youth. The first section of the bill specifies locations. The second section establishes rigorous application requirements, mandating that any proposed facility shall provide dedicated programming for both veterans and youth, and must partner with the city to apply for support. Applicants are required to secure formal endorsements from local officials and demonstrate that they've obtained 80 percent of, of funding from private or alternative sources. To maintain fiscal oversight, the bill also stimulates-- stipulates that no single grant may exceed 20 percent of the total project cost, ensuring state investment, if it were chosen to do so, would remain a minority portion. Again, this portion of the bill only allows for an application to occur to the Site and Building Development Fund. There is no fiscal note. There-- and the, the, the bill came out, as Senator Jacobson noted-- this bill came out of committee with a unanimous 8-0 vote. Thank you, Senator Jacobson. I'm happy to take any questions.

JACOBSON: Thank you, Senator von Gillern. I know this was "linkly"-- but was lengthy, but I believe it's important to fully explain to this body what exactly is being added to our committee priority bills. Thank you to the senators who took the time to fully explain their bills. I would appreciate your support for this committee amendment to LB967. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. Would Senator Bostar yield to a question?

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

BOSTAR: Yes, I would.

ANDERSEN: Thank you, Senator Bostar. In your bill, LB1062, in Section 4, it talks about additional fees. Can you kind of explain that, please?

BOSTAR: Absolutely, and I appreciate the opportunity to kind of talk through this. So, currently, we have a fee structure for insurance producers for in-state and out-of-state that is static. So, out-of-state producers, in-state producers, they pay a consistent flat registration fee. So, what this legislation is proposing to change would apply only to non-resident insurance producers, so it will have no impact on anyone in Nebraska. But what it would do is, it would align the fee that we charge for an out-of-state producer to match what that state's fee is for our producers here in Nebraska seeking a, a license in that other state. So, this is a retaliatory fee structure that coincidentally actually matches how we do our, our retaliatory premium taxes as well. So, we're simply trying to align the treatment that other states provide for Nebraska producers and reciprocate that with how we are going to assess fees on theirs. This is to ensure that our resident Nebraska insurance producers maintain competitiveness as they operate across the country.

ANDERSEN: That's awesome. So, it sounds like it's, it's reciprocal, and it kind of levels the playing field with the out-of-state insurance brokers. So, thank, thank you very much, Senator Bostar.

BOSTAR: Thank you.

KELLY: Thank you, Senators Andersen and Bostar. Senator Murman would like to recognize some guests under the south balcony: his wife Kathy, as well as a friend, Ronna Fredricks, and recognizing Ronna's late husband, Paul. Please stand and be recognized by the Nebraska Legislature. Seeing no one else in the queue, Senator Jacobson, you're recognized to close on the amendment, and waive. Senators, the question is the adoption of AM2324. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 1 nay on adoption of the committee amendment, Mr. President.

KELLY: AM2324 is adopted. Senators, the question is the advancement of LB967 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

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CLERK: 34 ayes, 1 nay on advancement of the bill, Mr. President.

KELLY: AM967 [SIC] is advanced to E&R initial. Mr. Clerk.

CLERK: Mr. President, Select File, LB1001. First of all, Senator, there are E&R amendments

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

GUERECA: Mr. President, I move that the E&R amendments to LB1001 be adopted.

KELLY: Senators, you've heard the motion. All those in favor, say aye. Those opposed, say nay. The E&R amendments are adopted. Mr. Clerk

CLERK: Senator Kauth, I have FA657 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Holdcroft would move to amend with AM2077.

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

HOLDCROFT: Thank you, Mr. President. What AM2077 does is attaches the emergency clause to LB1001. Now, why do we need an emergency clause? Well, one of the good things that LB1001 does-- this is the Racing and Gaming Commission clean-up bill-- one of the things it does is it transfers the Nebraska Commission on Problem Gambling from under charitable gambling to under the Racing and Gaming Commission, in recognition that most of our gambling problems are now coming from racing and gaming and not so much from, from charitable gaming. So, that's all well and good. Everyone agrees to that. The only issue comes with the funding. There is a Compulsive Gamblers Assistance Fund which is currently under the Department of Revenue and the Charitable Gaming Commission, and that will transfer on 1 July to under the Racing and Gaming Commission. However, if the bill goes in the normal fashion without an emergency clause, then the actual transfer of the commission itself will not happen until 1 October, so they would be without funding for about three months. So, bringing the emergency clause on board aligns the

transfer of the commission with the transfer of the funds. Thank you, Mr. President.

KELLY: Thank you, Senator Holdcroft. Seeing no one else in the queue, you're recognized to close, and waive closing. Senators, the question is the adoption of AM200-- AM2077. 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: AM2077 is adopted.

CLERK: Senator Hansen, I have FA995 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Hansen would move to amend with AM2320.

KELLY: Senator Hansen, you're recognized open on the amendment.

HANSEN: Thank you, Mr. President. Good morning, colleagues. I am bringing AM2320 today as an amendment to LB1001 to support the philanthropic efforts of our VFW and American Legion posts throughout the state. I appreciate Chair Holdcroft and others for allowing me to do this. This amendment has a language from LB1120, a bill that was voted out of Committee 8-0 and received support from our veterans at its hearing. The Department of Revenue also testified, confirming that the bill was able to be implemented into the current systems. Nebraska is a proud-- is proud of its tight-knit Midwestern communities and the values that inspire family and friends to pour into the support-- and support each other locally. Within these communities are various organizations and groups that mobilize volunteers, provide gathering places for social connection, and preserve the traditions that strengthen civic patriotism and honor service members. They often bring together-- people together for fundraising events as well. One way to fundraise is through bingo or raffle games when organizations register with the department. Currently, fundraiser games that include progressive jackpots with multiple drawing dates are not permitted by state statute and regulations; this is what AM2320 aims to change. Many other states see great benefits when groups like the VFW

and American Legion are able to run games like the Queen of Hearts. AM2320 permits for licensed organizations in Nebraska, Nebraska to conduct games like The Queen of Hearts if they register each game with the department. The language requires that the rules of the game are posted in a visible location where the tickets are being sold to maintain accountability and transparency. Vending or dispensing devices can also be used, if that would make it more workable for the communities. These games will be included in both the Nebraska Lottery and Raffle Act and the Small Lottery and Raffle Act. The percentage of prize money that has to be allocated to the winner is also defined differently with AM2320. Because Queen of Hearts is to be used as a fundraiser, only 50 percent of the proceeds are required to be awarded to the winner, while the rest is used to cover costs and financial local-- and finance local charities. In summary, VFW and American Legions have been pillars for communities in the United States since the early 1900s; they support our veterans, and encourage local engagement of many of our cities and towns across the state. I would ask that you vote green on AM2320 and their ability to expand fundraising possibilities so they're able to continue investing in our communities. Again, colleagues, this did come out of committee 8-0 with no opposition, and these are for all of the VFW and Legions, and likewise, the auxiliary Sons of the American Legion, and ultimately our communities, because I'm almost going to guarantee every one of us has one of these organizations in our districts, and this is to help support them, so. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Senator Holdcroft, you're recognized to speak.

HOLDCROFT: Thank you, Mr. President. I just wanted to reiterate that this is a friendly amendment. We would have included it as part of the package, except the hearing was late in the, in the schedule, and so we didn't get a chance to do that. But this is-- as Senator Hansen mentioned, this came out of committee 8-0, and I encourage a positive vote on AM2320.

KELLY: Thank you, Senator Holdcroft. Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. I rise in support of AM2320. I was on the committee when Senator Hansen prepared it and introduced it. Thank you for bringing it. I think it's

fantastic. As a member of the American Legion and the VFW, they always have problems with, with membership. That's always a challenge. So, this is yet one more way for them to increase fundraising, increasing their membership, supporting the veterans, and then some of the veteran causes, like, they do scholarships and, and things like that. So, they help a lot of other veterans, not just within their own post, but across the, the, the state. So, this is all goodness. The one thing I think we should look at, and I mentioned to Senator Hansen, was can we include churches in this? Like the Catholic Church and things like that, that they can incorporate a game, something like this, to do fundraising, because they are forever trying to raise funds to do more goodness with food pantries and scholarships, and things like that. So, with that, thanks, Senator Hansen. And thank you, Mr. President.

KELLY: Thank you, Senator Andersen. Seeing no one else in the queue, Senator Hansen, you're recognized, and waive closing. Senators, the question is the adoption of AM2320. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM2320 is adopted. Mr. Clerk.

CLERK: I have nothing further on the bill, Mr. President.

KELLY: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB1001 be advanced to E&R for engrossing.

KELLY: Members, you heard the motion. All those in favor, say aye. Those opposed, say nay. LB1001 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, LB101A [SIC-- LB1001A] from Senator Holdcroft, Select File. I have E&R Amendments, Senator.

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

GUERECA: Mr. President, I move that the E&R amendments to LB1001A be adopted.

KELLY: Senators, you've heard the motion. All those in favor, say aye. Those opposed, say nay. Those amendments are adopted.

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

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

GUERECA: Mr. President, I move that LB1001A be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor, say aye. Those opposed, say nay. LB1001A is advanced to E&R Engrossing. Mr. Clerk.

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

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

GUERECA: Mr. President, I move that the E&R amendments to LB759 be adopted.

KELLY: Senators, you heard the motion. All those in favor, say aye. Those opposed, say nay. Those amendments are adopted.

CLERK: Senator Kauth, I have FA388 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Brandt would move to amend with FA1025.

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

BRANDT: Thank you, Mr. President. It's always exciting when the attorney general's office visits your office the day your bill is coming up. So, this floor amendment is very simple. In the original bill, it-- we had the money from one of the penalties going to the wrong place, and what this amendment does, it gets us in accordance with the constitution that any penalty monies will go to the school districts. That's what this floor amendment does.

KELLY: Thank you, Senator Brandt. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. I do stand in support of FA1025 from Senator Brandt. And I know in this bill we had included the Perkins Canal discussion, and I, I just wanted to take a couple of minutes to talk about the Perkins Canal because in my handout to you this morning, I included that as, as part of a budget solution, and I wanted to talk about the financial mechanism to be able to achieve that. I know if I say "Perkins Canal project" three times, it's kind of like Beetlejuice. I think-- I don't want to-- Senator Jacobson to, to, to get over-exerted on that one, but I just wanted to explain the financial mechanism on how we can do this without sending the wrong message to the state of Colorado. Believe me, the state of Colorado will use any argument, any excuse to say that we are not serious about building the Perkins Canal. I assure you, we are serious about building the Perkins Canal. The one thing that the state of Colorado has stated correctly is that we have underfunded it. Truly. We have underfunded the construction of it. Right now, we have about \$720 million; it'll probably take double that to actually get the reservoirs built, as well as the canal itself. It's important. I'm not, I'm not arguing that point at all. But we do have a mechanism available to create that funding to execute on our commitment to getting the Perkins Canal built. My proposal is to take some of the funding right now. You can call it idle funds, like we have used that excuse on sweeping other funds. They will be used, ultimately, once we have-- once all the legal dust settles and we are given a go-ahead, which, by the way, will take at-- probably at a minimum 10 years. But the financial mechanism is clearly stated in statute. It's statute [SIC] XIII-1, state may contract debts; limitations; exceptions. It takes a three-fifths vote to execute on this, but it clearly gives the authority for us to go into debt for highway construction. And it says: "the construction of water retention and the impoundment structures for the purposes of water conservation and management will promote the general welfare of the state, it may authorize the issuance of revenue bonds for such construction, and for the payment of the interest and the retirement of such bonds it may pledge all or any part of any state revenue derived from the use of such structures." So, we know that irrigators have fees, but we also know that the irrigation fees would be insufficient to support and sustain that bond. So, in one of my suggestions, we have the authority to do an increase in sales tax, and I know before everybody gets up in arms about it, this would be a very specific, segregated

income tax increase, modest, modest, modest, to-- for perhaps two to five years, depending upon what the, the financial numbers calculate, with a clear, definite sunset. That's important. I can tell you, in the city of Lincoln, we have used this repeatedly, as has the city of Hastings, to be able to do serious road infrastructure projects that benefit the people in the communities that we serve. This is no different. It would be a sales tax increase, modest, with a sunset that would allow us to be able to execute and get the additional financing that will be required when that day comes for us to build the Perkins Canal. And I know that we've all said it's off the table, but I think in the spirit of negotiation and cooperation and collaboration, I've said it before, we have to be open-minded. We have to be willing to look at everything. It might not be all of \$50 million to \$100 million; it could be some of that. But it's something that we must consider, and I just wanted to explain that financial mechanism into a little bit more. But I do want to say that I do support LB759. Thank you.

KELLY: Thank you, Senator Raybould. Seeing no one else in the queue, Senator Brandt, you're recognized to close on the floor amendment, and waive. Senators, the question is the advancement - adoption of FA1025. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 29 ayes, 0 nays on adoption the floor amendment, Mr. President.

KELLY: FA1025 is adopted.

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

KELLY: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB759 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor, say aye. Those opposed, say nay. LB759 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB948. First of all, Senator, there are E&R amendments.

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

GUERECA: Mr. President, I move that the E&R amendments to LB948 be adopted.

KELLY: Senators, you heard the motion. All those in favor, say aye. All those opposed, say nay. They are adopted.

CLERK: Mr. President, Senator Kauth, I have FA604 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator DeKay would offer AM2368.

