KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirty-ninth day of the One Hundred Ninth Legislature, Second Session. Our chaplain for today is Mother Kaity Reece, St. Andrews Episcopal Church in Omaha in Senator Fredrickson's district. Please rise.

KAITY REECE: Good, gracious, and loving God. As we are preparing to end this week and look ahead to the final weeks of session, we ask for guidance and clarity. Grant these public servants wisdom as they weigh their decisions, patience as they work with colleagues, and courage as they cast their votes. Help those who work in this building to know wherever the next few weeks take them, you will be with them. All this we ask in your name. Amen.

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

RIEPE: Please join me in the Pledge of Allegience. 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-ninth day of the One Hundred Ninth Legislature, Second Session. Senators, please record your presence. Roll call. Record, Mr. Clerk.

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

KELLY: Are there any corrections for the Journal?

CLERK: I have no corrections this morning, sir.

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

CLERK: There are, Mr. President. Report of registered lobbyists for March 5, 2026 will be found in today's Journal. Additionally, agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Senator Fredrickson would like to recognize the doctor of the day, Dr. Bogard, and as well as his daughters, Sadie and Lucy Bogard. Please stand and be recognized by the Nebraska Legislature. Senator Hunt would like to recognize someone under the south balcony doing a job shadow, that's Addie Schmucker.

Please stand and be recognized by the Nebraska Legislature. Senator Holdcroft, you're recognized for an announcement.

HOLDCROFT: Thank you, Mr. President. In conjunction with the celebration of Developmental Disabilities Awareness Month, I would like to congratulate a fellow member of this body. The Arc-- the Arc of Nebraska Senatorial Dinner, was held this past Tuesday evening with Senator Victor Rountree, his lovely wife Cheryl, and their special needs son, Isaac, in attendance. Unbeknownst to Senator Rountree, he had been chosen to receive the 2026 Harold Sieck Public Official of the Year Award. Quoting from the introductory speak, the Harold Sieck Public Official of the Year Award recognizes statewide elected public officials who have had a positive influence on the lives of people with developmental disabilities and their families through public policy services. Harold Sieck served as a Nebraska State Senator. Senator Sieck had a son, Roger, who had developmental disabilities. The Arc of Nebraska named the award in recognition of Senator Sieck's advocacy on behalf of people with developmental disabilities. I would like to congratulate Senator Rountree for receiving this award and thank him for his advocacy on behalf of these fellow citizens who contribute so richly to society. This will be the only time in my life that I will ever say this, and I will deny saying it if anyone asks me, but today is a great-- this is really difficult-- is a great Air Force day. Congratulations, Senator Rountree.

KELLY: Thank you, Senator Holdcroft. Senator Raybould for an announcement.

RAYBOULD: Thank you, Mr. President. Good morning, colleagues. The page-- pages are handing out a resolution that we all passed. In 2022, the members of the One Hundred Seventh Legislature declared February 20 as an annual day of remembrance in recognition of the survivors of the Indian Industrial Boarding School at Genoa. I have shared with you a copy of the LR280 from 2022, and I encourage you to take a moment to read it and be reminded of the atrocities and trauma endured by the survivors, their families, and their communities. The color orange symbolizes solidarity with Indigenous peoples affected by Indian boarding schools. And due to the weather on February 20, recognition of this important date has been rescheduled for this Friday, March 6. Our State Capitol will be illuminated in orange. It was illuminated in orange and it was breathtaking. It reminded me of one of our most spectacular Nebraska sunsets, it was extraordinary. So when you witness it, please take a moment to reflect on the lessons of the past and celebrate the courage, strength, and resiliency of those who were impacted at the Indian Industrial Boarding School at Genoa. Thank you.

KELLY: Thank you, Senator Raybould. Proceeding to the first item on the agenda. Senators, please find your seat, Final Reading. The first bill on Final Reading is LB720 with an emergency clause.

CLERK: [Read LB720 on Final Reading]

KELLY: All provisions of law relative to procedure having been complied with, the question is, shall LB720 pass with the emergency clause? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Bosn, Bostar, Brandt, Cavanaugh, Cavanaugh, Clements, Clouse, Conrad, DeBoer, DeKay, Dorn, Dover, Fredrickson, Guereca, Hallstrom, Hansen, Holdcroft, Hughes, Hunt, Ibach, Jacobson, Juarez, Kauth, Lippincott, Lonowski, Meyer, Meyer, Moser, Murman, Prokop, Quick, Raybould, Riepe, Rountree, Sanders, Sorrentino, Spivey, Storer, Storm, Strommen, von Gillern, Wordekemper. Voting no: none. Not voting: Senators Dungan, Hardin, McKinney. Vote is 46 ayes, 0 nays, 3 excused, not voting, Mr. President.

KELLY: LB720 passes with the emergency clause. The next bill is LB771 with the emergency clause.

CLERK: [Read LB771 on Final Reading]

KELLY: All provisions of law relative to procedure having been complied with, the question is, shall LB771 pass with the emergency clause? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Bosn, Bostar, Brandt, Cavanaugh, Cavanaugh, Clements, Clouse, Conrad, DeBoer, DeKay, Dorn, Dover, Fredrickson, Hallstrom, Hansen, Holdcroft, Hughes, Ibach, Jacobson, Juarez, Kauth, Lippincott, Lonowski, Meyer, Meyer, Moser, Murman, Prokop, Quick, Raybould, Riepe, Rountree, Sanders, Sorrentino, Storer, Storm, Strommen, von Gillern, Wordekemper. Voting no: Senators Guereca, Hunt, Spivey. Not voting: Senators Dungan, Hardin, McKinney. Senator Guereca voting yes. Senator Conrad voting no. Senator Spivey voting yes. Vote is 44 ayes, 2 nays, Mr. President. Excuse me, 44 ayes, 2 nays, 3 excused, not voting, Mr. President.

KELLY: LB771 passes with the emergency clause. The next bill is LB956 with the emergency clause.

CLERK: [Read LB956 on Final Reading]

KELLY: All provisions of law relative to procedure having been complied with, the question is, shall LB956 pass with the emergency clause? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Bosn, Bostar, Brandt, Cavanaugh, Cavanaugh, Clements, Clouse, Conrad, DeBoer, DeKay, Dorn, Dover, Fredrickson, Guereca, Hallstrom, Hansen, Holdcroft, Hughes, Hunt, Ibach, Jacobson, Juarez, Kauth, Lippincott, Lonowski, Meyer, Meyer, Moser, Murman, Prokop, Quick, Raybould, Riepe, Rountree, Sanders, Sorrentino, Spivey, Storer, Storm, Strommen, von Gillern, Wordekemper. Voting no: none. Not voting: Senators Dungan, Hardin, McKinney. Vote is 46 ayes, 0 nays, 3 excused, not voting, Mr. President.

KELLY: LB956 passes with the emergency clause. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB720 with the emergency clause, LB771 with the emergency clause, and LB956 with the emergency clause. Mr. Clerk, please proceed on the agenda.

CLERK: Mr. President, Select File, LB822. First of all, Senator, they're are E&R amendments.

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

GUERECA: Mr. President, I move that the E&R amendments to LB822 be adopted.

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

CLERK: Senator Kauth, I have FA451 with the note that you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB822 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor say aye. Those opposed, nay. LB822 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB900. Senator Kauth, I have FA540 with a note that you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB900 be advanced to E&R for engrossing.

KELLY: Members, you have heard the motion. All of those in favor say aye. Those opposed, nay. LB900 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB823, there are no E&R amendments. Senator Kauth, I have FA452 with a note that you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB823 be advanced to E&R for engrossing.

KELLY: Senators, you have heard the motion. All those in favor vote aye; all those opposed vote nay. All those opposed-- excuse me. All those in favor say aye. All those opposed say nay. LB823 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB722. 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 LB722 be adopted.

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

CLERK: Senator Kauth, I have FA351 with a note that you'd withdraw.

KELLY: So ordered.

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

KELLY: Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB722 be advanced to E&R for engrossing.

KELLY: Members, you heard the motion. All those in favor say aye. Those opposed say nay. LB722 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB1127, there are no E&R amendments. Senator Kauth, I have FA787 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: I have nothing further, Mr. President.

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

GUERECA: Mr. President, I move that LB1127 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor say aye. Those opposed say nay. LB1127 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, LB1127A, I have nothing on the bill, Senator.

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

GUERECA: Mr. President, I move that LB1127A be advanced to E&R for engrossing.

KELLY: Members, you heard the motion. All those in favor say aye. Those opposed say nay. LB1127A is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB721, there are no E&R amendments. Senator Kauth, I have FA350 with a note you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB721 be advanced to E&R for engrossing.

KELLY: Members, you heard the motion. All those in favor say aye. Those opposed say nay. LB721 is advanced for E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB903, 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 LB903 be adopted.

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

CLERK: Senator Kauth, I have FA543 with a note you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB903 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor say aye. Those opposed say nay. LB903 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB778. There are no E&R amendments. Senator Kauth, I have FA407 with a note you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB778 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor say aye. Those opposed say nay. LB778 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB883. There are no E&R amendments. Senator Kauth, I have FA523 with a note you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB883 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor say aye. Those opposed say nay. LB883 is advanced. Mr. Clerk.