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

DeKAY: Thank you, Mr. President. AM2368 would primarily remove the provisions of LB948 that outright repealed the Poultry and Egg Resources Act, but replace the outright repeal with the termination of the act on December 31, 2027. The amendment also contains some technical cleanups of the bill brought to me by the Revisor's office. For those unfamiliar, the Poultry and Egg Resources Act is an industry-funded commodity promotion program established to promote markets for the Nebraska turkey and egg producers. The act was created in 1976, and is administered by the poultry and egg division within the Department of Agriculture. Its purpose is to advance consumer education and to support appropriate research programs to enhance Nebraska's egg and turkey producers in developing and maintaining prosperous industries. Funding for the division's activities is generated through a checkoff assessment of up to five cents per 30 dozen eggs sold, and a fee of up three cents per turkey sold. The NDA administers the program with advice and assistance from the Nebraska Poultry and Egg Development Utilization and Marketing Committee, and an advisory committee comprised of directors of the Nebraska Poultry Industry [SIC], Incorporated. The repeal of the act was brought to us by the Department of Agriculture and included in the LB948 amid indications that the industry was interested in pursuing other avenues for industry promotion. The Department was approached by the members of the industry, expressing interest in joining the North Central Poultry Association, a larger regional association that most Nebraska poultry producers already are members of. Many producers are subject to the national egg checkoff. Additionally, the checkoff

assessment under the act is refundable. Industry participants pay in, but may request a refund of any amounts they paid. Last fiscal year, \$252,000 in checkoff fees was collected, and \$167,000 of that amount, or roughly two-thirds, was requested to be refunded. During the hearing, the repeal of LB948 was opposed by a representative of the Nebraska Poultry Industries, and I have had an ongoing contact with its representatives subsequent to the bill being advanced by the committee, who have suggested that there is support within the industry to maintain the program. The amendment represents a compromise on this matter that I arrived at in consultation with the Department of Agriculture and the industry. By putting a termination date on the act in lieu of an outright repeal, essentially, we are creating a decision point and asking the poultry and egg industry to, in the upcoming interim, discuss the value of the program and reaffirm whether industry supports continuing this program as well as whether there are changes that could make the program better. Unfortunately, we are legislating with mixed signals, and I believe that this amendment will be a chance to get clarity from the industry before we make a final decision. Should the industry indicate to us that it would like to continue the program, we can easily remove the termination date next session. I would ask for your support on AM2368.

KELLY: Thank you, Senator DeKay. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. I'm, I'm hoping that Senator DeKay will yield to a question.

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

DeKAY: Yes.

RAYBOULD: Thank you, Senator DeKay. I was approached out in the rotunda with members of the poultry industry expressing some concern with the amendment, but I wasn't quite clear-- I'm not sure I understand what their concerns were. They, they expressed that they, they support LB948 as written, but they had some concerns about the amendment. Would you mind just highlighting the important elements of the amendment and why it's, it's a good deal?

DeKAY: The concerns were coming from the Department of Agriculture, and there have been ongoing conversations with them

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and the egg and poultry act people, the egg producers, turkey producers, and this is an amendment that we were told we were-- we told that we're going to work with them on in between General and Select, and this what we came up with. Both sides-- the Department of Ag is not entirely happy, but they said this-- they can work with this amendment, and that's why we're bringing it forward, and that why we're putting a date in to-- maybe if we need to discuss it more and change some things next year, that's where we'll be available to do that.

RAYBOULD: OK, one of the, the things-- I thought in the original bill they would have until the end of this year to spend down the funds. And does the amendment change it to the end of next year?

DeKAY: Yes.

RAYBOULD: OK.

DeKAY: To 2027.

RAYBOULD: So, wouldn't that be more in their favor, to do something like that?

DeKAY: Repeat that?

RAYBOULD: Oh. The question is your thoughts on wouldn't it be in, in their best interests to have an additional year to, to work through and the, the fundings that have been accumulated. I do understand that they give out more funds than what, than what comes in.

DeKAY: Yes, and that's why the amendment came. And so, we would make the change, but still be able to look at it and revise it as necessary going forward, with input from both sides of the--

RAYBOULD: So, if they have any other concerns, they can bring them to you, because you'll be the Ag Committee chair next year?

DeKAY: No, there were no other concerns.

RAYBOULD: OK. All right, thank you very much.

DeKAY: Thank you.

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KELLY: Thank you, Senators Raybould and DeKay. Seeing no one else in the queue, Senator DeKay, you're recognized, and waive closing on AM2368. Senators, the question is the adoption of AM2368. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 27 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM2368 is adopted. Mr. Clerk.

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

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

GUERECA: Mr. President, I move that LB948 be advanced to E&R for engrossing.

KELLY: Mem-- Senators, you've heard the motion. All those in favor, say aye. Those opposed, say nay. LB948 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB9-- LB894 from Senator DeKay. First of all, Senator, there are E&R amendments.

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

GUERECA: Mr. President, I move that the E&R amendments to LB894 be adopted.

KELLY: Senators, you heard the motion. All those in favor, say aye. Those opposed, say nay. The E&R amendments are adopted.

CLERK: Senator Kauth, I have FA534 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Machaela Cavanaugh would move to amend with AM2467.

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

M. CAVANAUGH: Thank you, Mr. President. This is not a hostile amendment. I worked with Senator DeKay on this amendment. This

comes out of the discussion we had on General File for LB894 about the cash fund. So, I'm just going to read the amendment. "All money derived from investment earnings of money in the fund shall be credited to the Grain Dealer and Grain Warehouse Cash Fund. Money in the fund shall not be transferred to the General Fund or any other legislatively created fund. It is the intent of the Legislature that the revenue generated by the license fees established by the commission shall not exceed twenty-five percent of the commission costs to implement the Grain Dealer Act and the Gain Warehouse Act." So, one of the concerns that was expressed by myself and others in general fund debate was this being-- this fund-- the fees being increased to pad the fund so that it could be swept for general funds. And in conversations with legal counsel and Senator DeKay, the 25 percent really protects that. So, the fund will never be more than 25 percent of the cost, and therefore there will never any additional revenue available to be swept. So, this language helps just solidify and protect the money and the licensing fees, and I hope you all will vote green. Thank you.

KELLY: Thank you, Senator Cavanaugh. Seeing no one else in the queue, you're recognized to close, and waive closing. Senators, the question is the adoption of AM2467. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 28 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM2467 is adopted. Mr. Clerk.

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

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

GUERECA: Mr. President, I move that LB894 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor, say aye. All those opposed, say nay. LB894 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, General File, LB972 introduced by Senator Fredrickson. It's a bill for an act relating to motor vehicles; changes provisions relating to the use of designated parking spaces for handicapped or disabled persons; changes suspension

of operator's licenses for revocation of operators' license relating to certain judgments of conviction; changes provisions relating to the bonded certificates of title for motorboats; defines a term; changes and provides provisions relating to In Transits, transporter license plates, applications for registration with the Motor Vehicle Registration Act, and the display of license plates; ends the issuance of special interest motor vehicle license plates as prescribed; provides for a Choice Color Plates as a type of alternate license plate; recodifies provisions relating to military service applicable to certain persons as applicable to a operator's license; changes provisions and provides provisions under the Motor Vehicle Operator's License Act relating to certain examinations and the renewal of certain licenses by qualified licensees; changes provisions relating to proof of insurance responsibility; eliminates provisions relating to snowmobile safety certificates; transfers provisions; harmonizes provisions; repeals the original section; outright repeals Section 60-6341. Bill was read for the first time on January 12 of this year and referred to the Transportation and Telecommunications Committee; that committee placed the bill on General File with committee amendments, Mr. President.

KELLY: Thank you, Mr. Clerk. Senator Fredrickson, you are recognized to open.

FREDRICKSON: Thank you, Mr. President. Thank you, colleagues. So, I'm here today to introduce LB972 on behalf of the Nebraska Department of Motor Vehicles. LB972 is a clean-up and harmonization bill that ensures the continued efficiency and effectiveness of the Department of Motor Vehicles by making several technical corrections, including streamlining processes, improving customer service, providing for fraud protection, and creating new license plates. A few things LB972 allows for. Improved customer service by amending statute to allow the commercial driver's license of an active duty military member to remain valid until 60 days after they are discharged from active duty; eliminates unnecessary testing to only require the same testing in person as would be required if the person is eligible to complete the respective transaction online; better serves customers by requiring insurance companies to file SR-22 forms electronically after July 2027. This will result in cost savings for insurance companies currently filing SR-22 forms electronically. The bill also addresses reduction of fraud. The bill will require entities who apply for transporter plates who

are doing business in Nebraska to be registered with the Secretary of State. The bill would require proof of ownership documents when registering untitled trailers. Additionally, LB972 will authorize an in-transit tag to be placed on the rear of the vehicle and move from two to one in-transit tags to mirror legislation enacted from last session. We worked with the New Car Dealers Association on an amendment so the transition date of going from two in-transits to one coincides with the date of moving from two license plates to one. I appreciate their collaboration and support on this bill. LB972 also provides for the creation of Choice Color Plates beginning on January 1, 2027. Customers will have the option of four different background colors, black, red, or scarlet and cream, blue and green with white lettering. The additional fee for these plates would be directed to the DMV cash fund as consistent with other standard plates offered by the DMV. There are several additional language cleanups that are critical to maintaining a modern, effective, and legally-compliant Department of Motor Vehicles. LB972 is a necessary step to align Nebraska statutes with best practices, enhance public safety, reduce fraud, and improve administrative effect-- efficiency. With that, I will let Senator Moser-- I know he's the chair. He's going to open up on the committee amendment to this bill, which includes a number of other bills from some of our colleagues here in the Legislature. Also, Director Lahm, the director of the Department of Motor Vehicles, is here in the Rotunda if you have any questions, and I would also be happy to take any questions you may have. Thank you, Mr. President.

KELLY: Thank you, Senator Fredrickson. Senator Moser, you're recognized to open on the amendment.

MOSER: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. The committee amendment combines several bills meant to modernize and harmonize statutory language regarding motor vehicles. Additionally, it gives the Department of Motor Vehicles and the Department of Revenue tools to combat avoidance of certain taxes and fees, and amends motor vehicle dealer abilities and duties. It also creates new license plates to help honor Nebraska and its citizens. Each senator whose bill has been included into the package will describe their portion of the bill. With that said, Senator Ballard, would you yield to a question?

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

BALLARD: Yes.

MOSER: Would you describe LB1121, please?

BALLARD: Yes. Thank you, Senator Moser. LB1121 provides a statutory framework to provide guidance on franchise agreements between RV manufacturers and dealers. The language was modeled after current framework for new car and truck dealers and manufacturers. Currently, RVs you have drive are licensed by Motor Vehicle Licensing Board, but trailers and campers you can tow behind are not. Dealers of those low-- of those tow-behind vehicles are unprotected from manufacturers, and manufacturers have no enforceable, enforceable guarantees with dealers. The statutory framework in LB1121 would provide guidance and protection for both dealers and manufacturers for such, for such things as who pays for the work done and recall and-- or warranty. The regulatory body would still be the Motor Vehicle Licensing Board, and a representative of dealers and representative of manufacturers being added to the board. LB1121 had no opposition testimony, and was out-- and was voted out on a 8-0 vote. Thank you, Senator Moser.

MOSER: Thank you, Senator Ballard. For an update on LB1104, we would like Senator Dover to yield to a question, please.

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

DOVER: Yes.

MOSER: Thank you, Senator. Would you describe your part of this package, the LB1104 part?

DOVER: Yes, I will, Chairman Moser. Thank you. LB1104 addresses a concern many of us have heard from constituents. Nebraska residents registering vehicles in other states while continuing to live, store, and operate those vehicles here in Nebraska in order to avoid motor vehicle tax and fees. When that happens, the burden does not disappear; it is shifted onto law-abiding residents who follow the rules and pay their fair share. We recognize that part of this issue stems from the registration policies of some of our neighboring states, which allow out-of-state residents to register vehicles within their borders with limited restrictions. However, I do not believe that means Nebraska should sit back and do nothing. LB1104 clarifies the authority of the Department of Motor Vehicles and the Department

of Revenue to determine when vehicles have situs in Nebraska when a resident owner is avoiding required, required registration taxes and fees. The bill strengthens enforcement of existing law, and establishes a late fee for noncompliance while preserving due process and appeal rights. This issue is not new to the Legislature. In 2014, LB851 was introduced to address sales tax evasion involving recreational vehicles. At that time, there was not sufficient evidence to support expanding the policy to arm-- all motor vehicles, and the oversight provisions were limited to RVs. During the committee hearing on LB1104, Director Lahm explained that the increased reporting from county treasurers and law enforcement has since provided the evidence needed to justify expanding these provisions to motor vehicles more broadly. With respect to the fiscal note, I believe the assumption that the full-time fiscal compliance analyst will be required is premature. At this time, the overall fiscal impact of the bill is indeterminable. Finally, LB1104 does not create new taxes or raise existing tax rates; it simply ensures that Nebraska motor vehicle registration laws are applied fairly and consistently so that everyone plays by the same rules. I appreciate, appreciate your support.

MOSER: Thank you, Senator Dover. This brings us to LB922. Senator Brandt, would you give us an update on what LB922 does, please?

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

BRANDT: Thank you, Mr. President, and thank you, Chairman Moser. LB922, which was amended into the committee priority, is Section 65 of AM2260. It contains the provisions of my bill, LB922, that deals with the funding structure of the Motor Vehicle Industry Licensing Board. The board is a cash-funded agency that relies almost entirely on license and administrative fees to carry out its regulatory and enforcement responsibilities. While the board reviews and sets actual fees each year, those fees are capped in statutes. This bill updates those statutory maximums to better reflect current costs and provide flexibility going forward. Specifically, the bill increases the maximum allowable fees across a range of licenses, including motor vehicle dealers, supplemental dealers, dealer agents, manufacturers, distributors, finance companies, auctions, motorcycle and trailer dealers, and record or salvage dealers. I want to be clear that this bill does not mandate an increase in the majority of fees, but instead increases the statutory caps so

the board can responsibly manage its operations without relying on General Fund dollars. I thank the committee for including LB922 in its committee package, and I ask for your green vote on AM2260 and LB972. Thank you.

MOSER: Thank you, Senator Brandt. This brings us up to LB738, which was introduced by Senator Rountree. Senator Rountree, would you yield to a question?

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

ROUNTREE: Yes, Mr. President. Today, I rise to introduce my portion of the amendment to LB972. This amendment contains my bill, LB738, which would establish a license plate honoring women veterans in our state. Over the interim, I was approached by the Disabled American Veterans and AMVETS about the possibility of introducing this legislation. It's important that we honor the hard work, dedication, and sacrifices that the women veterans in our state have made. I've served with so many strong women during my time in the Air Force, and each and every one of them is worthy of recognition. LB738 directs the Department of Motor Vehicles to work with a non-government organization to design the plate. DAV and AMVETS have worked to create some draft designs that have been supported by women veterans in our state, depicting a woman veteran with the phrases "women veterans" and "honoring her service." The bill also creates the Women Veterans Cash Fund and directs money gained from sale of the plate to this fund. The cash fund is designated for events that focus on women veterans in our state, and is administered by the Department of Veterans Affairs. While this may seem like a small change, I would tell you that it has broad support. I was surprised by how many people have reached out to my office to say they would love to have this plate on their car. I have heard stories from women about being told they could not park in the veteran's spot, or asking if their husband or son served. I appreciate the committee including this bill in the amendment, and thank you for all of your attention to this bill. Please vote green on LB972. Thank you, sir.

MOSER: Thank you, Senator Rountree. The next part of the bill is LB769, which is-- has been introduced by Senator DeKay. Senator DeKay, would you yield to a question?

KELLY: Senator DeKay, would you yield?

DeKAY: Yes.

MOSER: Yes, would you describe your part of the amendment?

DeKAY: Yes. Thank you, Senator Moser. Thank you, Mr. President. LB972 contains the provisions of my bill, LB769. LB769 would create a University of Nebraska State Museum license plates and allow Nebraskans to obtain these plates beginning January 1, 2027. LB769 would require the Nebraska Department of Motor Vehicles to issue no more than three designs for the University of Nebraska State Museum license plates. Each plate would recognize the three museums managed by the University of Nebraska: Ashfall Fossil Beds, Morrill Hall, and Trailside Museum. Regarding the design of these license plates, the department would be required to consult with both the University of Nebraska and a, and a non-profit with a mission to support the University of Nebraska in education and research. I do want to add that the Friends of the University of Nebraska State Museum is a non-profit that helped prepare these three proposed license plates design, one for each of the three museums. Nebraskans applying for an alphanumeric University of Nebraska State Museum license plate would be charged a \$5 fee; 100 percent of that fee would go towards supporting the research, public education, and outreach programs at the museums managed by the University of Nebraska. Meanwhile, the fee for personalized message license plates would be \$40; 25 percent of that fee would go to the DMV Cash Fund, and the other 75 percent would go to--

KELLY: That's time, Senators. Thank you, Senators Moser and DeKay. Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. And I'd just see if Senator Brandt would yield some questions.

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

BRANDT: Yes, I would.

ANDERSEN: Thank you, Senator Brandt. In looking at your portion of the bill, LB922, I see there's some significant fee changes. Motor vehicle driver's license going from \$400 to \$1,000, the dealer's license from \$20 to \$500, dealer's agent license \$100 up to \$500, so five times what the current is. Can you provide some context behind why these are being elevated so much?

BRANDT: Sure. The licensing board gave us this bill to bring, and currently, they do not have enough funds to keep up. And like most agencies in the state, what they're asking for is to increase-- let's say that first one there, on the motor vehicle dealer's licenses, increases the statutory maximum from \$400 to \$1,000. That just gives the board the authority to fill that gap over a period of years. So maybe next year they go to \$450, and it would take them 20 years to get to \$1,000. In their testimony, there were none of these that I'm aware of on, on those that are going to cap out right away. They're going to-- they're going to take what they need. The one fee that will increase the full amount is the change-of-location fee will increase from \$25 to \$100, and a change-of-name fee will increase from \$5 to \$50 dollars. Those two fees will take effect once the bill takes effect. All the other ones are just increasing the statutory caps.

ANDERSEN: And you said that it was DMV?

BRANDT: No. This is the Motor Vehicle Industry Licensing Board. This is a board that regulates car dealer-- car dealers and motorcycle dealers and trailer dealers, and this board has appointments from the industry. And so, when you, when you buy a vehicle and you have a lemon or you have a problem with it,--

ANDERSEN: Yeah.

BRANDT: --these are the guys that look into that, and they have enforcement options, and they will go to a dealer and get to the bottom of it, and get back to the customer.

ANDERSEN: OK, great. Any idea how long it's been since they changed these rates before?

BRANDT: I'm sorry, can you repeat that?

ANDERSEN: Any idea how long it's been since they established these rates? Like, the, the first one it talked about where it was from \$400 up to \$1,000. When did they establish it at \$400? And what I'm trying to do is put context around it, right?

BRANDT: Yeah.

ANDERSEN: So, if it goes, then that's a 250 percent increase in the fees, if that's--

BRANDT: I-- yeah. I would, I would have to get back to you on when that \$400 was originally established, and that \$400 may have been \$300 or it may have \$200.

ANDERSEN: Sure.

BRANDT: You know, I'm sure there were a series of statutory increases over a period of years.

ANDERSEN: Yeah, and I think that's the important piece, is really putting the context behind it. If it's 250 percent increase in-- from two years, that's different than if it's been 20 years, right? So, I think the context is really important. I'll say it again, I've said it before. I, I think we need to put, one, the inflation rate as an annual increase to fees, that way we don't have to worry about context. We know it's every single year and we know what the rate is going to be so we, we don't have this conversation on all these different bills.

BRANDT: Right.

ANDERSEN: So, when you had the hearing and they came and, and appeared, did you ask them, OK, so you don't have-- you're not bringing enough money now to perform the functions that you're being asked to do. Was there any discussion on maybe they should change their budget? Maybe they should be able to downsize? Maybe they're spending too much money? As opposed to increasing the fees, maybe you'd decrease the budget.

BRANDT: Sure. I-- you know, we always have that discussion. I, at least, on the committee, and I think some of the other committees got the impression this is a very well-run organization. The executive director is the one that presented the bill. And if you're going to downsize an organization like this, you're going to cut out some of the inspectors, the people that go into the dealerships. You would make the organization less effective once you start cutting bodies out of this.

ANDERSEN: No, I'm not saying that they should. I'm just saying, did you have the conversation? You know, being good stewards of taxpayer dollars, before you start increasing fees, you should look and see, you know, are they actually performing at what you would expect a business-- a small business to do, or something like that? If they are, then so be it, but--

BRANDT: Yeah, we had that discussion.

ANDERSEN: OK. And what'd they say?

KELLY: That's your time, Senators. Mr. Clerk.

CLERK: Mr. President, Senator Hansen would move to amend with AM2258.

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

HANSEN: Thank you, Mr. President. Good morning, colleagues, again. AM2258 attaches my bill, LB1099, to LB972. These are the scarlet and cream license plates that have been an idea that I've had for quite some time, and it finally is coming to fruition. I am providing a handout that gives an example of what these plates will look like on behalf of Senator Brandt, because he loves these license plates so much. I handed them out just for him. I met with the Department of Motor Vehicles and changed the direction of where the proceeds would go. Previously, previously, I had them go to the Highway Cash Fund, but I have since designated the Department of Motor Vehicles Cash Fund as the recipient of the alternative license plate fees created in LB1099. My intention is to have a retro-style font included as well. And so, a lot of these came from the idea of looking at the license plates from 1984 and 1960, and that's kind of the look they were going for here. Something much more simple and easy and classic, like we used to have. I know sometimes we have some of these license plates that have a lot designs on them, like Senator DeKay's-- that he's not listening to me, because I wanted to give him a hard time on. And so-- but, but the license plates that I have now are much more classic, easy to read, and they represent the colors of our state. And so, with that, I would encourage your green vote on AM2258. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Returning to the queue, Senator Bosn, you're recognized to speak.

BOSN: Thank you, Mr. President. Good morning, colleagues. I've had a couple of people reach out and ask why this was a PNV vote, or why there were three of us that PNVed this bill ultimately, so I just thought I'd provide a little bit of clarification. There were also a couple opponents to that bill. There is a potential for an amendment that will address all of

those things. I am voting green on this bill today, and would encourage all of you to do so as well. But I think there's some good-faith negotiations that are still taking place as it relates to the fund for Senator Fredrickson's bill, and, and they're friendly conversations between Senator Fredrickson as well as the Department of Trans-- excuse me. I'm drawing a-- Motor Vehicles. I was, like, Rhonda's department. But I, I know that's not the right phrase for it. The Department of Motor Vehicles, which is run by Rhonda Lahm. So, those conversations are still taking place. There may be a potential amendment between now and Select that will certainly be circulated. I am supportive of this package of bills. The conversation deals with some of that funding potentially going to developmental disabilities, which I also want to support, and so that's the reason for my present, not voting on this, as well as the opponents that are listed on page 1 of the committee statement. Thank you, Mr. President.

KELLY: Thank you, Senator Bosn. Senator DeKay, you're recognized to open-- or, to speak.

DeKAY: Thank you. I'm back, going to finish describing what my license plate does and where the fees go. Again, the fee for personalized message license plates would be \$40. 25 percent of that fee would go to the DMV Cash Fund, and the other 75% would go the museum system via the university. This allocation of fees is modeled off, off of how the Arbor Day license plate bill was drafted last year. LB769 would also create the University of Nebraska State Museum License Plate Cash Fund. Any, any proceeds designated to the university from the issuance of these plates would be remitted to this fund. The fund would be administered by the Board of Regents of the University of Nebraska for the purposes I just described, that being, being supporting the research, the public education, and outreach of the programs at the museums managed by the University of Nebraska. LB869 [SIC] was heard by the Transportation and Telecommunications Committee on January 20, and was amended into LB972 by a unanimous 8-0 vote. One individual representing the Friends of the State Museum testified in support, while the Director of the University of Nebraska State Museum testified in a neutral capacity. There were two online comments submitted in support of the bill, and no online comments in opposition. I would appreciate a green vote on AM2260 to LB972. Thank you, and thank you to the TNT committee for including this bill into LB790--

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LB972. Thank you. I'd yield the rest of my time to Senator Moser.

KELLY: Senator Moser, 3 minutes.

MOSER: Thank you, Mr. President, and thank you, Senator DeKay. So, Senator Hansen's motion is a friendly amendment. The rules on packages from committees were such that we were supposed to limit these packages to 6 bills. So, there are already 6 bills in our package, and that's why Senator Hansen is making an amendment to add the scarlet and cream license plate to the package. And there may be other motions also made, but I just wanted to say that that is a friendly amendment. And then, I have an amendment to his amendment when it comes up that I'll talk about at that time. Thank you, Mr. President, and thank you, Senator DeKay.

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

BALLARD: Thank you, Mr. President. I, too, briefly want to talk about the reason I was a present, not voting out of committee for some of the same reasons that were articulated by both Senator Andersen: the, the pretty substantial fee increases, the 300, 400 percent increases in fees across the board. But also what Senator Bosn said about the distribution of funds for the black license plates. I think it's important to have that, that debate and that, that dialogue about where those funds go. I will be green on Senator Hansen's amendment and the committee amendment and the bill overall, because I think there's important, important bills that need to be passed in this committee package. But I will-- I do have some concern about the fee increases and also the distribution of funds from the license plates. Thank you, Mr. President.

KELLY: Thank you, Senator Ballard. Senator Andersen, you're recognized-- or, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. I'd like to ask Senator Brandt a couple more questions, if he's agreeable.

KELLY: Senator Brandt, would you yield to questions?

BRANDT: Certainly.

ANDERSEN: Senator Brandt, can you, can you relay what you explained to me, as far as how long it's been since these fees have been increased?

BRANDT: I'm sorry, my hearing's not so good. Can you repeat the question?

ANDERSEN: You, you found out how long it's been since the fees have been increased, right?

BRANDT: Oh, yes. Yeah. And so, the executive director's out in the rotunda. 15 years. It's been 15 years since they've had any fee increases. And these fees are paid by dealers, they are not paid by the public.

ANDERSEN: OK. So that-- well, that's an interesting question for me, is that when the dealer pays the fee-- yeah. My expectation would be that when they take and have an additional fee, they don't take it out of profits. Usually, they would take it and divide it how many vehicles they have, and they would increase the vehicle by X number of dollars to pay the fee. Is that your expectation as well?

BRANDT: Sure. Absolutely. And I guess if you're looking at a motor vehicle dealer's license and you drive past these huge car dealerships--

ANDERSEN: Right.