CLERK: Mr. President, Select File, LB797. There are no E&R amendments. Senator Kauth, I have FA426 with a note you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB797 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor say aye. Those opposed say nay. LB797 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB798. There are no E&R amendments. Senator Kauth, I have FA427 with a note you'd withdraw.

KELLY: So ordered.

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

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

GUERECA: Mr. President, I move that LB798 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor say aye. Those opposed say nay. LB798 is advanced to E&R Engrossing. Senator Dorn would like to recognize some guests in the north balcony from the Nebraska Association of Behavioral Health Organizations. Please stand and be recognized by the Nebraska Legislature. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. New A bill, LB1237A from Senator Hansen. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB1237; provides for reappropriation of funds; and repeals the original section. Additionally, an announcement, the Health and Human Services Committee will be having an exec session at 10:00 today in Room 2022. HHS Committee, 10:00, Room 2022. That's all I have at this time, Mr. President.

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

CLERK: Mr. President, General File, LB901, introduced by the Revenue Committee. It's a bill for an act relating to revenue and taxation; changes to the sales and use tax rate; changes provisions relating to fund distributions; harmonize provisions; provides an operative date; and repeals the original section. The bill was read for the first time on January 8 of this year and referred to the Revenue Committee. That committee placed the bill on General File with committee amendments. There are additional amendments, Mr. President.

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

von GILLERN: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. I rise today to introduce LB901 which is one of the Revenue Committee priority packages. LB901 was introduced as a shell bill and had a public hearing on January 25, 2026. The committee amendment AM2406, which we'll hear about shortly, combines four bills all of which received unanimous support from the committee and I'll go ahead and address the AM and what, what that does to the bill now knowing that that'll be coming up shortly. The bills are LB890, LB1109, LB1110, and LB1131, all of which are currently on General File. Taken as a whole, the committee AM should have a direct positive General Fund impact of around $22 to $25 million for fiscal years '26-27. We'll review each of the four bills, starting with the bills I introduced. LB1109 removes several sales and use tax exemptions covering data center, biochips, game birds, community-based energy development projects, and mineral oil used as a dust suppressant. It also sunsets tax credits for renewable energy and makes such credits nonrefundable. As noted, LB1109 was voted out of committee unanimously. The other bill I introduced that is part of the package is LB1110. LB1110 amends statutes to expand the allowable functions of the Department of Revenue and Enforcement Fund to any functions and activities of the Tax Commissioner, redirects certain funds into the Department of Revenue Enforcement Fund, and provides for the provision of certain information between the Department for Health and Human Services and the Department of Revenue. Since the topic of fees is of importance to many, I'll comment that this bill allows the DOR to collect fees from individuals or corporations who are delinquent in their tax obligations. It also allows the DOR to seek reimbursement from those same taxpayers for costs incurred due to collection actions. Lastly, it allows the DOR to take action in other states to collect taxes due to the state of Nebraska, or due to state of Nebraska something that was previously not allowed. As noted previously, LB1110 was voted out of committee unanimously. Next, I'll address LB890 introduced by Senator Clouse. Again, as amended by AM2325, LB890 increases the Mechanical Amusement Device Tax Act fees and associated taxes. This bill was heavily influenced by Senator Spivey's LB920, which had some similar considerations regarding games of skill and the interim study that she did in coordination with the General Affairs Committee this past summer. I'll defer to each of those senators for comment, beginning with Senator Clouse. Would Senator Clouse yield to a question?

KELLY: Senator Clouse, would you yield?

CLOUSE: Yes, I will.

von GILLERN: Senator Clouse, would you share some of the details about LB890, please?

CLOUSE: Absolutely. LB890 was brought to us by the Department of Revenue and it addresses application fees, decal fees, and occupation taxes for these mechanical amusement devices. The cash devices, which

I think everyone is familiar with those and I think Senator Spivey just sent a handout, there's an application fee for each device that is put into a, a facility or a business. That application fee is for disassembling a machine, checking it all out, Department of Revenue does this, verifying that it is in fact a game of skill, and it's a one-time fee for each-- for the machines as they are inspected and placed into service. 100% of this fee is deposited into the Department of Revenue Enforcement Fund because it's their responsibility to ensure these fees-- these machines are performing as they need to be and as they've been inspected. This fee had not been updated since 6 years ago, 2019, 6-7 years ago, and it goes from $500 to $650, and that's for each new device that, as I said, is disassembled, verified that it's a game of skill, and then released to the business. The decal fee, which is an annual decal fee, this is a sticker on each machine and it verifies that it's been connected to the Department of Revenue server. And these fees go from $250 to $350, again, 100% deposited to the Department of Revenue Enforcement Fund. These also have not been increased since 2019. And these, again, are for enforcement fees. The last item is mechanical amusement devices like pinball, pool tables, things of that nature. And it's just an occupation tax. They do not connect to the server. But they do-- there are charges to that, and so this occupation tax, it goes from $35 to $70. Those fees had not been updated since 2000, so 25 years ago. The revenue from those fees, 20% gets deposited to the Department of Revenue Enforcement Fund, and 80% goes into the General Fund. And that's the information that we have on LB890 regarding these fees, decal fees, and occupation tax. And I will turn it over to central-- or to Senator Spivey if she would answer some questions and discuss LB920 that was added to-- amended into LB890.

KELLY: Senator Clouse, Senator von Gillern could do that.

CLOUSE: OK. That's fine.

von GILLERN: Thank you, Senator Clouse. Would Senator Spivey yield to a question?

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

SPIVEY: Yes.

von GILLERN: Thank you. Senator Spivey, would you share your input in this bill and, and the influence that you had on the final development, please?

SPIVEY: Yes, absolutely. And I want to start quickly by thanking Chair Holdcroft of General Affairs, Chair von Gillern of Revenue, just on the work on this. I've been working on this since I was in the body. And as Chair von Gillern mentioned, we had an LR in the interim that really helped to better understand the regulation and impacts of these cash devices. And so I appreciate their commitment to having these conversations. Senator-- oh, there's a-- I'm going to get back in the queue because there's only a minute. I see I only have a minute, so I'll get back in the queue to talk about my part. But we walked my district, we talked about it, and we really got to see the impacts. And so I will get back in the queue so I can talk since there's only a minute left so folks know what my portion of the bill is.

von GILLERN: Thank you, Senator Spivey. How much time's left, Mr. President?

KELLY: 38 seconds, and then to the committee.

von GILLERN: OK, let's go ahead and open on the committee amendment.

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

von GILLERN: Thank you. And since we're talking about the committee amendment already, Senator Spivey, did you have anything additionally to add?

KELLY: Senator Spivey, will you yield to a question?

SPIVEY: Yes, I will. Thank you, Chair. And so as I was mentioning, we did a lot of work on this. I really appreciate their commitment to understanding the impacts and how we can better provide regulation. I would also like to thank Senator Hughes, who worked with me in the interim and last year providing perspective. And then, lastly, Senator Clouse, you know, North High today is actually playing your Kearney folks for semifinal, so we're kind of at a rivalry, but I-- so I do want to name that here but I appreciate your work on this bill. So to keep it short and to make sure folks have the information. Today there are more than 6,000 cash devices across Nebraska, located in 91 of 93 counties. The Department of Revenue has said that they will generate roughly 1.4-- $145 million in profit annually, and the market continues to grow in double digits. Just for comparison, we have about 3,500 slot machines. And so AM2325 is a product of my LB920, and there's a few components that I want to uplift that really create stronger regulations for these cash devices. It first requires a physically present attendant to be supervising the game of play, which is really around age verification and safety. I passed out a handout that shows a robbery that actually took place in my district where someone broke in and-- oh-- and, and took $11,000. And we removed electronic verification from the stakeholders. It creates stronger advertising and packaging regulations. It gives stronger authority for enforcement with the Department of Revenue and it changes from four devices to five if not located in a qualified census tract, which I will get on the mic later to make sure people understand that, and it adjusts the tax revenue from 6.5% to 11.5% for net operating revenue and the amendment goes into where those allocations are, which was in agreement with and working with the Revenue Committee. Thank you, Chair.

von GILLERN: Thank you, Senator Spivey. We've got one more bill to get to, and then we've got a number of floor amendments. I would ask if Senator Bostar would yield to a question?

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

BOSTAR: Yes, I would.

von GILLERN: Senator Bostar, your LB1131, which deals with domestic violence, is the fourth bill in this package. Would you please share about your bill, please?