BRANDT: --in, in Lincoln, they're paying \$400 a year. And we-- it could, in 15 years, probably go up to \$1,000.

ANDERSEN: Yeah.

BRANDT: I'm pretty sure they can afford it. And that's what-- and that was the gist in our hearing also, is they indicated they had no opposition from their membership on these fee increases; that they were, were supported by their membership.

ANDERSEN: OK. Well, I appreciate you getting the answer to 15 years, because that really puts it in the appropriate context of-- if it's been 15 years since you raised the fees, that would explain why they are so significant. So, thank you very much, Senator Brandt. Thank you, Mr. President.

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

MOSER: Thank you, Mr. President. I was just going to make a couple of comments about the fees. The dealer licensing board is made up of members from the, the members of the car industry. So, there are independent dealers on there, there are franchise dealers on there, there's a trailer dealer, a motorcycle dealer. It's an industry panel of the members who belong to the motor vehicle business, and the-- it's a cash-funded agency. It has to have money to pay the investigators if there's an investigation, and also to pay the executive director. And as Senator Brandt said, I think that it is well-run. But this bill was brought to us by the dealers themselves because they wanted to modernize their fees so that they could continue to do the business they do. So, what do they do? If there's a complaint about a car dealer not producing a title for a car for somebody who bought a car, or a dealer that misrepresents a vehicle seriously, or if a dealer is not following the law as far as advertising and, and providing services to the public, this agency, this dealer board investigates those, and they could fine the dealer, they could take away their license. I mean, there's any number of things that they could do. But that's the reason that the industry supports it, because they all want to work together to provide the best service for their customers and to make sure that everybody's competing fairly and not skirting the rules. So, it's, it's not a thing that we're-- where we're trying to raise funds to operate state government. This all goes to their management of their board. Thank you, Mr. President.

KELLY: Thank you, Senator Moser. Seeing no one else in the queue, Senator Hansen, you're recognized to close on your amendment.

HANSEN: Thank you, Mr. President. Again, colleagues, I urge your vote on the amend-- this-- both amendments and the underlying bill. I think there might be another amendment coming up here. Again, this came out of committee 8-0, no opposition. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Senators, the question is the adoption of AM2258. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM2258 is adopted.

CLERK: Mr. President, next amendment. Senator Sanders would move to amend with AM2288.

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

SANDERS: Thank you, Mr. President. Thank you, Chair Moser. AM2288 contains the provisions of my LB786, which is a friendly amendment I introduced at the request of the general-- of General Craig Strong. LB786 would authorize a new use of funds received from the purchase of certain military honor plates. Currently, this money flows to the Nebraska Veterans Cemetery System Operation Fund. This bill would create a new cash fund for a portion of this money, the Military Department Aid Fund. This new cash fund would be authorized for the purpose of allowing the Adjunct [SIC] General to award one-time assistant grants to needy National Guard and Air Guard members. After General Strong and his team developed eligibility "criterias," applications for these grants would be considered on a case-by-case basis. There would be no General Fund impact, and the amount of cash funds we are talking about is very modest, about \$30,000 per year. I believe that the providing a modest-- I believe by providing that modest number of needs-based grants to our Guard members is an appropriate use of funds generated by the sale of honor plate-- honor plates. There are no opposition-- there was no opposition on LB786 at our committee hearing in January, and the bill was advanced to General File by a unanimous vote of the Government Committee. AM2288 is germane to the AT&T [SIC] committee package because it-- the TNT package, committee package, because it deals with money received by the state from the sale of license plates. I would like to thank General Strong for bringing me this bill, and I would ask your green vote on AM2288 and LB972. Thank you, Mr. President.

KELLY: Thank you, Senator Sanders. Seeing no one else in the queue, you're recognized to close, and waive closing. Senators, the question is the adoption of AM2288. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays on adoption of the amendment, Mr. President.

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KELLY: AM2288 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Moser would move to amend with FA1026.

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

MOSER: Thank you, Mr. President, and good morning again, colleagues. So, this amendment would just change the cost of the scarlet and cream plates to harmonize them with what the other color choice plates are. We are-- as we keep adding new plates and giving different costs and different spends of the money that they raise to different causes and, and different funds, it's going to get more and more confusing as we move forward. So in this case, we're going to-- with this amendment, should you feel generous enough to approve this, is we'll make this plate the same as the other Color Choice Plates. So, that's exactly what the amendment does, and I think it just makes the whole package a little bit more uniform. Thank you, Mr. President.

KELLY: Thank you, Senator Moser. Seeing no one else in the queue, you're recognized to close on the floor amendment, and waive. Members, the question is the adoption of FA1026. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 1 nay on adoption of the amendment, Mr. President.

KELLY: FA1026 is adopted. Mr. Clerk.

CLERK: Mr. President, I have nothing further at this time.

KELLY: Seeing no one else in the queue, Senator Moser, you're recognized to close on AM2260, and waive. Senators, the question is the adoption of AM2260. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

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

KELLY: AM2260 is adopted.

CLERK: Mr. President, Senator Hansen, I have FA994 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, I am nothing further.

KELLY: Senator Fredrickson, you're recognized to close.

FREDRICKSON: Thank you, Mr. President. Thank you, colleagues. I just wanted to say thank you for all your support on the amendments to this bill. Like I said earlier, this is the annual DMV clean-up bill. Appreciate the department and all their work on the, the bill, as well as the committee staff and the committee members, as well my staff and the chair for designating this as a committee priority. So, I would just ask for your green vote. Thank you.

KELLY: Thank you, Senator Fredrickson. Senators, the question is the advancement of LB972 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB972 is advanced to E&R Initial. Mr. Clerk, for items.

CLERK: Mr. President, your Committee on Urban Affairs chaired by Senator McKinney reports LB1250 to General File. Additionally, a motion to be printed from Senator DeBoer to LB1100. And a priority motion: Senator DeBoer would move to recess the body until 1:30 p.m.

KELLY: Senators, you heard the motion to recess. All those in favor, say aye. Those opposed, nay. The Legislature is in recess.

[RECESS]

ARCH: Mr. Clerk, please record.

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

ARCH: Thank you, Mr. Clerk. Do you have any items for the record?

ASSISTANT CLERK: Yes, Mr. President. Retirement Committee will be holding an executive session at 2 p.m. under the south

balcony. That's Retirement Committee at 2 p.m. under the south balcony. That's all I have, Mr. President.

ARCH: Thank you, Mr. Clerk. Please proceed to the first item on this afternoon's agenda.

ASSISTANT CLERK: Mr. President, General File, LB596 introduced by Senator Sanders. A bill for an act relating to legal notices; to amend Section 25-2228; to change provisions relating to how legal notices are published; and to repeal the original section. The bill was first read on January 22 of 2025. The bill was referred to the Government, Military and Veterans Affairs Committee; that bill has-- placed the bill on General File. There are committee amendments, Mr. President.

ARCH: Senator Sanders, you're recognized to open on LB596.

SANDERS: Thank you, Mr. President. Good afternoon, colleagues. Today, I'm introducing LB596 to modernize our legal notice publication statute. In the current era, digital news platforms are the primary source of information. With that in mind, I propose what we allow public notices to be published on websites and applications owned by digital news publications. This ensures that these notices reach a broader, more diverse, and in a timely and efficient manner. Since introduction, this idea was further developed through collaboration with the Nebraska Press Association, the Nebraska Association of County Officials, the League of Municipalities, and the Nebraska Association of School Boards. I will discuss the committee's proposed changes to LB596 during my first turn on the mic. Thank you, Mr. President.

ARCH: As the Clerk indicated, there is a committee amendment, and Senator Sanders, you're welcome to open on the AM2282.

SANDERS: Thank you, Mr. President. The committee heard LB596 last year on March 13. Proponents at the hearing included the Nebraska Association of School Boards, NASB, and the Nebraska Association of County Officials, known as NACO. We also heard opposition from the Press Association. I then induce-- introduced LR192 last year as an interim study resolution to facilitate further conversations on this topic. The Government Committee held its hearing on LR192 on October 3; at that hearing, we received testimony from members of the press and from representatives of the political subdivisions that have to regularly comply with our state's public notice requirements. My

office, my office also conducted a number of meetings with stakeholders over the interim to figure out how we could modernize our newspaper notice statutes to recognize the move towards digital publications. The changes made to LB596 reflect a consensus that was reached after a lot of hard work by all involved, and I want to thank everyone who participated in this process. With AM2282, we changed LB596 to define digital newspapers and e-editions. It specifies the circumstances when digital newspapers may be considered legal newspapers for purposes of publishing public notices. With the Government Committee's consent, we have also used LB596 as a vehicle for five other bills referenced in our committee. All of the bills in the committee package proposed updates to the Open Meetings Act and our public record laws. These five additional bills include the following. LB896, Senator Lonowski, to adjust fees for marriage license and marriage records. LB898, also Senator Lonowski, to allow the greater use of virtual referen-- conferencing for the State Historical Society, the "Semiquancentennial" Commission, and local foster care review boards. My LB919 to modernize local records preservation by moving away from microfilm. LB923 is Senator Clouse's bill, dealing with certain veterans' service records at county levels, allowing counties to combine warrants, checks for certain transactions, and to eliminate an obstacle-- obsolete ranch name registration duty for county clerks. LB1145 is Senator Lonowski's bill to update the requirements for newspaper notices relating to meetings conducted by local government bodies. I have asked the other introducers of the bills to explain their bills in greater detail. Before I conclude my opening on the committee amendments, I do want to point out that several of these bills had oppositions at the hearing. I believe the changes in the amendment, LB-- AM2282, have completely resolved these objections from Media Nebraska [SIC] and the Nebraska Press Association. Finally, I did want to mention that I see Senator Lonowski and Senator DeKay have both filed amendments to the committee amendment. Senator Lonowski AM2405 is an amendment-- amended version of LB1159. Senator DeKay's AM2428 contains LB869. Both of these bills advanced from committee with no opposition, and I consider both of these amendments to be friendly, germane amendments. Please vote green on AM2282, on the friendly amendment from Senator Lonowski and Senator DeKay, and on the base bill, LB596. Thank you, Mr. President.

ARCH: Mr. Clerk.

CLERK: Mr. President, Senator Lonowski would move to amend with AM2405.

ARCH: Senator Lonowski, you are recognized to open on your amendment.

LONOWSKI: Help me out here. AM2405? Here we go. Thank you, Mr. President. AM2405 is LB1159, and also continues with the Government, Military and Veterans Affairs Committee Amendment, specifically AM2343. LB1159 advanced from the committee 7-0 vote, with one colleague absent. I want to thank my colleagues for their support of LB1159. I also want to thank my colleagues who signed on as co-sponsors of the bill. The purpose of the Nebraska Hall of Fame is to bring to attention and to recognize people who, in their lives, have achieved prominence and who were outstanding Nebraskans. A Nebraskan shall mean someone who was born in Nebraska, gained prominence while living in Nebraska, and whose residence in Nebraska contributed to their greatness. Under current law, to even be placed in Nebraska Hall of Fame, the individual must have been deceased for 35 years. The purpose of LB1159 is to require the Hall of fame commission to name one living person to the Nebraska Hall Of Fame prior to January 1, 2027. Such person shall have been a prior member of the U.S. House of Representatives, a former football coach for the University of Nebraska-Lincoln football team, have served as the athletic director for the University of Nebraska at Lincoln, attended Hastings High School. It is not surprising that any of these requirements are met by Dr. Tom Osborne. It is my belief, and I know many others occur, that Tom Osborne not only meets but exceeds the requirements to be named to the Nebraska Hall of Fame. Over his 89 years of life, Tom Osborne has embodied nearly every aspect of what it means to be a Nebraskan. He had decided his life was to support and encourage the youth of Nebraska; he has done this both directly and indirectly. While serving as the head coach of the Huskers, he personally mentored hundreds of young student athletes that now have an incredible impact on our state and our nation. He also continues to support youth through TeamMates, which he and his wife Nancy created during his time as a head coach to allow his student athletes to have a positive impact on their community. To date, they have touched over 10,000 youth and impacted many, many people. TeamMates has grown into a multi-state mentoring program that connects young students with adults to provide a positive impact. Dr. Osborne has made a lasting impact on Nebraska by providing a space for young students to grow and thrive through promoting mentoring at

every level, and, of course, by providing Nebraskans with a reason to celebrate by winning three national championships while heading the Nebraska football program. Dr. Osborne has earned widespread admiration for his unwavering, unwavering integrity, humility, honesty, faith-guided principles, and principled leadership. His career achievements and personal values have made him an enduring icon in college football, in our state, and well beyond. Tom Osborne has lived his life celebrating and promoting one of Nebraska's most precious resources: our youth. He embodied the necessary requirements to be named to the Nebraska Hall of Fame; the only issue is he would not be able to receive this honor until 35 years following the end of his life. We had-- we should not wait. For all the joy and celebration Tom Osborne has brought us in this state during the 89 years of his life, he deserves to enjoy the celebration of his induction into our great state's Hall of Fame. I am asking for your green vote on this amendment. Thank you.

ARCH: Turning to the queue, Senator Andersen, you are recognized to speak. Senator Andersen waives. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Good afternoon, colleagues and Nebraskans. I regret to say I'm going to stand up as a very firm no on this amendment from Senator Lonowski, and it's not quite right that it came out of committee without opposition, because they didn't hold the vote open for me, so I didn't have the chance to vote no on this, on this bill out of committee. But, you know, I have no doubt that Tom Osborne is a popular guy who will, in time, be in the Nebraska Hall of Fame. But my opposition to this bill is that we are creating special legislation, which is unconstitutional in Nebraska. And I think that the stars in our eyes and our admiration for this man is kind of blinding us to the fact that, under our constitution, we cannot actually do this. Under Article III, Section 18 of the Nebraska Constitution, the Legislature is prohibited from passing special legislation that grants exclusive privileges to different groups or associations or corporations or individuals, and that's exactly what this bill, under AM2405, would do. The constitution reads-- Article III, Section 18. Local or special laws prohibited. The Legislature shall not pass local or special laws in any of the following cases, that is to say-- then, there's a long list of examples that you can read. And it goes on to say, granting to any corporation, association, or

individual any special or executive-- excuse me, special or exclusive privileges, immunity, or franchise whatsoever, provided that notwithstanding any other provisions of the constitution, the Legislature shall have the authority to separately define and classify "da da da." So basically, it's saying if it's a law that only applies to one person, it's, it's, it's not constitutional, according to the rules that we have in the state of Nebraska. I-- it, it makes my skin crawl a little bit to have a bill come into committee that's literally written and created for one person. As much of an honor that we'd like to give somebody, I think that there are many ways to do that. And Tom Osborne has received these laudations throughout his life, and this is one more that we will be changing the law and ignoring the constitution to add to the pile, and I think it's a shame. I think it sort of tarnishes the honor that would be bestowed upon him, unfortunately, and I'm sorry that I was not able to be in the executive session of this committee to make this argument. I have no doubt that it will advance, but I didn't want the record to reflect that there was no opposition, because that's not the case. And I also wanted someone to explain why this is special legislation, and why that's unconstitutional in our state. Thank you, Mr. President.

ARCH: Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I rise to express just the same legal concerns as to this amendment that my friend Senator Hunt brought forward, and I know these are not new to this particular debate. I remember when my friend Senator Lonowski was bringing this measure around and seeking co-sponsors, and I appreciate and understand exactly why he's doing it. I appreciate and understand the excitement that goes into providing an additional honor to a great Nebraskan who has incredible and numerous contributions in athletics, in education, in leadership, in philanthropy, in public service. The, the list, of course, goes, goes on and on and speaks for itself. But I said, oh, gosh, Senator Lonowski, I understand what you're doing, but I think you probably have a special legislation problem. I just-- I think how it's written, it's probably tailored far too narrowly to comport with our constitution, and specifically Article III, Section 18. And for folks who aren't familiar with that, I know that single-subject and special legislation, those are usually some of the concerns that pop up most in our legislative work. Just go take a look at it. It's got the prohibition in the constitution preventing the

Legislature from passing any local or special laws, and then it has kind of a laundry list of examples for the type of laws that are prohibited. And then, as Senator Hunt noted, after it works through the laundry list there, there's also clear, unambiguous language that says granting to any corporation, association, or individual any exclusive or special privilege or immunity or franchise or whatever is prohibited by our constitution. If you go and you look at that section of the constitution, and then look at the rich set of precedent teasing out what that section means when subject to challenge in the past, you can see that there are a pretty significant set of annotations there that the court has worked through. And essentially, what they have found is that special legislation cannot be arbitrary, it cannot be unreasonable, it cannot create a permanently-closed class, it cannot grant an exclusive privilege to any individual. So, I think we need to be really, really clear in terms of this record. If Senator Lonowski or others want to describe how do-- I'm looking at page 2, line 1 through 8 of the amendment that's pending to this Government Committee bill-- how was this language chosen? Is, is it arbitrary? Is it unreasonable? Does it create a permanently-closed class? I think perhaps the objectives could be achieved by broadening this language or addressing the Hall of Fame process writ large, but I think as this is written, it is-- it's just blatantly unconstitutional. It's a violation of the special legislation restriction within our Nebraska Constitution that we all took an oath to uphold. And I, I know everybody takes that oath seriously, I know it's really hard to have this conversation on such an incredibly popular and well-deserving individual of many honors. But values and principles only matter if you bring them up when it's tough, and, and this is something that we have to be able to talk about and divorce, perhaps, the important life and legacy of Coach Osborne from the legal restrictions that constrain this Legislature from taking actions like this. So, perhaps Senator Lonowski can work on it moving forward, or would like to make the record clear, but, but I can't vote for this because I, I just think it's, it's very, very clear that it's a violation. Thank you, Mr. President.

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

LONOWSKI: Mr. President, first of all, colleagues, I'd like to apologize that we're wasting time here because some people miss exec meetings. Those are announced ahead of time, and that's the reason we have those meetings, so I apologize for that. Also, I

would like to ask anyone if they have any other outstanding Nebraskans that fit these parameters to please forward those names, and it doesn't have to be special legislation for one person, person. There's-- we can take other names, and we can fit that. Otherwise, I welcome any amendments to this that would help solve this issue, and we can-- rather than dig our heels in, we can move forward. Thank you, Mr. Speaker.

ARCH: Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good afternoon, colleagues. So, I was not going to speak on this-- famous last words, I suppose-- but I do have some concerns. I do think that, you know, obviously, I've been listening to the conversation, and I was originally a co-sponsor of this bill because I think we all know how beloved Tom Osborne is, and I think he is a Nebraskan who we all have a lot of pride in. And there's, I think, not a lot disagreement with that. But that said, I do have some genuine concern as it relates to the constitutionality of this bill, as this-- as has been outlined by some of the previous testifiers. Now, you know, it's, it's, it's, it's never fun to be sour grapes per se on something, but I do think that we should really kind of pump the brakes here a little bit, because if this does in fact get into this committee package, I would encourage us to think about language around severability. Because if this were to pass, knowing blatantly that it's unconstitutional, that can risk this entire Government Committee package bill. The rest of the bill would go down. So, we can adopt this amendment, but we should really consider language around severability of this part of it for Select File, because otherwise, if this is deemed unconstitutional, the entire package will go down with that. So, that's just something for us to consider. Again, not trying to be sour grapes here, but this is a blatantly unconstitutional piece of legislation. We've upheld our oath here. We can feel good, pat ourselves on the back about something like this, but there are many ways to honor Coach Osborne while he's alive, but I don't think we should be changing state statute for an individual knowing that this is an unconstitutional process. Thank you.

ARCH: Senator Lippincott would like to recognize two guests, Chelle Gillan and Isabella Peterson from Central City. They are located under the north balcony. Please rise and be welcomed by your Nebraska Legislature. Returning to the queue, Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Senator Lonowski, would you yield to a question?

ARCH: Senator Lonowski, will you yield?

LONOWSKI: Yes.

DeBOER: Senator Lonowski, this is not an area that I know a ton about, the Hall of Fame part. But the constitutional requirements on special legislation, I may have, may have had a time or two around the block with. So, is there a reason why we had to be as specific as we were, or could you have just said, prior to January 1, 2027, the commission shall name one living person to the Nebraska Hall of Fame, or the Commission may-- is there any problem with just opening up the Hall of Fame to living people? Is there some thing that I'm not aware of?

LONOWSKI: I do not believe so. This is the legislation that was brought to me. Obviously, I'm not going to lie, it's specifically for Dr. Tom Osborne because of his accomplishments. But we can certainly open it up, if there are other, other individuals in Nebraska who, you know, have, have done this same amount of the work-- amount of accomplishments in their lifetime.

DeBOER: So, I don't even think it would need to do that. I think if your amendment just was sort of less specific and left it to the discretion of the commission, because the commission could still name him regardless of whether or not we make it so specific that it points to him in statute. Is there some-- and again, I don't know about this, so I'm not trying to be difficult. Is there some concern that someone wouldn't name him?

LONOWSKI: Not that I'm aware of.

DeBOER: OK. And then, this is the piece that I really don't know, and I'm relying on your expertise on. Is there a reason why the commission now only names people who are not alive? Do you know?

LONOWSKI: I do know that this was last updated in the early '90s. I do not know why they added a 35-year wait. And I suppose that's for the fact that after 35 years, there's probably not going to be any negative aspect of their life that could possibly be dug up. But-- yeah.

DeBOER: Would you object to just getting rid of the living requirement, and then that would allow the commission to decide who they wanted to?

LONOWSKI: Of course.

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

CONRAD: Point of order.

ARCH: Senator Conrad, for what purpose do you rise? Please. You're, you're recognized

CONRAD: Thank, thank you, Mr. President. I'd like to raise a germaneness challenge.

ARCH: Senator Conrad, could you please come forward? Senator Lonowski? Senator Conrad, you are recognized.

CONRAD: Thank you, Mr. President, I appreciate the time. Appreciate Senator Lonowski's excellent professionalism. I'd like to withdraw my germaneness challenge. Thank you.

ARCH: So ordered. Mr. Clerk.

CLERK: Mr. President, Senator Lonowski, I note that you'd withdraw AM2405.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator DeKay would move to amend with AM2428.

ARCH: Senator DeKay, you are recognized to speak and to open on AM2428.

DeKAY: Thank you, Mr. President. AM2428 would amend the provisions of my bill, LB890-- LB869, into LB596. My bill, LB869, represents a combination of negotiations that happened between the State Treasurer's office and the Nebraska Press Association following the passage of my LB183 last year to find the most efficient and effective way to provide awareness about unclaimed property to owners throughout the state. These negotiations took place following the conclusion of the previous legislative session. LB869 would do two things. First, LB869

would specify that the State Treasurer's office publish the notice of property presumed abandoned once annually in each legal newspaper of the general circulation in each county in this state. This will increase the number of newspapers publishing an advertisement for unclaimed property. Second, LB869 would provide the treasure-- State Treasurer's office flexibility when publishing the notice of unclaimed property by allowing the notice to include either the names of the owners of the unclaimed property listed by county, or display ad that covers at least 25% of the standard broad-- broadsheet, and includes a description of how to search for unclaimed property. A standard broadsheet is the traditional large format that newspapers are published in. This change will allow the State Treasurer's ads pertaining to the notice of property presumed abandoned to reach more communities directly, especially out in parts of rural Nebraska where newspapers still play a key role in the dissemination of news. For perspective, the State Treasurer's office currently just publishes the list of names of the owners of unclaimed property once annually in each of the state's 16 daily newspapers. This bill would mean ads could be placed in 128 newspapers in the state. LB869 was heard on January 29, and was advanced by the Government, Military and Veterans Affairs Committee by a unanimous 8-0 vote. State Treasurer Joey Spellerberg, the division head of the Unclaimed Properties Division, Division, and the Nebraska Press Association, and a newspaper owner from my district testified in support of this bill. There were no opponents at the hearing, and no written comments submitted online. I would appreciate a green vote on AM2428. Also, there was no fiscal note. Thank you, Mr. President.

ARCH: Turning to the queue, Senator Conrad, you're recognized to speak. Senator Conrad waives. Senator Hunt, you're recognized to speak

HUNT: Thank you, Mr. President. I'm going to say one thing. I'm going to rise in support of AM2428, and I'm going to help Senator Lonowski by correcting what he said on the last motion that we had up on his bill, which I'm glad he withdrew. When I missed the executive session and I didn't vote on his bill, it's because I was introducing my last bill in the Legislature. I was in another committee introducing a bill. I don't make the committee schedule, I don't set the hearing schedules, I don't set the exec board schedules, and I don't introduce unconstitutional bills. And he used his time to take a shot at

me, saying, now I'm getting criticism from people who don't show up to meetings. First of all, it's none of his business where I was. Second of all, I was doing my job in a committee. It used to be that when you were-- especially if you were in another committee doing your work here, they would hold the vote open for you, or they would try to schedule meetings when people didn't have bills up or whatever. But for him to say that to me was so impolite, I asked him to apologize to me, and he said he apologized for me. I have nothing to apologize for. But you are not polite, Senator Lonowski, and you are not a gentleman. Thank you, Mr. President.

ARCH: Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. Would Senator Lonowski yield to a question?

ARCH: Senator Lonowski, will you yield?

LONOWSKI: Yes.

ANDERSEN: Thank you, Senator Lonowski. In your LB896, you increased the fee for marriage licenses from \$25 to, to \$50. Is that correct?

LONOWSKI: Yes.

ANDERSEN: Can you provide some context and maybe some little historical background on the fees and, and everything else?

LONOWSKI: Sure. The marriage license fee was updated in 1995 from \$10 to \$15. In 2014, there was an interim study done, LR582, suggesting the fee be raised again, finding the service and the cost to the counties to be more than the billable rate at that time. In 2015, Senator Kathy Campbell introduced LB88, which aimed to recognize expenses incurred by counties by increasing the fees to \$50 for marriage licenses, and aligned state and county fees to \$16. Lancaster County estimated at that time that the actual cost to issue marriage licenses was \$55, which reflected the cost of employees' wages as well as proportionate costs, including rent, postage, and office supplies. Approximately one-third of the marriage licenses returned at Lancaster County Clerk's office required follow-up by staff, and a-- and they had to obtain missing information. Ultimately, LB88 was amended and enacted, which moved the

license to \$25 for, for the marriage license. That's all I have. Thank you.

ANDERSEN: All right. Thank you, Senator Lonowski.

ARCH: Seeing no one in the queue, Senator DeKay, you're recognized to close on AM2428. Senator DeKay waives close. The question before the body is the adoption of AM2428. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

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

ARCH: AM2428 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Rountree would move to amend the bill with FA1027.

ARCH: Senator Rountree, you're recognized to open on your amendment.