BOSTAR: Absolutely. Thank you, Senator. LB1131 included within LB901's legislation that establishes the Domestic Violence and Human Trafficking Service Providers Tax Credit Act to provide stable ongoing support for direct service agencies that serve victims of domestic violence and human trafficking, as well as eliminating certain personal property sales and use tax exemptions for data centers in order to make this fiscally advantageous to the state of Nebraska. Tax credits created under this legislation would support a coordinated network of agencies that collectively serve every county in Nebraska, as well as tribal reservation lands. These organizations are often the first and sometimes the only place victims can turn for safety, shelter, legal advocacy, and crisis intervention. Last year alone, these organizations served more than 13,000 survivors, as well as their children. This represents a 6% increase over 2024. This year-over-year increase is not an outlier. Nebraska has seen a consistent and pressing increase over the past 5 years, with a greater than a 5% year- over-year increase in victims seeking assistance since 2021. LB901 provides a way to support domestic violence and human trafficking victims and help prevent further loss of life without relying on general funds or other restricted funding sources. Legislation creates $3 million in certificated, refundable, transferable tax credits that the Department of Revenue shall distribute to nonprofit organizations serving victims of domestic violence and human trafficking. These organizations can then sell these credits on a secondary market in order to establish a new source of revenue to support these necessary services. This model is already in place to create additional revenue for affordable housing throughout Nebraska, and this bill looks to mimic those efforts in order to combat domestic violence and human trafficking. The distribution formula established in LB1131 is in line with what is already used by the Department of Health and Human Services to distribute Family Violence Prevention Services Act dollars and the Nebraska General Fund dollars that go to providers working to fight domestic violence and sexual assault. The funding formula was created in collaboration with the Nebraska Coalition to End Sexual and Domestic Violence and the Department Health and Human Services. 8% of the total funds are distributed equally among qualifying domestic violence and sexual assault programs run by tribal governments. 5% are to be distributed to a statewide coalition representing organizations that have an affiliation agreement with the Department of Health and Human Services to provide services to victims of domestic abuse under the Protection from Domestic Abuse Act. Of the remaining funds, 48% will be distributed based on population of the program or agency service area, according to census data. 40% will be distributed equally amongst all qualifying programs or agencies, and 12% will be distributed based on the square miles of the program or agency service area. To offset the $3 million of tax credits and in order to recapture additional revenue for the state, the legislation eliminates certain personal property sales and use tax exemptions currently available to data, to data centers in statute. Since 2020, the tax expenditure reports filed by the Department of Revenue indicate that the sales and use tax exemptions has accounted for between a low of $5,118,000 in 2020 and a high of 7,084,000 in 2024. The elimination of these tax exemptions will make the total financial impact of the legislation fiscally beneficial for the-- for Nebraska in a time of financial need in addition to generating stable funding for those who support victims of domestic violence and human trafficking. Legislation would use a market solution to create reliable, meaningful, ongoing support to combat domestic violence and human trafficking while capturing additional revenue for state coffers. LB1131 is supported by the Nebraska Coalition to End Sexual and

Domestic Violence, the Lincoln Police Department, Lancaster County, Catholic Social Services, and the Nebraska Catholic Conference, and a variety of organizations that work to support victims of domestic violence and human trafficking, and was advanced from the committee on a vote of 8-0. I would urge your support for the amendment and the underlying bill. Thank you.

KELLY: 3 minutes, 35 seconds.

von GILLERN: Thank you, Senator Bostar. In conclusion, I'm going to wrap this up because I know there's a lot of questions. I think we have at least three other amendments and maybe four in the works in order to address some things that have come up, frankly, within the last-- some of them in the last 10 minutes. This bill's been filed for days and lots of documentation on it, lots of conversation, but, apparently, there's lots of questions coming up about it. But a couple of the floor amendments I filed, one of them addresses-- in the, in the bill as it was drafted and in the white copy amendment, it-- we inadvertently did not address the Property Tax Credit Fund with regards to the games of skill. I've got a floor amendment that addresses that and corrects that and then there's another floor amendment or another amendment that's coming up that deals with the decal fee and a few other things, so. And then I know that there are some other senators that have other interests that may have other amendments, so. With that, I'll stop speaking and address any questions that anyone may have. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator von Gillern, I have FA1023, FA1024, and AM2232 all with notes that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator von Gillern would move to amend with FA1028.

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

von GILLERN: Thank you, Mr. President. This is, this is the amendment that I spoke of that addresses the Property Tax Credit Fund. Within the redistribution of the tax from the games of skill, we inadvertently overlooked the fact that the original taxation put dollars in, I think it's about $2.6 million into the Property Tax Credit Fund that was not addressed in the white copy amendment so

FA1028 addresses that very specific issue and it preserves that Property Tax Credit Fund and makes it whole, so there is no reduction to the Property Tax Credit Fund. That was something that came to our attention, brought to our attention actually late yesterday, so we address that immediately this morning. Any questions, I'd be happy to take that. Mr.-- thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Moving to the queue, Senator DeBoer, you're recognized to speak.

DeBOER: Colleagues, good morning. I have a very wild story to tell you about what happened to or around me last night that shows us how very much what we do in this room affects real life. Last night at 11:00 at night, just prior to that, I was reading and I heard loud noises outside and I didn't, didn't know what was going on and I thought why are people being loud in my neighborhood? After a few minutes, my Ring doorbell rang. And I looked on it and there was a young woman standing at my door bleeding from her face and crying hysterically. It took me a minute to get my robe on and get downstairs. And I know it was dangerous. And my parents would probably freak out. So if mom and dad are watching, I'm sorry. But I opened the door, the young woman was across the street ringing other doorbells, still crying hysterically, and I told her to come in, come, come. And I asked her what was happening and she said her boyfriend was trying to kill her. And he was driving around the neighborhood and she was trying to hide from him. So she came into my house and we shut off all the front lights and closed all the blinds. And I called 911 and I asked her what had happened. This wasn't the first time he had hurt her. He'd tried to strangle her, took her to the park that is across from my neighborhood. And she told me she wouldn't go to the hospital because she didn't have enough money to pay for the hospital. She didn't add insurance. We waited, and eventually a fireman-- the firemen came first. Turns out it was someone I hadn't seen in 25 years and gone to college with me, but that's another story. And they came in-- I'm focusing, I'm focusing, I didn't sleep last night so I'm a little tired-- they came in, they assessed her injuries. She was terrified that they were going to charge her for just assessing her injuries because she didn't have the money to pay for medical care of any kind. Eventually, the police showed up. The firemen left. The police had caught the, the perpetrator a couple blocks over from us. And the, the policeman, when I said, can we get her to a DV specialist, he said it's the middle of the night, of course not. There's no one that does that in the middle of the night. And, eventually, they talked to her and then took her outside into the car to do paperwork, and, I assume, take her somewhere I hope safe. When we talk about the budget here, that matters to that girl who was bleeding on my doorstep. Because if we take Medicaid retroactivity to zero, someone like her can't go to a hospital if they're worried about the money or they won't. If we cut across the board, are we going to make cuts that will mean that there are fewer DV specialists to help her? In the original budget from the Governor, we were sweeping funds from the "DVR" fund that helps crime victims, that helps this girl last night. I don't know, I didn't sleep last night after this happened, so I don't know if we're still doing that. But the things that we do in here matter to people's real lives and they have effects. This bill that Senator Bostar has done, I hope will help keep more doors open so that maybe someone will have the ability to have someone help. I just wanted to bring that to everyone's attention. Thank you, Mr. President.

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

HUGHES: Thank you, Mr. President. Following up on that, that is an incredible story. I'm glad Wendy was there to-- or Senator DeBoer was there to let that gal in. I-- I'm pivoting, I'm going to talk about LB901 with the amendment and this will just be short, but I just wanted to mention that, yes, Senator Spivey and I and also we pulled Senator Holdcroft into some of these conversations this last fall. We're talking about the skill game piece and, in particular, how these devices were going into or showing up in, in stores or avenues with, you know, open 24/7 but no oversight. And just so that everybody's clear, you do need to be 21 years old to play a skill game just like-- and here's the, the protection you have, if you go into a casino your, your ID actually gets scanned so, for sure, anyone going into a casino they are 21, they, they can't even enter the premises without. But these skill games are in gas stations, they're in grocery stores, they're in 24-hour laundromats. And so I very much appreciate the regulation introduced in this bill that will require that any skill game-- any building or business, I should say, that has a skill game has to have an attendant on duty. These games are supposed to be line of sight, meaning there's oversight from someone to make sure a kid isn't sitting down at that game and playing. And so I very much appreciate her work on that. And I also appreciate the, the regulation on the advertising of these devices as well. So appreciate Senator Spivey's work on this, I know Senator Holdcroft helped out, and appreciative of Senator von Gillern and the Revenue Committee for including this information because I think this regulation is important for these devices. Thank you, Mr. President.