ROUNTREE: Good afternoon. Thank you, Mr. President. Good afternoon, colleagues. I rise to introduce here an amendment, AM1027 to LB739. When I was knocking doors during my campaign, I heard from countless constituents about the issues that were affecting their lives. As we have all heard, the cost of living has gone up and up on everything around us, but one constituent had a specific request for me when I was at their door. They had recently learned about their family's heritage, and after learning about the legacy of their family, they went through the process of seeking a legal name change. They found the process burdensome and costly. Currently, adults in the state of Nebraska who wish to legally change their names must go through a court process and file a legal notice of any name change, whether it is for marriage, a long-lost relative you want to honor, or any other reason a person may have. To give sufficient notice, an adult must publish in a local paper of record, such as your local newspaper, for four consecutive weeks. However, a minor is only required to publish this notification for two consecutive weeks. After discussion with legal experts who frequently assist people through the legal hurdles of the name change process, we agreed that bringing these reporting requirements in line at a consistent two weeks will still provide adequate notification. This change is small, but

impactful way to reduce government red tape while saving our constituents their hard-earned money. And I was approached by the Nebraska Press Association and asked how did we come to sponsor this bill, and I did let them know that it was from constituent contact, listening to what our constituents needed. And it was one bill I thought about bringing last year, but we brought it this year. So, this committee was heard in our judiciary-- this bill was heard in our Judiciary Committee, it did come out 8-0 on votes, and I want to thank Senator Sanders for allowing me to attach to her bill. Thank you so much.

ARCH: Seeing no one in the queue-- excuse me. Senator Bosn, you're recognized to speak.

BOSN: Thank you, Mr. President, and I rise in support of this floor amendment. I'm pulling it up right now, and I'm seeing that we may have some changes that we have to make between now and Select on what came down. But I think the intention is clear here, and I just want to outline my support for this bill, and for thanks for-- to Senator Sanders for letting us put it on here. Her bill obviously deals with publications for name changes, and Senator Rountree's bill puts us closer in line with what our sister states, as we routinely try and mirror, are letting us do, which is four weeks down to two weeks for notice and publication. So, most states allow publication for two week- or, require publication for two weeks. A handful of states, perhaps close to a majority, don't require any notice requirements. And so, this puts us closer to what a majority of the states are doing. This came out 8-0, has no fiscal note, had no opposition, and we are looking for paths for some of our 96 Judiciary Committee bills, and so we thank Senator Sanders for letting us put this on there. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Rountree, you're recognized to close on your amendment. Senator Rountree waives close. The question before the body is the adoption of AM-- of FA1027. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President, I have nothing further at this time.

ARCH: Seeing no one in the queue, Senator Sanders, you are recognized to close on AM2282, and Senator Sanders waives close. Question before the body is the adoption of AM2282. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted. Seeing no one in the queue, Senator Sanders, you're recognized to close on LB596.

SANDERS: Thank you, Mr. President. Colleagues, LB596 with the amendment updates and modernizes our Open Meetings Act. It will also allow us to better safeguard Nebraska public records while making them more accessible to the public. I would ask again for a green vote on LB596. Thank you very much. Thank you, Mr. Speaker.

ARCH: Question before the body is the advancement of LB596 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 40 ayes, 1 nay on advancement of the bill, Mr. President.

ARCH: LB596 does advance. Mr. Clerk, next item on the agenda.

CLERK: Mr. President, General File, LB838 introduced by Senator Jacobson. It's a bill for an act relating to banking and finance; defines a term; changes provisions relating to financial exploitation of vulnerable or senior adults; and repeals the original section. The bill was read for the first time on January 8 of this year and referred to the Banking, Commerce and Insurance Committee; that committee placed the bill on General File with committee amendments.

ARCH: Senator Jacobson, you are recognized to open on LB838.

JACOBSON: Thank you, Mr. President, and good afternoon, colleagues. Today, I will be asking for your green vote on LB838. This bill is a consumer protection measure focused on safeguarding vulnerable and senior adults from financial exploitation. It provides clarity and reasonable protections for financial institutions that are often on the front lines of identifying suspicious activity. The bill creates a new definition in statute for an authorized contact. An authorized

contact is an adult designated by a vulnerable or senior adult to be contacted by a financial institution in the event of an emergency, or when financial exploitation is suspected. Importantly, LB838 allows, but does not require, financial institutions to notify an authorized contact or other associated parties when they have in a-- a reasonable suspicion that financial exploitation may be occurring. The bill makes it clear that the participation in authorized contact programs is voluntary. The financial institutions are not required to establish or interact with such programs. LB838 also provides protection to financial institutions and authorized contacts who act in good faith and with reasonable care when responding to suspected exploitation. The bill likewise protects financial institutions that choose not to interact with an authorized contact when doing so would be in the best interests of the vulnerable or senior adult, or when there is concern that contact themselves may be involved-- the contact themselves may be involved in the exploitation. It is core to LB838 is being-- is striking a balance, at its core. Empowering institutions to act when they see red flags, protecting seniors and vulnerable adults, and providing legal clarity so response-- so responsible action is not discouraged. Now, since I still have time remaining on this, I will move on to my-- the committee amendment, which is AM2326.

ARCH: Excuse me. As, as the Clerk indicated, there is a committee amendment, and you are recognized to open on the amendment.

JACOBSON: Thank you, Mr. President. AM2326 is the committee amendment, and it will be-- it will add four bills into the committee priority bill, LB838. I'll briefly describe the four bills being added into the LB838, and then I'll have the, the bills' respective introducers yield to questions along the way so they can describe their bills in more, in more fully. But before I, I do, I'd like to make it clear that all four bills and LB838 came out of BCI Committee with an 8-0 vote. The first bill added is LB838-- by the committee amendment is Senator Hallstrom's LB875. This bill amends the Equipment Business Regulation Act in order to strengthen dealer protections by closing contractual loopholes. The bill prohibits suppliers from including clauses that waive compliance with the Act, or mandate that legal disputes be resolved in out-of-state forums or by other state laws. The bill also eliminates the waiver loophole for inventory returns, ensuring that a dealer's right to return

supply repair parts for credit is mandatory and cannot be signed away by individuals or groups. At this time, I'd ask if Senator Hallstrom would yield to a question.

ARCH: Senator Hallstrom, will you yield?

HALLSTROM: Certainly.

JACOBSON: Senator Hallstrom, would you give us the rest of the information we need on your, on your bill, LB875?

HALLSTROM: Yes, thank you, Senator Jacobson, Mr. Speaker, members. My portion, or this particular portion of AM2326 to LB838 is contained within Sections 25 to 27. This bill was brought on behalf of the Iowa and Nebraska equipment dealers, and it clarifies and protects the rights of equipment dealers to use Nebraska law as the basis of their agreements by adding protections to current law that governs equipment dealer agreements, and removes the current waiver provision in the surplus parts return statute. 37 states, including all neighboring states except Missouri, include laws that prevent the waiver of statutory compliance in their laws. Current law, under Section 87-709, also includes a general restriction on the waiver of rights provided under our existing act. These provisions are consistent with other state laws, and further clarify protections under Nebraska law as a matter of public policy. Current Nebraska law allows for the waiver of this provision under 87-706, having to do with the removal of waiver of surplus parts return if a majority of equipment dealers for the same supplier waive such protections. The impetus or the genesis of this provision included in the act in 1991 is not known for sure. You may have a scenario in mind where dealers are negotiating the terms of their surplus parts returns, and a majority of dealers then voluntarily agree to waive the terms and protections of this statute. The reality, at least for some dealers, is quite different. Recently, equipment dealers in Nebraska have been required to sign, as part of their equipment dealership agreement, a waiver of their statutory protections. Failure to sign the agreement, which includes the waiver of statutory protection, removes the opportunity for the equipment dealership to sell, service, and represent the brand and equipment. Even though existing Nebraska law generally prohibits the waiver of rights under the act, our act currently does allow a specific waiver of the surplus parts returns law. The only thing required of the manufacturer is to sell parts for the

equipment they manufacture. While the manufacturer may currently provide a surplus return program, they may discontinue that, or further narrow the scope of their program in the future. Equipment dealers are required to stock significant parts inventories by their manufacturers to ensure they are readily available to customers; these are costs ultimately borne by the equipment dealer if prohibited from returning surplus parts. The other aspect under 87-709 regarding enforcement simply states that the act will be enforced under the current provisions. It provides a term of a dealer agreement which is inconsistent with the terms of the Equipment Business Regulation Act shall be void and unenforceable, and shall not waive any rights which are provided to a person by the act. Again, LB875, the original bill, and part of this amendment, clarifies and protects the rights of equipment dealers to use Nebraska law as the basis of their agreements by adding protections to current law that governs equipment dealer agreements and removes the current waiver provision in the surplus parts return statute. And for those reasons, I would ask for your green vote on AM2326 to LB838. Thank you.

JACOBSON: The second bill being added to LB838 by the committee amendment is Senator Hallstrom's LB1160. This bill is a modernization of Nebraska's estate and trust laws designed to synchronize the uniform probate court and the uniform trust code. It also significantly embraces the financial safety net for surviving spouses and children by increasing statutory intestate shares and expanding homestead and exempt property allowances for decedents dying on or after January 1, 2027. And I'd again ask if Senator Hallstrom would yield to another question.

ARCH: Senator Hallstrom, will you yield?

HALLSTROM: Yes.

JACOBSON: Would you be willing to also share the additional information on your amendment?

HALLSTROM: I will. Thank you, Senator Jacobson. Sections 11 to 24 of the bill comprise a comprehensive update to Nebraska statutes relating to civil procedure, estate and trust law, and the homestead exemption application process. As Senator Jacobson earlier indicated, this bill advanced on a vote of 8 to nothing. Was brought to me by the Nebraska State Bar Association through

their cadre of attorneys to look at changes that are necessary to the Uniform Probate Code and Uniform Trust Code, and they make a number of changes in these particular areas. Specifically, Section 10 of the bill clarifies that unless otherwise specified in the Uniform Probate Code, rules and codes of civil procedure will now apply to probate proceedings in county court. Section 12 allows a decedent, pursuant to the provisions of their will, to expressly exclude or limit individuals or classes from inheriting under intestate succession. Intestate succession is if there is no will in existence. Section 13 of the bill increases the intestate share of the surviving spouse from \$100,000 to \$150,000, plus one-half of the surplus. These provisions have not been adjusted since 2009. Section 14 increases the homestead allowance for surviving spouses and dependent children to \$25,000 for decedents dying on or after January 1 of 2007. The exempt property up-- raised to \$17,500, and the family allowance to \$25,000. Those two particular statutes have not been adjusted since 2010. Section 19 institutes a provision regarding the enforceability of a contract to make a trust, which mirrors existing provisions in place for a contract to make a will. Section 20 provides for the unenforceability of a provision in a trust that would penalize a person for contesting a trust, and clarifies that such a provision is unenforceable if probable cause exists for instituting such proceedings, again mirroring the process currently in place for wills. Section 21 implements an optional provision from the Uniform Trust Code that harmonizes the rules of construction to clarify that the rules that apply to the interpretation of a will are also applicable to the interpretations of a trust as appropriate. Sections 22 and 24 have to do with the certification of the entitlement or qualification for a homestead exemption. For years, we have a certification of trust which is statutorily authorized in order to allow someone to prove the contents of a trust without having to release the entire trust itself. This would just clearly recognize under Nebraska law that for purposes of proving up entitlement to the homestead exemption that a certification of trust will work. Section 23 clarifies that persons who are determined to qualify for treatment as a putative child, those that have been stood in the relation of parent to that child for more than 10 years, that their children and their grandchildren will also receive similar treatment. And with that, I, I appreciate your patience in listening to that litany of changes to the Uniform Trust Code and the Uniform Probate Code, and would once again encourage your support for the amendment and the bill.

JACOBSON: Thank you, Senator Hallstrom, for your brevity. With that, I'm going to move on to the third bill in the package, and I'd also note to the Chair that I am next in the queue, and so there should be more time. The third bill added-- being added is LB838 by the committee statement is Senator Bostar's LB1063. This bill modernizes the Nebraska--

ARCH: Time, Senator, and you are next in the queue.

JACOBSON: The bill modernizes the Nebraska Money Transmitters Act to exclude influence from foreign adversaries and regulate informal transfer systems. The bill also empowers the Director of Banking and Finance to investigate complex corporate structures, levy administrative fines for deceptive reporting, and revoke the licenses of any entities that fail to meet those new standards of national and financial security. And with that, I'd ask Senator Bostar if he would respond to a question.

ARCH: Senator Bostar, will you yield?

BOSTAR: Yes.

JACOBSON: Would you be willing to take us through your amendment-- or, your bill, LB1063?