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

JACOBSON: Thank you, Mr. President. I, I would just like to respond briefly to Senator DeBoer's comments just a moment ago. That's a tragic story, and-- but I do want to remind people that, that I sit on a hospital board, and I understand that clearly there are federal rules that hospital emergency rooms will absolutely treat you without insurance, without any method of payment. Hospitals write off millions of dollars every year because of that rule, but they do that. So hospitals will, in fact, treat you. If you don't realize that, they will. They're required to. And so I would just tell you just to add a little bit to the story, go to the hospital. Go to the emergency room. You will be treated. And I would say, however, the concern on the reach back is the people that don't get paid are the hospitals that are providing that free treatment. And that is a problem, and, and hospitals need to be able to get that reimbursement. But understand it's the hospitals that are taking the hit. And, and so they're always there to provide this service. So I just wanted to clarify some information there. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. Good morning, colleagues. You know, Senator DeBoer's comments were so moving. And I just want to let my colleagues know, I think we have seven domestic violence bills that have had hearings and have received tremendous support that will-- that we will be bringing forward for the body's consideration. So it just reminds us every day that this problem is real. Sadly, this problem is growing in our state of Nebraska. Mr. President, I'm hoping that Senator von Gillern will yield to some questions.

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

von GILLERN: Yes, we were having a warm moment here, but, yes, I will.

RAYBOULD: Thank you, Senator von Gillern. You know, I love talking about our fiscal notes. And I'm, I'm hoping you can walk us through, because I see that there are a number of credits listed in the amendments, like $240,000 to tribal domestic violence and sexual assault programs, which I wholeheartedly support, but then there's $150,000 to Statewide Coalition, representing nonprofits, $2.2

million, $2.5, and $626,000. So tell us a little bit of how we're going to be able to pay for that?

von GILLERN: Yep. Nope, great question and it's always, it's always challenging when you pull bills into a shell bill because the shell bill had no fiscal impact and that's if you pull the fiscal impact or the fiscal note up on the website that's what you will see. The, the sum total of the impact of the four bills that have been pulled into this is a revenue positive, we're estimating around $30 million of positive fiscal impact. The items that you're talking about are with regards to Senator Bostar's bill for domestic violence and what he did creatively, no surprise, is he found a sales tax exemption that was not, that was not critical and maybe underutilized and it was for data center equipment that, that is manufactured and shipped, I believe, out of state. It was a very specific exemption that was put in place a number of years ago. Identified that exemption, that was worth about $6 million, so he's rolling back that exemption and he's using a portion of the funds that that provides in order to fund the domestic violence piece. So it's, it's a, it's a, it's a pay-for in that piece. So all of those, those divisions that you see were already in statute prior to Senator Bostar's bill and he's redistributing the dollars amongst those funds. And if I've not answered that quickly, if you looked over your shoulder, if I'd not answered it correctly, if Senator Bostar, if you wanted to ask him a question, he might be able to add additional clarity on that item.

RAYBOULD: And then how, how do you get to the $30 million in-- so that would be-- how do you get to the additional $24 million?

von GILLERN: Sure. So the four bills that are into this package, LB1109, which has some specific rollbacks of a, of a handful of programs and a few exemptions, that earns about $15 million. There is a piece in here regarding the Department of Revenue and some self-funding with some fees where the Department of Revenue will now charge fees to tax cheats and people that are, that are delinquent in their taxes that they have to go after, it, it allows them to charge the cost of pursuing them. If you-- in your business and, and previously in my business, if you hired-- had to hire a, a debt collector, there's obviously a fee to that, they take a portion of that, it would allow them to charge that to the, to the person that they're collecting from. It also has an indigent clause in there, so if someone can illustrate that they are indigent, they don't have to pay the fees. So that was a safety factor in there and that earns about $3 million. The games of skill nets to-- we had it in for about

$10 million, it's probably only going to be net positive after all of the distributions that we mentioned, probably now to about $3 million. So that's, that's, that's quite a bit less than we originally planned on. And then the domestic violence, there's some spillover from that credit, that exemption that Senator Bostar is eliminating that puts about $3 million-- after it pays for the domestic violence stuff spills about $3 million over into the, the General Fund also. So I, I misspoke, out of that 31 after we've adjusted the games of skill, it's probably closer to 26.

RAYBOULD: OK. I know that I'm running out of time, but would you be able to-- I guess, when we get to Select when this advances--

von GILLERN: Can I get a gavel, Mr. President, I can't hear. Thank you. What was the question?

RAYBOULD: I punched in again because I know I'm going to run out of time, but would you be able to provide a summary once we advance out of General? I know Fiscal will get back to you, but it would be nice to have like, this is all the money we're bringing in, these are the additional revenues that we're charging and--

von GILLERN: Yep. Yeah, I'd be happy to get that to you.

RAYBOULD: Yeah, and the last question and I can ask-- well, I'll ask you on the next time. All right. Thank you.

KELLY: Thank you, Senators Raybould and von Gillern. Senator Hansen would like to recognize a guest under the south balcony, his daughter Olivia. Please stand and be recognized by the Nebraska Legislature. Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. I just want to follow-up just for very quickly on Senator DeBoer's tragic story. I hope that young lady is OK. In follow-up, Senator Jacobson mentioned that hospitals will treat victims like this. That's under a law called EMTALA, and what it does is it forces hospitals to treat and stabilize anybody who comes there, regardless of insurance. So he's right on, and if you want to look up that law, that's what EMTALA is. Secondarily, [INAUDIBLE] public service announcement to my 48 colleagues. I think it would behoove all of us, all of you, to become at least conversationally familiar with the Nebraska Exchange. A young lady like that can get insurance. It is, depending on her or anybody's income, it can be very, very inexpensive. And anyone can pay that premium. If he or she does not have that, it could be $15 or $20 a month. You can pay that premium for them so they at least have coverage. So I think it, it would be great if we're all conversational on that. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. I'm hoping that Senator von Gillern would take a couple more questions.

KELLY: Senator von Gillern, will you yield?

von GILLERN: Yes.

RAYBOULD: OK. So I'm just curious-- I mean, Senator Bostar has a tendency to come up with, like, 68-page documents and all that fun stuff for us to read in addition to all the other piles we have to read, but I'm, I'm kind of curious in any of the hearings did the data centers come out in opposition?

von GILLERN: No, and, and, in fact, we actually pursued the folks that represented them and they said that there would be no opposition to, to repealing that. That's a great question. Yeah.

RAYBOULD: Yeah, and what about some of the additional requirements for supervision for the, the games to make sure that there are no break-ins or no minors were having a great time playing?

RAYBOULD: Right. We had, we had some very good dialogue. In fact, I had some chatter in my opening statement that I think I inadvertently skipped over about that, and I think Senator Spivey may have mentioned it. We had numerous meetings with the industry representatives and talked about that. They were, they were fine with the additional supervision. But, yeah, there was conversation at one point about could it be, could it be visual, could it be, you know, via CCTV, or remote or-- and the agreement was, no, it needed to be live supervision. And they agreed on that. One of the, one of the points of compromise was it did not have to be a person that literally sat there on a stool watching four machines and did nothing else. It could be someone that performed other functions within the, the-- whether it's a convenience store or whatever it happens to be. But they do have to have a visual to the machines, a visual to the people playing on the machines. And they have to physically check the IDs to make sure that,

that they are adults and of legal age to play the machines. So there, there was, there was a good deal of conversation around that.

RAYBOULD: OK. Thank you very much.

von GILLERN: Thank you.

RAYBOULD: And I-- you know, I just want to commend the Revenue Committee because as we deal with our budget, that, that is one of the creative approaches to look at select targeted removal of a sales tax exemption that will not harm working Nebraska families. Perhaps the data centers will, at some point in time, just pass on any additional expense, but it seems like something that is a really solid approach. And I've heard from other colleagues, I know that they're working on similarly creative revenue generators, which is really to be applauded. And, really, especially those that are not going to harm our hardworking Nebraska families. So thank you to Senator von Gillern and the Revenue team.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I'm glad to have an opportunity to, to speak after my friend Senator Raybould because I've heard some of the open about the component parts in the committee amendment and I know definitely part of precedent in terms of putting together committee packages, it's not wholly uncommon to utilize a shell bill or a placeholder bill and then kind of stack it up with a variety of proposals emanating from the committee of jurisdiction. So no derision or concern about the process there, but no doubt this is a critical piece of legislation in regards to tax policy writ large and has significant implications for our fast approaching budgetary deliberations, which we know is the hallmark issue of the session and that we'll commence with next week as a full body. So looking-- in trying to prepare for the debate today, one of the first places, and other members have noted this, that I went to you to get that cliff notes version to get that keener understanding of exactly how much revenue is that stake and kind of trying to figure out who we're taxing, who we're removing tax credits from and why? It is challenging to do that with the shell bill because the fiscal note obviously won't be updated until after the committee amendment would be adopted and, and the bill would move. And, and I know my friend Senator von Gillern is doing a great job to at least help us understand in general terms kind of what the fiscal implications for this might be. I also see that our friends Senator Hallstrom and Senator Brandt have different, I think, floor amendments filed on this, but I was-- I do think perhaps it, it could be helpful since this is the first time that many members have had a chance to try and digest this, this significant proposal if maybe Senator von Gillern, as Chair of the committee, could just kind of again maybe walk us through what the committee's general plan is for today. What parts are in, what parts are out, what's the, the general revenue projection that we're trying to hit here and why? I will let you know I'm not worried in the least about taking away preferential tax treatment from large data centers. I think that has been a huge point of public policy discourse in Nebraska and, of course, across the country. I think perhaps even this week President Trump issued executive orders and held, held some press events to talk about providing assurances to consumers to ensure that these big data centers or other large users are not unnecessarily driving up rates for consumers. And this seems to be an issue that is catching a lot of attention across the political spectrum. Some states are looking at moratoriums, some states are looking at the tax component. I know Senator Machaela Cavanaugh has a bill coming through the Natural Resources Committee to try and provide some transparency on these issues that thus far has received, I think, pretty strong support from a diverse set of members on the Natural Resources Committee. So that piece aside, and obviously the laudable goal of trying to buttress and assist with additional programs and services for domestic violence victims is good, and I thank Senator Bostar for his continued work there, but I, I do have concerns about this package as a whole, and particularly some of the game of skill issues. I understand what Senator Spivey is trying to do in that regard, and she's a great friend and a great advocate, but we did just increase or establish a new baseline for taxes on this industry, like, less than a year ago and I, I just think that's going to require additional deliberation, of course the, the gaming fees are regressive as well, but. Thank you, Mr. President. Perhaps somebody could punch in and just help us get a better roadmap of, of where we're headed here this morning that, that might help to structure debate and, and make it a bit more, more focused. Thank you.

KELLY: Thank you, Senator Conrad. Senator Wordekemper would like to recognize some guests in the north balcony, fourth graders from Linden Elementary in Fremont, Nebraska. Please stand and be recognized by the Nebraska Legislature. Senator Andersen, you're recognized to speak.

ANDERSEN: Thank you, Mr. President. Would Senator von Gillern be available for questions?

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

von GILLERN: Of course.

ANDERSEN: Thank you, Senator von Gillern. If I need to ask somebody else, just let me know. In looking at the first part of the bill, it talks about the allowable refundable credits for income tax, and that's being funded-- how is that being funded? So it's $6 million, right?

von GILLERN: Which, which piece are you talking about in particular?

ANDERSEN: In particular, it's--

von GILLERN: Sections 1 and 2?

ANDERSEN: It's the, the nonrefundable tax credits for the, the $6 million worth going to the domestic violence, sexual assault programs, all the, all the--

von GILLERN: Yes, yeah, that's, that's, that's what I mentioned earlier, was the-- there was an existing sales tax exemption for-- that was provided for data center equipment that was manufactured in Nebraska but shipped out of state. That was an existing exemption that was either being underutilized or the provider-- we actually-- Senator Bostar, actually, and I reached out to the representatives from that industry. And they said they were, they were fine with that exemption going away. So that cleared $6 million to pay for the domestic violence piece of the bill, and then-- which was estimated to cost about $3 million, and then there's about a $3 million spillover to the General Fund.

ANDERSEN: OK. So $3 million from the getting rid of the tax exemption and $3 million is from General Fund.

von GILLERN: No, $6 million is gained from eliminating the sales tax exemption,--

ANDERSEN: OK.

von GILLERN: --of which $3 million goes towards the domestic violence funds. And there are numerous funds in there. And that's really confusing to follow, because those-- that delineation of where that money went and the different percentages was already in statute. So all this did was provided-- well, it wasn't even additional funds, because some of those funds had gone away previously. So this backfilled funds that had been provided under previous budgets to, to continue providing those services in those ratios.

ANDERSEN: OK. I think this may be touching on what Senator Raybould had asked about. Is it possible to get a, a spreadsheet, a breakdown of the tax exemptions, the sales tax exemptions that were [INAUDIBLE]?

von GILLERN: Sure. Yeah. And, and just for future reference, anyone could go to the individual bills that are pulled into this bill. If you look at the committee statement, you can see all the individual bills that were pulled into the bill, and then you can go to those individual fiscal notes and add those up to get to the same estimate that I've provided today. Now, the only thing that that wouldn't address is some of the changes that have occurred within the last 24 hours or so with regards to the games of skill. So that would not be very representative, so. But other than that the, the other bills are pretty representative. Our estimate is currently around $26 million of positive fiscal impact.

ANDERSEN: Yeah, and as you know--

von GILLERN: And I'd be happy to provide that spreadsheet to you. It's very simple, it's four lines that, that, that, that delineate how we get to 26.

ANDERSEN: Yeah, that, that would be very helpful.

von GILLERN: Sure.

ANDERSEN: Yeah, and as you know, it's a very dynamic, fluid environment.

von GILLERN: Absolutely.

ANDERSEN: With all the amendments, floor amendments, committee amendments, shell bills and all that stuff makes it difficult to follow within 24 hours and keep it all straight.

von GILLERN: Yep.

ANDERSEN: And just realize who is who in the zoo and what's moving where, funds moving from one place to another going to different places. Challenging at best.

von GILLERN: And, and the FAs that have, that have come in within the last 24 hours, every one of them has been, has been to address a concern that somebody raised, that either something that we unintentionally missed or-- well, all of them were things that, that were either needed additional clarification or, or were, were not intentional to be overlooked.

ANDERSEN: Thanks. I got a question about the, the refundable tax credits. How, how does that work, especially from the nonprofit side? If they're nonprofit, they, they don't pay state income tax, right?

von GILLERN: Right. So a refundable tax credit is a credit that, that you receive, it's, it's real dollars that you receive whether you have a taxable income or not. And, and this has occurred for private citizens over the years. I think the EITC is a refundible tax credit. That's provided to families with children, and there, there are a number of other refundable tax credits. There's been-- I think if you bought an, an EV in the past few years, that was a refundable tax credit. So whether you have a taxable income or not, you can, you can file a tax return and receive those funds. And that-- in this case, it absolutely, as you have noted, is, is directly to benefit the nonprofits who would not pay income tax normally.

ANDERSEN: Right, so it just seems like it's more, not so much a tax credit, but just kind of a revenue giveaway to nonprofits who aren't paying any income tax now because they're a nonprofit by definition of a 501(c)(3), they don't pay income tax.

von GILLERN: Yeah, it, it-- it's a way to facilitate the funding. Yeah.

ANDERSEN: OK. So, so they have the tax credit that they don't, don't need, can't use, they may get the cash, like you said, but then they sell-- in here it says they're transferable, so they can sell the tax credit to another company. Right?

von GILLERN: Yeah.

ANDERSEN: So is there any restrictions on who they can sell it to and at what price the tax credit is?

von GILLERN: There are lots of restrictions on that, and this happens all the time in the housing market, particularly with Low-Income Housing Tax Credits, the LIHTC programs, where those are tax credits that are given to developers, and they put-- there's a marketplace that is regulated by the SEC where those tax credits are bought and sold all the time, and they are factored down because it's a-- the future value

KELLY: That's time, Senators.

von GILLERN: --of money discussion.

KELLY: Thank you, Senators. Senator Spivey, you're recognized to speak.

SPIVEY: Thank you, Mr. President, and good morning again, colleagues. I appreciate the debate on this bill and wanted to just give a little more color to some of Senator Conrad's questions, which I can appreciate. So as I mentioned, since I've been in the body a long, almost now 2 years, I have been working on this. So the original bill, LB685, is what established the tax. Previously, on cash devices, it was self-reporting. There wasn't a central server. Senator Lowe brought that bill, and it was just set at 5%. They're, they're-- cash devices are newer in terms of understanding their implications. People didn't really want to touch what cash devices look like. Then, of course, there was a Supreme Court ruling around are cash devices skilled games, which differs a little bit than how slot machines are, and so then how folks regulate them. So there's all that background. And so I actually brought a bill last year that specifically addressed the tax that was in Revenue. And, specifically, Chair von Gillern said, hey, we just established this 5% tax, we have the central server, let's look and see and give it a year. And I committed to, and he committed to working with me in the LR and to better understanding and to rightsize regulation, which does include the tax. And so we had the LR. We had the hearing on that. As I mentioned earlier, Chair Holdcroft of General Affairs walked through my district with me so we can see the types of businesses. We had meetings with Department of Revenue around what they were reporting now that they are on the central server. And then we ended up with this new legislation, LB920, based on my original bill, the work that we did in the interim, and then here. And so when you look at what other states and how specifically the question was around taxing, specifically their tax now is 5% on net revenue plus 1.5 for the interlock or the central server hookup. So it's 6.5% on net revenue. This still-- this moves it to 11.5% of net revenue so it's not regressive. This is also not a tax that is passed off to the consumer because they are putting in their money like you would do at a casino. It is on the actual businesses and the operators. This is secondary income and so in-- which I did not change, a business, any kind of business, can actually operate a cash device up to four in their location and then there's exceptions if they have extra square footage, and it can be up to 40% of their income And so, again, that's why you're seeing them in laundromats, grocery stores, thrift shops, vape stores, because of that piece. And so what was negotiated and what, and what we talked about when bringing this bill and what you will see in the amendments is that the tax is now more rightsized with other states so for example some of our surrounding states tax them at the same rate of casinos, so there are some that are upwards. Iowa 22%, 27%, Missouri 20%, and Illinois, and those have to be located in gaming spaces where we in Nebraska don't allow for that. We don't say that they have to at a racing gaming track like we do other types of wagering devices. Illinois does allow cash devices in the same way that we do and they're at 35%. So this is a nominal increase to that tax portion. I think it rightsizes that piece of the regulation. I don't believe it's regressive. And, again, I think Senator Lowe started this conversation and tried to grapple with where they are. And as I have brought this bill again last year because of the impacts that I saw specifically in District 13 and then in other districts worked really hard over the last year and a half to make sure that this is something that aligns to creating more safety in community. It's addressing the negative impacts that we're seeing happening like an increase in compulsive gamblers and that, again, their tax is also regulated where it's not overburdensome, where it kills that industry, but keeps it more aligned. So hopefully that gives some better color to where we are on the tax side and why we ended up here and would be happy to answer any other additional questions folks may have. Thank you, Mr. President.