BOSTAR: Of course, and thank you, Senator. AM2326 includes provisions of LB1063, which updates Nebraska's Money Transmitters Act to address gaps in how state law treats national security and consumer data protection in modern financial services. LB1063 addresses the operation of informal value transfer systems. These systems allow money or value to be transferred without physically moving currency across borders, and operate through networks of brokers outside regulated financial institutions. Because they often function without formal oversight, they can present challenges for law enforcement and consumer protection, and may be exploited by criminal organizations seeking to move funds without detection. Recent events in Minnesota involving large-scale government benefit fraud have drawn federal attention to these types of systems, prompting the U.S. Department of the Treasury's Financial Crimes Enforcement Network, or FINCEN, to open investigations into certain money service businesses and implement enhanced reporting requirements to improve transparency and prevent criminal actors from exploiting unregulated value transfer methods. LB1063 seeks to close this

regulatory gap by requiring informal value transfer systems operating within the state to be licensed like any other money transmitter under Nebraska's Money Transmitters Act, ensuring robust consumer protections and necessary regulatory framework to safeguard against criminal and national security threats. LB1063 also amends Nebraska's Money Transmitters Act to ensure licensed money transmitters are not owned or controlled by foreign adversaries of the United States. Money transmitters today are no longer limited to brick-and-mortar wire services; many are app-based platforms that handle large volumes of sensitive financial and personal data across international borders, including payment histories and account information. Federal agencies have raised concerns that some foreign governments can compel companies under their jurisdiction to share customer data. For example, customers may be legally required to assist intelligence services and provide access to that data even when it involves U.S. residents. LB1063 helps address these risks by establishing clear guardrails for money transmitters operating in Nebraska, ensuring appropriate oversight, stronger consumer protections, and reduced exposure to criminal and national security threats, while allowing legitimate activity to continue. LB1063 was heard on February 3 in the Banking, Commerce and Insurance Committee. There were no opponents, and advanced out of committee on an 8-0 vote. I urge your green light on the underlying amendment and the bill. Thank you.

JACOBSON: Thank you, Senator Bostar. The fourth and final bill being added to LB838 by the committee amendment is one of my own bills, LB837. The bill addresses a very low-tech yet essential problem: the reality of a-- of the disappearing penny. As many of you know, last year, the federal government officially stopped minting the penny due to rising cost of production. Since then, Nebraska businesses and, and consumers have been in a bit of a no-man's-land. When a total comes to \$10.02 at a cash register, the merchant doesn't have pennies to give. What happens? Right now, it's being handled on a case-by-case basis. Some businesses lose money by rounding down; some consumers feel slighted if a business rounds up without a clear rule. Our local banks have been flooded with questions asking for guidance on how to handle these cash transactions. LB837 provides that guidance by, by establishing a uniform rounding standard for cash transactions. This applies strictly to transactions involving physical currency. If you pay with a card, a phone, or a check, nothing changes. You, you, you will-- you still pay the exact cent. In a cash sale, if the total is not a multiple of

five cents, the bill rounds-- requires rounding to the nearest nickel. If the, if the final digit of the transaction ends in 1, 2, 6, or 7-- I'm going to think about that-- 1, 2, 6, or 7, the amount is rounded down to the nearest multiple of five cents. If the final digit of the transaction ends in a 3, 4, 8, or 9, the amount is rounded up--

ARCH: Time, Senator, and you are next in the queue.

JACOBSON: Thank you. The amount is round up to the nearest multiple of five cents. For transaction totaling only one or two cents, the amount shall be rounded up to five cents. This mathematical rounding ensures that, over time, the gains and losses for both the consumer and the businesses effectively cancel each other out. This is a common-sense transaction bill. It is modeled after successful frameworks used elsewhere, and it brings much-needed certainty to Nebraska's checkout lines and bank teller windows. I might add that, that this is still optional. If you choose to use pennies and you choose to not do the rounding, you're only required to be consistent, that you would do that in all your transactions. This, again, is a bill that I think brings much-needed clarity, and answers many questions that are out there. Thank you, Mr. President, and I would appreciate your support-- everyone's support for this important committee amendment to LB838.

ARCH: Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Bosn would move to amend the committee amendments with AM2463.

ARCH: Senator Bosn, you are recognized to open on your amendment.

BOSN: Thank you, Mr. President. AM2463 is an amendment that adds LB1118 and LB1119 to the committee package. As it relates to LB1118-- and also, for those who haven't done this, don't make the same mistake I did, do not file two bills in a row that both go to the same committee, because you will forever get them mixed up and try to remember which one is which. So, as it relates to LB1118, colleagues, have you ever scrolled through social media and seen an advertisement that seemed too good to be true? Maybe someone offering guaranteed financial advice, or a marketplace listing claiming a brand new four-wheeler for under \$1,000 because someone's mother was, quote, moving out of

state. I know I've seen these ads and ads like these. All too often, they turn out to be scams. Fraudulent and misleading ads are everywhere online. They promise miracle cures, fake investment schemes, counterfeit products, and false information designed to manipulate fear, hope, and urgency. These ads don't just waste people's money, they cause real harm. For the-- for individuals, the consequences can be devastating. People lose their savings to scams. Vulnerable users, especially seniors, young people, and those in financial distress are often targeted and exploited. But the harm doesn't just stop with individuals. Misleading ads undermine public confidence in digital platforms as a whole. When users can't tell what's real and what's a scam, they begin to distrust everything they see. That erosion of trust damages honest businesses, weakens public discourse, and ultimately hurts the platforms themselves. Some argued at the hearing that removing these ads was too difficult or too expensive, but colleagues, social media companies already use advanced algorithms to personalize content to track behavior and maximize engagement. If they can target users with precision, they can also detect and remove deceptive advertising. This is not a question of ability, it is a question of priority. Others claim that stricter ad moderation threatens free expression, but these are not issues of free speech, they are deception for profit. Protecting users from scams does not silence voices, it safeguards truth. Removing fraudulent and misleading ads is not just good ethics, it's good business. Trustworthy platforms attract loyal users, reputable advertisers, and long-term success. Fraudulent and misleading advertising on social media has become a systemic problem. Existing consumer protection laws were not designed for advertising systems that operate on a global scale, that rely on automated targeting, and that can reach millions within minutes. As a result, enforcement gaps have emerged, gaps that bad actors, actors exploit with ease. Without clear expectations and accountability, platforms lack sufficient incentive to proactively prevent harm. It is important to be clear: this is not a question of innovation versus regulation. Effective oversight strengthens markets by protecting consumers and legitimate businesses. Fraudulent ads distort competition, reward deception, and disadvantage companies that follow rules. Colleagues, using the Uniform Deceptive Trade Practices statutes to enforce provisions against fraudulent and misleading advertising on social media is both practical and effective for several key reasons. First, these are already well-established and widely understood. Second, these statutes are technology-neutral; they focus on the conduct, that being deceptive-- deception in commerce, rather

than the medium through which it occurs. Third, they align incentives without chilling lawful activity. Fourth, using existing deceptive trade practice laws strengthens accountability without imposing excessive regulatory burdens. LB1118 would require the social media companies to verify the identity of users before allowing them to place ads on their platforms. It requires companies to remove fraudulent advertisements once they have been identified, and they have seven days in which to remove it. Failure to comply would constitute a deceptive trade practice under the Nebraska deceptive trade practice act, allowing both the attorney general and harmed consumers to enforce these protections. Moving on to LB1119. As it relates to LB1119, this is introduced to make a few changes to the age-appropriate online design code bill that this Legislature passed last session. I promised multiple times that I would bring a cleanup bill if changes were brought to my attention to strengthen protections for kids in Nebraska. These changes will incorporate suggestions from technologists, policy experts, and legal experts. LB1119 clarifies and expands the list of covered design features, making requirements more specific and workable for covered online services. It updates compliance threshold so that the law clearly applies to companies with over \$25 million in annual gross revenue, or companies that process the data of 50,000 or more consumers, households, or devices. This clarification ensures that the right companies are being held accountable while ensuring startups and entrepreneurs aren't disincentivized from exploring opportunities within Nebraska. This bill adds new protections for minors, including a prominent accessible responsive tool that allows them to request deletion. Think the "delete me" legislation that we've seen. Deletion is required under this bill within 15 days of that notice. It prohibits a single "one-click" setting that weakens default privacy protections at once. It prohibits platforms from prompting or requesting minors to make their privacy settings less protective. LB1119 continues to set reasonable, common-sense guardrails for major online platforms, and I ask for your help to continue putting the well-being of Nebraska's children first, not corporate profits. I would note that both of these bills were voted out of the Banking, Commerce and Insurance Committee this morning on a 6-0 vote. Thank you for your time and consideration, and I would appreciate your green vote on AM2463. Thank you, Mr. President.

ARCH: Turning to the queue, Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I actually had punched in earlier because my comments are directed to certain components of the committee amendment. I didn't realize that Senator Bosn had a measure in to amend the committee amendments. So, I think I will perhaps just visit with her offline about some germaneness concerns in regards to this approach rather than filing or making a formal point of order in regards to that at this time. Thank you.

ARCH: Senator John Cavanaugh.

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. I actually did have a chance to speak to Senator Bosn with one of my questions on this amendment. If Senator Bosn would yield to a question.

ARCH: Senator Bosn, will you yield?

BOSN: Yes. Thank you, yes.

J. CAVANAUGH: All right. So, thank you, Senator Bosn. And, and my question was on-- it's page 11 of your amendment, paragraph (c), and that goes to line 13, we're just striking some of the language from the original bill about data retention, and we're striking the line "and shall delete such personal data after using it to make the assessment." You and I talked about this, but obviously, I'm, I'm always concerned about the data collection and them holding on to it, and so I just want to make sure we have a conversation. Is-- can you just enlighten me about why we're striking that section?

BOSN: Sure. And thank you for the question, and I appreciate the conversation we had before this as well. So, subsection (c) deals with companies that are excluded from the act. So, if you are an online service provider who provides-- where you know less than 2 percent of your users are minors, there are-- we-- that is not the goal here, to, to somehow scoop them into this. And so, the reason for taking that out is in order for them to-- should someone call into question the ethics of Carolyn Bosn's online service company, and I wanted to prove no, no, no, I have less than 2 percent of my users are under-- are in that category of under 18, I would have to show them the data to verify that. And so, I would want to be able to keep that to verify that I was in compliance. That being said, I understand your concern, and also, I'm-- I was caught off guard by that before we had the

chance to visit, so I'm happy to work with you, if that's something we need to address between now and Select, because I see your point.

J. CAVANAUGH: All right. Thank you, Senator Bosn. I know-- I, I think Senator Conrad was trying to talk to you, so I might talk for a minute if you guys wanted to continue your, your conversation, it's what it sounded like. I appreciate Senator Bosn's comments, and I, you know, I, I think that the issue we've raised on these, there are-- of course, it's a complicated issue. But in asking these providers or whatever you want to call them to do these sorts of checks on people and then collect this data that proves somebody's age, and then asking them to destroy it does put the-- those providers in a tough position because then they can't prove that they've complied with the law. I, of course, do have reservations about large data companies continuing and being, being able to collect data and then hold onto it going forward. And so, that's-- I'm always-- or, I guess I would say I generally err on the side of saying big corporations should not be holding onto people's data. And so, that's why I-- this raises a bit of a, a red flag for me. But I talked-- after my conversation with Senator Bosn and, and her willingness to work between General and Select, I'll certainly talk with a few folks and see if there's another solution here that maybe other states have addressed this similar problem. And so, I appreciate Senator Bosn's conversation. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Bosn, you are recognized to close on your amendment.

BOSN: Thank you, Mr. President. Again, I ask for your green vote on AM2463, and I'm committed to continuing to work with those who had some concerns. Thank you, Mr. President.

ARCH: Question before the body is the adoption of AM2463. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 35 ayes, 1 nay on adoption of the amendment, Mr. President.

ARCH: The amendment is adopted. Returning to the queue, Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Before Senator Bosn included her components to, to the committee package, I generally have expressed in the past on similar legislation concerns from a pre-emption perspective, a First Amendment perspective. We don't need to belabor those, but that explains why I was opposed to that measure. But I had originally punched in because there were components of the committee amendment that caught my attention as I was looking at the agenda earlier, and primarily the components of the committee amendment that my friend Senator Bostar had included from his, his legislation into, into this committee package. And this relates to an area that Senator Bostar has devoted a great amount of time and leadership to trying to address foreign threats, foreign security policy into our, our state legislative work and, and code. And so, when I was looking at LB838 and then AM2326, and looking particularly-- I mean, it touches upon different areas, but particularly starting on page 12, in Section 5, there's a pretty significant set of legislative intent language, legislative findings that does not have any citation available to it, number one. Number two, it raises some important questions. When we've looked at similar measures like LB644, I believe, in the last biennium, which had curative legislation, an amendment heard just over the noon hour today due to unintended consequences with moving forward with that kind of legislation. But one of the first questions I have, just in terms of the findings herein, is that Senator Bostar's legislation lifts up the Maduro regime in Venezuela as a foreign adversary. Now, anybody who turns on the TV or reads the newspapers knows that the-- and no editorial comment about the legality or how that came about, but the Trump administration has-- bless you-- has decided to engage in regime change in Venezuela, and it's my understanding that the leader named therein that is present in these legislative findings no longer holds a position of authority. So, my question is, number one, do you need the findings at all? Number two, I don't see any sort of citation available to them. Number three, they don't seem to comport with other similar language in regards to foreign adversaries; it's a different list, dependent upon the issue, for bills that are in Education versus Banking versus Judiciary. Number four, is this still accurate and relevant, considering there has been a change to the regime in Venezuela, for example? Iran is similarly listed. Obviously, we know there is an ongoing deadly conflict in that regard, where there has been perhaps regime change put on the table, but definitely we'll see different leadership with the death of their nation's leader. So, I, I think it would just be helpful to know what-- who brought this measure to Senator Bostar? Why are we moving

forward with it? Are these legislative findings necessary? Which, by the way, aren't typical in the Nebraska legislative practice. I, I-- it seems that there's a list, again, of a handful of countries or leaders that have been deemed foreign adversary by the federal government, which of course has primary authority for foreign policy and national security issues. But then, despite the fact that there is five or six or seven foreign adversaries listed in the first section of the findings, the rest of the findings primarily relate to China. And there are also specific references to Chinese law in these findings, and that is definitely not common practice in Nebraska legislative procedure. In fact, I think in the past, when people have tried to make references to foreign law, that has sparked quite a deal of controversy, whether it's Sharia law or--

ARCH: Time, Senator.