KELLY: Thank you, Senator Spivey. Senator Quick, you're recognized to speak.

QUICK: Thank you, Mr. President. I'm coming late to this. I've been out talking to people in the Rotunda, and we had an exec session. So I'm kind of getting caught up on, on some of the, the issues around this. I know I've been talking to some of the business people and operators of the skilled gaming in the Rotunda. And I know that concern for them is that 5% going to 10% on the-- on that tax increase. And so, you know, I just-- you know, I'm going to talk to Senator Spivey a little bit more and Senator von Gillern to see what's happening with all of that and if there's any room for negotiations or how that would go. But, anyway, I know those-- that was one of their concerns and they also talked to me about Senator Clouse's portion on the fees and I know there's-- there, there has been talks between both groups to try to figure out what the best way forward is and maybe that would, that would-- you know, maybe in the end nobody likes what's happening, but they're going to accept it, so that's the way compromise goes, so. We'll see how it goes going forward, but I wanted to get up and talk about some of the concerns from some of the operators in my district and their concerns going forward, so. With that, I'll yield the rest of my time. Thank you, Mr. President.

KELLY: Thank you. Thank you, Senator Quick. Senator Guereca, you're recognized to speak.

GUERECA: Thank you, Mr. President. Good morning, colleagues. Like many of us, I'm just kind of shifting through everything, certainly looking at kind of the overall body of, well, not LB901, it was a shell bill, but the Revenue package amendment and the various components, making sure on my end that the math is "mathing," so to speak. I think like a couple of my colleagues before me, there are certain components of LB920 that are a bit of a concern. Certainly, I'll be talking to Senator Spivey through them. And I've reached out to small businesses in my community. And I think that's-- I'm mindful of about making sure that, you know, we-- we're helping out the compulsive gamblers. We're not having a negative impact to the community. But a lot of the, at least in my district, these machines are located in small businesses. And with the current times, you know, it's, it's helped a lot of them be able to, to pay the rent and to keep the lights on. So, again, just it's a beautiful part of this. We're going to keep having conversations, sort of listening intently on debate. I know folks have been flagging good points and sort of listening to Senator von Gillern, Senator Spivey, Senator Clouse on, you know, their experiences, Senator Holdcroft, on how they craft these legislations and we got to where we are. But, yeah, just-- more than anything, just talking through things, making sure that math maths, love that saying, I don't know why it's stuck in my head today. But we're going to make sure that math maths, math maths. And the allocation is done in a fair way. And that if folks do need help, we're able to get them the help that they need. So with that, I will not belittle this point. Thank you, Mr. President.

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

ANDERSEN: Thank you, Mr. President. I wonder if Senator von Gillern would yield to a couple of questions?

KELLY: Senator von Gillern, will you yield to questions?

von GILLERN: Of course. Yes.

ANDERSEN: OK, so back to what we were discussing about the nonrefundable tax credits, you said that, OK, so the nonprofit gets the, in some cases, well over $1 million, right?

von GILLERN: There's $3 million total going towards domestic violence. Yes.

ANDERSEN: Right, so they get over, over $1 million, one's $1.5 million, and the refundable tax credits, they go-- then take those to the, I think you said there's like an exchange or a marketplace that, that you can-- that they're bought and sold in business, is that, is that right?

von GILLERN: That's one of the options that they can do, yes.

ANDERSEN: OK.

von GILLERN: Yeah.

ANDERSEN: So then what happens? So they say I got a million and a half worth of tax credits, I want to put that up on the auction block, for lack of a better term, somebody buys it. I assume they buy it at a discount, so they don't pay $1. 5 million for the tax credit. They may pay, say 50 cents on the dollar, so it may be $750,000 for [INAUDIBLE]. I'm using imaginary numbers, right--

von GILLERN: Sure.

ANDERSEN: --just for the conversation. So then the nonprofit company then gets $750,000 in cash for the $1.5 million in tax credit. Is that, is that true?

von GILLERN: Well, your math-- the structure of your math is accurate, that my most-- my greatest familiarity is with regards to Low-Income Housing Tax Credits which are quite often sold in the marketplace and, again, this is a, this is an SEC regulated marketplace, this isn't like the wild wild west, like I'm going to slip you a tax credit, you know, in a back alley, and then you can go file it. This isn't--

ANDERSEN: No, I'm just trying to understand the process.

von GILLERN: Yeah, it's highly regulated. And most of those go for somewhere between 90 and 95 cents on the dollar. And I think the, the brokerage firm, I think, takes a piece of that. I, I-- I'm not intimately familiar with the details of it, but they are sold, there is a discount there. But, again, a nonprofit can file a tax return for a refundable tax credit and get 100% of the, of the dollars. And if they choose to do that, that's, that's-- obviously, there's other things associated with that. They'd have to go to the expense of filing the return and those kinds of things. The, the sale of the tax credit is just one option that's open to them, and it would be up to them to determine how to get the most bang for the buck, if you will, on that, on that refundable credit.

ANDERSEN: Sure. OK. Thanks, and I appreciate it, and just, you know, truth in advertising, I'm making up round numbers for easy math. [INAUDIBLE]

von GILLERN: No, I get it, I get it.

ANDERSEN: OK, so they get $1 million tax credit, they put it onto the marketplace, it comes back and they get, say, $900,000 in exchange. So, so $1 million comes out of the department of-- or from out of the General Fund as a tax credit. No money is transferred. It just means there's $1 million left in General Fund, right?

von GILLERN: Correct.

ANDERSEN: So they get the $1 million tax credit, they put it on the marketplace, the tax credit is sold to somebody else, the nonprofit then gets $900,000 in cash.

von GILLERN: Under that scenario, yes, and presuming those numbers-- I'm sorry, was that a question?

ANDERSEN: Yes. No, I'm just trying to-- so you take taxpayer tax credit, give it to a nonprofit, they sell it and they get almost $1 million in return. And I'm trying to think of how does, how does that logic track to where you have taxpayer dollars that ends up being $900,000 in cash on the barrel head for a nonprofit. For some reason that, that doesn't seem-- as a taxpayer, that doesn't seem right to me.

von GILLERN: And, again, if I was on a nonprofit board and I had the options in front of me of whether to sell that tax credit or whether to file for the taxes and get the refundable credit, I would vote to file for the taxes and get 100% of the refunded credit. I don't-- again, my familiarity with this happening in the nonprofit world with organizations such as, as this is not as high as it is in the development world. But I could not-- if, if there was 10% of the money laying on the table, and I was a board member for a nonprofit, there's no way I'd let that go, because I know how hard it is to raise, raise that kind of money, which is our other option, is to go out to philanthropy and try and raise the difference, so. I, I wouldn't-- if that feels like a stumbling block to you, I would, I would encourage you to not allow it to be, or not-- I would not encourage you to overcome that stumbling block, knowing that most nonprofits would not elect to take that route. It is an option that's opened by statute. We didn't open that statute. We didn't create that statute. We didn't pull it into this by-- you know, it, it, it existed previously and that's one of the things that can happen with those credits, so. It's not something that was done creatively with regards to this, to this particular bill or project.

ANDERSEN: Yeah, I'm just trying to make sure I, I understand the process. I'm, I'm not sure that I, I track with the logic of-- we already appropriate money to nonprofits for various different causes, right, for domestic abuse, violence, sexual abuse, all that. So we already do that in Appropriations, right?

von GILLERN: Well, in this, in this case--

KELLY: That's time, Senators. Thank you, Senators Andersen and von Gillern. Senator Clouse, you're recognized to speak.

CLOUSE: Yes, thank you, Mr. Speaker. One point that has been lost in all this discussion, you know, with the increasing of taxes and, and increasing of fees is that part of the agreement and in one of these amendments is we increase the number of machines from one-- or from four to five so that it allows them to generate more revenue if they are so desired to do so. And that was part of agreement, part of things that we talked to them about. And so I think that's something we need to keep in mind because this wasn't just a take-take, they wanted the ability to offset some of these tax increases, so we agreed to increase the number of machines. One may not sound like a lot, but if you have multiple facilities, multiple locations, and it's set in statute that you can have an extra amount of machines based on a certain amount of square footage. I don't have those numbers right in front of me. But that was one of the agreements we put in one of these amendments that we would allow them to increase those machines so that they can offset what some of these tax increases or fees might do to them. So I just want to make that point clear. Thank you.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I-- I'm trying to-- I think trying to kind of assess where we are in regards to the sale of the transferable tax credit. So my hope would be, I think every member of this body wants to do all that we can to support victims of domestic violence. We see that through direct investments, through prevention, through victim services. I know we made some strides in housing related thereto over the last year or so. I think that was perhaps Senator Bostar's bill, if memory serves, as well. And then, of course, we have the, the criminal justice side of things here on the other side of the ledger to address much of that same societal problem. And particularly in light of our good friend Senator DeBoer's heart-wrenching experience that she recounted to us about how these societal ills play out in people's lives and how it touches upon the investments requisite for our first responders, for our health care system, and for generous neighbors in need like-- generous neighbors assisting those in need like Senator DeBoer herself, it's a lot to think about. So I think we-- I don't want to cast dispersions on anybody asking questions about the complexities of these transferable tax credits and somehow indicating that they're not supportive of domestic violence because I just-- I think all 49 members are, are empathetic and thoughtful about addressing those issues. But I do think Senator Andersen is right that there are a lot of moving parts to understanding what tax credits are transferable, which ones are not transferable, what the tax implications thereof might be. Not only to the nonprofit side of things, but just more generally, I, I think it would perhaps be helpful if a member of the Revenue Committee could help us to understand, since a lot of us members don't get a chance to think about and look at these issues all day every day outside of that committee membership. What, what exact-- what tax credits are transferable in Nebraska today, and how does this comport with or is distinguished from that existing structure? I think that's one thing that-- I know it's kind of a broad question, but, but perhaps could, could help everybody just to, to get a better understanding on the mechanics of the legislation. And then we can also, of course, suss out the policy and, and the fiscal components thereof, at least as it relates to that DV piece, which I think there's very broad support for, but I think that there is some discomfort in terms of facilitating perhaps some sort of murky market in regards to how people transfer tax credits and, and what that means to the ultimate policy goals there. I know I'm trying to get up to speed on it as well, and I know that this is particularly a hot marking-- market as Senator von Gillern noted in regards to housing but also in terms of renewable tax credits. And I know that there has been a lot of white papers issued particularly in regards to the renewable energy tax credits in recent federal legislation. And as I understand it, they're bestowed upon different developers in that instance, particularly the smaller developers may not have tax liability so then they're selling or transferring that tax credit that they're otherwise eligible for and they don't need for their own tax liability purposes to another entity that could utilize that preferential tax treatment and then that provides an additional cash source or cash flow kind of opportunity to finance the project. So I'm guessing the mechanics are very similar in this instance, but just if somebody could maybe give us a one-on-one on it again just so that members have some clarity of, of kind of how this works and why and then how this proposal fits within our, our current statutory approach to these, to these, to these issues? Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Andersen, you're recognized to speak. This is your third time on the floor amendment. Senator Andersen waives. Seeing no one else in the queue, Senator von Gillern, you're recognized to close on FA1028.

von GILLERN: Thank you, Mr. President. I have to refresh my memory. FA20-- FA1028 is the floor amendment that clarifies the fact that we are preserving the property tax portion of the funding from the games of skill bill, and we're making that whole. The original-- or the language in the white copy amendment, AM2406, inadvertently left that language out, so this clarifies that, so this just makes sure that we keep the Property Tax Credit Fund whole. It doesn't add money, it doesn't take money away. We preserve it. With that, I thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Senators, the question is the adoption of FA1028. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: FA1028 is adopted. Mr. Clerk, items for the record.

CLERK: Thank you, Mr. President. The bills read this morning were presented to the Governor on March 6 at 9:49. Additionally, your Committee on Appropriations, chaired by Senator Clements, reports LB1071, LB1072 to General File, both having committee amendments. A series of motions to be printed from Senator Conrad to LB901. Senator Jacobson to LB838, LB967, Senator Conrad to LB901, LB1022, and Senator Hansen to LB1237. As it concerns LB901, Mr. President, Senator von Gillern would move to amend with AM2469.

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

von GILLERN: Thank you, Mr. President. Forgive me if I'm rehashing things we've already talked about, but I'll, I'll head into my explanation of AM2469 as best I can. As I mentioned in my opening, AM2469 is an amendment that reflects hours of conversations between Senator Spivey, Senator Clouse, myself, and representatives of the industry. The AM provides for several matters that were requested by the industry and, and were noted that were very critical to them, including the following: First of all, excuse me, allowing an increase from four machines to five only in areas outside of a qualified census tract. Pardon me. That was very important to Senator Spivey that we not allow additional machines within the qualified census tract. The second item clarified a quirk in the regulations that could have required a second decal fee to be paid in the instance of a needed repair on a machine. For example, if a, if a motherboard went down, if a case got damaged, under the regulation they could have been required to pay an entirely new fee on that. And, again, that was not, that was not fair and should not have been that way, so we clarify that. In the interest of complete transparency, this is not everything that the industry asked for, and many of you have been drug out into the lobby to hear the explanations on this. They additionally asked for a reduction in the tax rate to make it inclusive of the 1.5% Department of Revenue fee. That was not agreeable to Senator Clouse, Senator Spivey, or myself. We had long conversations about that. This next item, and this is really important because it's important to them, but I think it's also important to us as a legislative body. They also requested that we place in statute the calculation of the split in revenue from the machines between the distributor and the business that's hosting the machine. The bill sponsors were determined-- the bill sponsors, Senator Spivey, Senator Clouse and myself, were determined in our position that mandating a matter that is completely between two private industries was inappropriate. This would be, and I don't-- I'm looking to see if-- Senator Raybould is not on the floor. If I told Senator Raybould in the grocery business, if you sell a six pack of Coca-Cola, you can only keep 10% of the margin and you have to give the rest to the manufacturer. That's what we believe the equivalent of that is, and that's completely not in our purview to do as a legislative body, in my opinion. Senator Spivey, Senator Clouse, and I are all happy to take any questions regarding this amendment and we would ask for your green vote that cleans up a few matters that need to be straightened out. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Seeing no one else in the queue, you're recognized to close and waive closing. Senators, the question is the adoption of AM2469. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 31 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM2469 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Brandt would move to amend LB901 with FA1029.

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

BRANDT: Thank you, Mr. President. This is a pretty simple floor amendment recommended by Senator von Gillern and Senator Spivey indicated she didn't have any heartburn on this. On the bottom of page 8 on the amendment, it says that the money transferred, and we're striking this section what I'm reading, the money transferred to the fund under Section 77-3012 shall be allocated to the behavioral health authority of the behavioral health region with the lowest per capita spending. And so that would be a full allocation of the money until it goes up to the second one. And so basically we just struck this language so that all of the behavior health authority still get the amount that they get today in statute. Thank you.

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

SPIVEY: Thank you, Mr. President. Sorry if I wasn't clear, Senator Brandt. I, I thanked you for the heads up, but I, I do have a little bit of heartburn. I would not say that this is a hostile amendment. That word feels very strong to me. And so I think-- and I want to give some context to the reason that we have it. And that kind of goes to what Senator von Gillern was saying earlier. You can see a concentration, and we pulled a heat map during the LR period, and when we were doing the research on this, of where these devices are concentrated. And there is a high concentration of these devices in qualified census tracts, which includes a lot of our more populated areas of the state. And so just for reference, so people know and we have working definitions, a qualified census tract, it's a federal definition, is defined under Section 42(d)(5)(c) of the Internal Revenue Code of 1986 and includes any census tract or equivalent geographic area defined by the Bureau of the Census in which at least 50% of households have an income less than 60% of the area median gross income, or which has a poverty rate of at least 25%. So all those words that say it's high-poverty areas. And so when working on the allocation of this and when we were looking at the-- where the funds are going, it was really important for me to have funds going to places where there are implications of these devices being here. We heard really clearly from the folks at the Compulsive Gamblers Association that everyday people cannot tell the difference between this type of device and a slot machine. And so folks-- and it's creating more addiction, I again passed out an article about the break-in in my district where someone stole $11,000. I took Senator Holdcroft out and we walked the area, there was someone outside asking for dollars that came in to use a machine. I mean, so when you talk about an area navigating really hard income circumstances that create other issues related to social drivers, I think it's important to make sure that a tax goes to a portion of addressing that. And so with having the behavioral health region, the region that is listed in here is Region 6. And that region has the lowest per capita funding. That is Douglas County, Sarpy, Dodge, Washington, Cass, just for the area. Region 1 gets $64.73 per person, Region 6 gets $33.18 per person, and then Region 5 is the next for $41.26. So with this bill, the money would go to Region 6, Douglas, Sarpy, Dodge, Washington, Cass, which has the lowest funding per capita, which has and sees more machines based on the density and where they're located, and it would take the region from $33.18 to $33.57, that is a 29% increase. So it's not this huge increase, but, again, I do think it's important that we ensure that we have this tax, we raised it, and what I am seeing and my main reason for stronger regulations is to address the harm that these cash devices are creating in community. So, again, I will not say it's a hostile amendment. I am a no vote on this and I would ask for your no vote on this. And we can just see where the votes lie. It will not stop my support of the overall package if this is adopted. However, I really worked really hard on this in the interim around what this looks like and where it goes. And so that is important and I just wanted to uplift that context and would be happy to answer any questions about that.