CONRAD: Thank you, Mr. President.

ARCH: Senator Conrad, you are next in the queue.

CONRAD: Thank you. So, I think perhaps one way to keep the legislation focused on maybe cleaning up some language in terms of who can have a money transmitter license, or if that's what's at the heart of Senator Bostar's effort, maybe a good thing to consider would be-- and we can take it up on Select, or we can do it on a floor amendment here today. But would just be a straight repealer on all of this legislative intent and finding language which is not consistent with other aspects of legislation that has been brought forward under the guise of regulating foreign adversaries. There doesn't seem to be any sort of clear citation on it. It does have references, which then incorporate-- has issues of incorporation for foreign, Chinese law. There has been regime change in some of the federal adversary-- the foreign adversaries that are listed on this list. And then, I think the other point being-- and I know that this has been-- it came up during the debate on LB644 last year-- there has a considerable amount of discussion on implementation thereof between the attorney general, between business, between the business community. I know a lot of us have even talked about implementation of that law as we had to check some boxes to somehow prove and indicate that we were able to run for office by acknowledging that we weren't foreign spies or what-have-you. And my point being this: when the Nebraska Legislature starts casually attempting to interfere with foreign

policy and national security objectives, we have to do so carefully and thoughtfully. Because rushing forward, even if the public policy goal is laudable, had significant unintended consequences for many of our business/economic development programs and many Nebraska businesses. Indeed, again, just today, I believe over the noon hour, there was curative legislation to look at the unintended consequences that came forward with a similar proposal seeking to regulate foreign adversaries. And as part of the discussion in regards to the problematic aspects of LB644 in relation to how that eligibility requirements were impacted for our economic development and incentive programs, I did have a chance to read some legal analysis from Nick Niemann at McGrath North, who is a very well-known, very well-established corporate tax attorney in Nebraska. And he listed out, just very generally, how that legislation lifted legal-- serious legal issues on impairment of contract, contract violation. He lifted up the fact that that legislation might have an unconstitutional impairment of contract under both the U.S. and Nebraska constitutions. He also noted it had other constitutional defects running afoul of the Foreign Commerce Clause and the federal preemption doctrine, among other federal standards. So, it's-- would be important to at least put a note in the record. Have we done any legal analysis as to whether or not this measure comports with the U.S. and state constitution and those foreign acts? We shouldn't rush forward if we don't have a clear understanding of that because, again, we have a cautionary tale on the table in regards to similar efforts on LB644. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Jacobson, you're recognized to close on AM2326.

JACOBSON: Thank you, Mr. President. I think the, the bill is fairly straightforward. This was brought as one of the Banking Committee's two priority bills. Much of in-- what's in the bill was also brought on behalf of the Department of Banking and Finance. So, I stand by everything in the bill, and I would encourage your green vote. Thank you.

ARCH: Question before the body is the adoption of AM2326. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 2 nays on adoption of the committee amendment, Mr. President.

ARCH: The amendment is adopted. Seeing no one in the queue, Senator Jacobson, you're recognized to close on LB838.

JACOBSON: Thank you, Mr. President. I really have nothing else to add. I think this-- as I said before, much of what's in this bill is, is brought on behalf of the Bank-- Department of Banking and Finance. I think it's a good, straightforward bill. It's a committee priority bill. I'd encourage your green vote. Thank you.

ARCH: Question before the body is the advancement of LB838 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 35 ayes, 0 nays on advancement of the bill, Mr. President.

ARCH: LB838 does advance. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. First, an announcement: the Agriculture Committee will meet in executive session this afternoon at 3:30 in Room 2022. Agriculture Committee, exec session in 2022 at 3:30. Mr. President, your Committee on Natural Resources chaired by Senator Brandt reports LR298CA to General File with committee amendments. Your Committee on Health and Human Services chaired by Senator Hardin reports LB1033, LB1057, LB913, LB1091 to General File, some having committee amendments. Your Committee on Urban Affairs chaired by Senator McKinney reports LB1114 to General File with committee amendments. Amendment to be printed from Senator Riepe to LB912. New LR: LR357 from Senator Riepe; that will be laid over. An amendment to be printed from Senator Dover to LB768. That's all I have at this time.

ARCH: Mr. Clerk, please proceed to the next item on the agenda.

CLERK: Mr. President, General File, LB1181 introduced by Senator Bosn. It's a bill for an act relating to victims' rights; changes provisions relating to victim's rights; defines and redefines terms; changes duties of prosecuting attorneys relating to plea agreements; transfers provisions; harmonizes provisions; repeals the original section; outright repeals Section 29-119, 29-120. Bill was read for the first time on January 21 of this year and referred to the Judiciary Committee;

that committee placed the bill on General File with committee amendments.

ARCH: Senator Bosn, you are recognized to open on LB1181.

BOSN: Thank you, Mr. President. LB1181 was introduced to ensure that those who are directly impacted by violent crime are heard. Victims impacted by the crime are often overlooked during a criminal case. For example, victims who have experienced unimaginable pain and loss because of a homicide, assault, domestic violence, or other violent crime are sometimes unable to share their perspective aloud to the court and the parties. My goal through this legislation is to give these victims a greater voice, to provide them with more information that they deserve regarding the case that does affect them, and to better facilitate their right to be heard during the sentencing phase of the trial. One of the changes made was to merge two areas of statute that contained victims' rights into a single place. You'll notice on page 8 of the bill, Section 8 contains Section 81-1848. This is where we merged in Section 29-119. Now, the rights of the victim are all in a single place in statute. Line 20 on page 8 also begins with the definition of "victim" for various crimes. This section does take a broader view of what, quote, a victim is under current law. This would allow-- now include extended family mother-- members, and others close to the victim. For example, under current law, only immediate family members are considered homicide survivors, but as we all know, a homicide affects far more than just immediate family members. A violent homicide impacts families generationally and throughout communities across the state. By expanding this definition of homicide victim, we support all victims of crime and give a voice to those who are grieving. There's also a committee amendment that I will be opening up on next that will make a couple of changes that were brought to my attention. Colleagues, this bill was voted out unanimously from the Judiciary Committee, and I would like to thank Speaker Arch for choosing this bill as a Speaker priority. Thank you for your time and consideration, and I ask for your green vote on LB1181. Thank you.

ARCH: As the Clerk indicated, there is a committee amendment, and Senator Bosn, you're recognized to open on that amendment.

BOSN: Thank you. AM2066 is the Judiciary Committee amendment to LB1181. It makes three substantive changes. First, it amends the

victim's rights provision in a case involving abuse, as defined in Chapter 42-903, to allow the submission of a written statement to be considered by the court during any bond modification proceeding when time permits. Second, the victims' rights provision is further amended to allow a victim to read or appoint a representative to read his or her written impact statement aloud at the sentencing proceeding. The court may impose reasonable limitations, however, any limitation shall not impede a victim's ability to deliver an oral statement if he or she so desires. Third, it changes the definition of "victim" in cases of homicide to include any survivor who, as determined on a case-by-case basis, suffered severe emotional harm as the result of the victim's death. I ask for your support on AM2066 to LB1181. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Bosn, you're recognized to close on your committee amendment, and Senator Bosn waives close. Question before the body is the adoption of AM2066. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 32 ayes, 0 nays on adoption of the committee amendment.

ARCH: The committee amendment is adopted. Senator Bosn, you are recognized to close on LB1181. Senator Bosn waives close. The question before the body is the advancement to E&R Initial of LB1181. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 31 ayes, no nays on advancement of the bill, Mr. President.

ARCH: LB1181 does advance. Mr. Clerk, next item on the agenda.

CLERK: Mr. President, General File, LB727 introduced by Senator Kauth. It's a bill for an act relating to law enforcement; authorizes law enforcement agencies to obtain and maintain and possess epiph-- "epipherine" auto-injectors, auto-injectors for use by a law enforcement officer as prescribed; requires training; provides powers and duties for the Department of Health and Human Services. Bill was read for the first time on January 7 of this year, and referred to the Judiciary Committee; that committee placed the bill on General File with committee amendments.

ARCH: Senator Kauth, you are recognized to open on LB727.

KAUTH: Thank you, Mr. President. And Mr. Clerk, it's epinephrine. There we go. So, this bill actually was brought to me by a police officer because they are not currently allowed to carry what is known as an EpiPen, or there are nasal injectors now known as Neffys to help people who are having allergic reactions that are severe enough to put them into anaphylactic shock. I was very surprised that they weren't allowed to carry these yet, and I think absolutely they should have the choice. We're not going to force them to, this is not a mandate; this is a "you may choose to carry it." There's a provision, if you do choose to have your police officers carry it, there's some training that is involved, because you don't want to inject someone with epinephrine if, if that's not what's going on. But I will tell you, I've been allergic to bees since I was eight years old, and nearly died after getting stung, and as a child, I had to carry a syringe with a vial of medication that I was supposed to be able to draw and inject myself with if I got stung. And EpiPen is known as an auto-injector. You literally just have to hit it on your leg, and it injects the correct dosage. So, these are absolutely vital for anyone who has any sort of allergic potential, and it's really important for our police to be able to carry them. So, I would appreciate a yes vote on this bill.

ARCH: As the Clerk indicates, there is a committee amendment, and Senator Bosn, you're recognized to open on the committee amendment, AM1787.

BOSN: Thank you, Mr. President. Apologize, I got caught off guard there. AM1787 is the Judiciary Committee amendment to LB727. It simply strikes the original section and inserts a new version, which adds the option for law enforcement agencies and law enforcement officers to obtain, possess, and administer nasal epinephrine in addition to the auto-injectors. Nasal epinephrine is defined as a needle-free prescription nasal spray containing epinephrine. I ask for your support to AM1787 to LB727. Thank you, Mr. President.

ARCH: Seeing, seeing no one in the queue, Senator Bosn, you're recognized to close on AM1787, and she waives close. Question before the body is the adoption of AM1787. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 28 ayes, 0 nays on adoption of the committee amendment, Mr. President.

ARCH: The amendment is adopted. Seeing no one in the queue, Senator Kauth, you are recognized to close on LB727, and Senator Kauth waives close. Question before the body is the advancement to E&R Initial of LB727. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 32 ayes, 0 nays on advancement of the bill, Mr. President.

ARCH: LB727 does advance. Mr. Clerk, next item on the agenda.

CLERK: Mr. President, General File, LB1240 introduced by Senator Murman. It's a bill for an act relating to achieving a better life experience program; changes provisions relating to state recovery of certain amounts; and repeals the original section. The bill was read for the first time on January 21 of this year and referred to the Revenue Committee; that committee placed the bill on General File.

ARCH: Senator Murman, you're recognized to open on LB1240.

MURMAN: Thank you, Mr. Speaker. LB1240 seeks to strengthen Nebraska's ABLE, or the Achieving Better Life Experience program, which are tax advantage savings accounts for individuals with disabilities that allows savings without jeopardizing the asset limits on SSI and Medicaid. Before I begin, I want to thank both former Treasurer Briese and his staff, and also Treasurer Spellerberg. This was a bill that I had begun to work on with Treasurer Briese, and when he retired, Treasurer Spellerberg was eager to jump right in to picking up that work. So, I think it's great news for Nebraskans who rely on these accounts that, with Senator Briese's retirement, they will continue to have a State Treasurer who, who is focused on strengthening these programs. I also want to thank Speaker Arch for designating this as a priority bill. LB1240 is fairly simple. It adds language that the state shall not seek recovery of any amount distributed from an ABLE account upon the death of the account's beneficiary. This is the standard practice, but adds a level of reassurance to a common concern. So, why is this needed? Without this provision, many families may have valid concerns about opening an ABLE account. Consider the scenario of parents with a child with a disability. With that disability may

come a fairly limited or shortened life expectancy. That child may seem like a prime candidate for an ABLE account, however, the parents are concerned that upon that child's death, Medicaid will claw, claw back those funds. The National Association of State Treasurers cites fear of Medicaid claw-back as one of the top current challenges to the program. This bill would address that challenge. To conclude, ABLE accounts are an important tool to encourage independence and give individuals with disabilities the tools they need to be successful. LB1240 seeks to add a simple protection to ensure those accounts are protected so Nebraskans can have the assurance that their dollars invested are safe. LB1240 was supported by the State Treasurer's office, the National Association of Insurance and Financial Advisors, but most importantly, by the everyday Nebraskans who came to the hearing looking to help their family members with disabilities. The bill had no opposition, and was voted out of committee on a unanimous 8-0 vote. Thank you, and I ask for your green vote.

ARCH: Seeing no one in the queue, you're recognized to close on LB1240. Senator Murman waives close. Question before the body is the advancement of LB1240 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 30 ayes, 0 nays on advancement of the bill, Mr. President.

ARCH: LB1240 does advanced. Mr. Clerk, for items.

CLERK: Mr. President, single name add: Senator Hardin, name added to LR357. And a priority motion: Senator Sanders would move to adjourn the body until Friday, March 6 at 9:00 a.m.

ARCH: Members, you've heard the motion. All those in favor, say aye. Opposed, nay. We are adjourned.