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

CONRAD: Thank you, Mr. President. Thank you, colleagues. I appreciate the brief opening from my friend Senator Brandt and the other perspective on this technical matter in terms of the distribution of proceeds, I guess, from this fee, in particular, from my friend Senator Spivey. And I think a couple of things: one, again, we're trying to just get a good baseline understanding of how the existing fee structure works, how the proposed amendment would change that, and then how the floor amendment, it's my understanding, would then take us perhaps back to status quo, away from a different distribution as anticipated or proposed by Senator Spivey to address heightened need. I think I'm following the, the general parameters there, but if I'm not, somebody please let me know. But since at the heart of it, and this particular piece the floor amendment, is it AM1029, seems to bring up, sorry I'm getting used to new bifocals, I got the close up fix, but I'm having trouble with the, the distance. I, I know that the collection of fees have been an ongoing source of discussion in the body this year and in recent years to address what I think is simply a misguided strategy to jack up fees writ large on consumers and businesses, push them into cash funds, have those cash funds be swept. We've seen it come up a lot, Game and Parks, ag issues, water issues, registration fees. I think yesterday in the Government Committee bill, which I ended up voting no on, there was a very regressive fee increase in regards to things like marriage licenses, etcetera. So the fee component of this legislation, I think, poses some of those same policy concerns. I understand they're directed more towards the operators or the distributors or the manufacturers instead of assessed directly to the consumer. But, of course, we know how the pass-through works there. But I do, I do want to spend some time either on this floor amendment or perhaps on the next to just kind of reiterate and think through the existing constitutional and legal framework for things like delegation and things like the distinction between taxation and regulation, which, of course, have very, very distinct legal parameters behind them. So according to the Nebraska Constitution, Article VIII, Section 1, the Nebraska Constitution is very clear that the Legislature alone has the power to impose taxes and to spend revenue. There have been a variety of different cases decided over the years by the Nebraska Supreme Court, which is very clear that Nebraska cannot delegate its statutory authority in regards to taxation to any other entity, including regulators and state agencies. So we always have to be careful and thoughtful in that regard. And I know Senator Clouse has talked about this in regards to his component of the fees. I am concerned that the automatic escalator on the COLA, which I know he's willing to keep talking about or work on there, kind of would run afoul or at least raise questions in regards to putting that on autopilot, creating a weakening of legislative power and perhaps tiptoeing into an unlawful delegation. So that's one piece of it. And I see my 1 minute is, is here, so I'm not-- I might punch in again just because I have some additional questions about the fee component of this legislation subject to the floor amendment that is on the board today. Thank you, Mr. President.

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

BRANDT: Thank you, Mr. President. I had a chance to talk with Senator Spivey about this. Would Senator Spivey be available for a question?

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

SPIVEY: Absolutely.

BRANDT: So the way the bill is written right now is it says that all of the money goes to the behavioral health authority with the lowest per capita spending. And kind of what we talked about, because these machines are across the entire state, that probably a fair way to allocate this would be based on the number of machines in each behavioral health authority. Would you agree with that?

SPIVEY: Yes, based on the density of what we're seeing.

BRANDT: Right.

SPIVEY: Yes, correct.

BRANDT: So you would be all right in working together to come up with a better solution on Select as an amendment?

SPIVEY: I would love to work with you on that, Senator Brandt. Absolutely.

BRANDT: OK. That's, that's what we like to hear. And with that, I will, I will withdraw FA1029.

KELLY: So ordered. Returning-- Mr. Clerk, for an amendment.

CLERK: Thank you, Mr. President. Senator Hallstrom, I have FA1030 with a note that you would withdraw.

KELLY: So ordered.

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

KELLY: Thank you, Mr. Clerk. Returning to the queue, Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I was wondering if Senator Bostar would yield to some questions about his portion of the bill?

KELLY: Senator Bostar, would you yield to questions?

BOSTAR: Absolutely.

DeBOER: Thank you, Senator Bostar. I understand that there is both a, we'll say, revenue raising and a revenue using maybe part of your bill.

BOSTAR: Yes, so when we talk about raising revenue-- so currently in statute, we have tax exemptions on the books for the assembly and compilation of servers at data centers for export out of state. It's a very, very specific activity. And the tax expenditure reports from the Department of Revenue, put the sort of tax waived due to that provision at between $5 and $7 million per year.

DeBOER: OK.

BOSTAR: So we-- so the bill would strike and eliminate the tax exemptions for that activity, which then puts us at a positive position for state funds. We then would take $3 million of those funds and distribute them to domestic violence service providers.

DeBOER: Those are the, those are the nonprofits that are currently providing service that are recognized by the state.

BOSTAR: Correct. And we're using the exact same formula of distribution that currently exists through DHHS that is already being used for the distribution of funds for these providers. And so we would take those as certificated refundable tax credits and distribute them to those providers to support their, to support their work and activities.

DeBOER: So that would be $3 million additional that those people who are doing the frontline work on domestic violence would be receiving.

BOSTAR: That's right.

DeBOER: And then tell me about the certificated part. What does that mean?

BOSTAR: So certificated, certificated tax credits are-- let me rephrase, you would certificate a tax credit when you are making it available for secondary market resale.

DeBOER: So that means that if I am a provider of DV services, I can either take my tax credit, which is distributed through the method that we already have, so whatever that tax credit is, I can wait until tax time and then take the tax credit for the full value that they were dedicating to me.

BOSTAR: Yeah, the face value of the credit. Yep.

DeBOER: Or I could sell my certificated tax credit on the market at, like, 97, 98 cents on the dollar to get the money now to provide now.

BOSTAR: Yeah, so certificated tax credits that are also refundable, which this is, really trade upwards of 98 cents on the dollar.

DeBOER: OK.

BOSTAR: But, yes, that's the distinction. If you want your money immediately, you'll probably take a hit about 2 cents on the dollar to do so or you can wait and file your tax return and get full face value of the credit.

DeBOER: And that choice, that election of whether to sell or to keep the tax credit for myself is entirely up to those nonprofit providers who are on the front lines.

BOSTAR: That's correct. Yeah.

DeBOER: So if I do decide that I need the money now because I've got to make payroll or for whatever reason, how, how likely is it that I can actually sell those credits?

BOSTAR: A certainty

DeBOER: OK. So this provides-- I know when I talked to you about this a minute ago, I said this is a little like the-- I have an annuity and I need cash now sort of situation for individuals so that they can get those credits right away to provide the services right away.

BOSTAR: Yeah, this, this-- I mean, we're, we're effectively creating a financial instrument, and it is designed to offer the maximum amount of flexibility. And in doing so, the maximum amount of value for dollar from the state. And that's the whole intent here.

DeBOER: And we're adding $3 million writ large to-- of state dollars to the process of trying to provide frontline services for those who are experiencing DV.

BOSTAR: Correct.

DeBOER: Thank you, Senator Bostar.

BOSTAR: Thank you.

DeBOER: Thank you, Mr. President.

KELLY: Thank you, Senators DeBoer and Bostar. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. And I don't know if perhaps the best person to direct the questions or inquiry might be in this regard. But when it comes to the fee components, I, I think that's perhaps Senator Clouse's component. I think Senator Spivey has the tax and revenue component when it comes to the games of skill and I think we've had some good discussion on the data centers and the DV pieces and what have you. But one thing that I want to, again, make sure to reiterate and because I haven't had a chance to look at the committee-level transcript from each of the component parts, when it comes to the increased fee, has it been clear what the intent or the goal is? Is the goal to raise revenue? Is the goal to regulate an industry? And how exactly is this fee tied to that purpose or is the goal to regulate or modify human behavior in regards to the utilization of these games of skill? Because it matters. If we're moving forward with a measure that's labeled as a fee, but it's meant to solely provide revenue, that's a tax, even if you label it as a fee. If it's put forward as a fee simply to ensure regulatory purpose, that's in line with what a fee is supposed to be. And I know these fees have not been addressed or updated for some time, but I was just hoping that somebody could help us to understand how was this number exactly derived? Is it reflective of what the actual regulatory purpose is today and tailored thereto, or is it in addition or up above what the actual regulatory expenditure is? Because if it's above what that regulatory expenditure is and we're increasing the fee just to increase the fee, then we have to be really crystal clear about that legislative purpose and about whether or not something is truly a fee or it's simply labeled as a fee, but its purpose is to effectuate taxation and revenue generation, which, of course, we can't, we can't delegate. So if, if Senator Spivey or the Chair or Senator Clouse, who have been working on those fee components in relation to the games of skill or otherwise, perhaps want to weigh in and clarify, is it revenue generation, is it regulatory solely, or is it behavioral impact and change? That, that really needs to be clear on the record. Perhaps it was at the committee level. I apologize, I haven't had a time-- I haven't had time to read the full transcripts for each of those component parts. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. Happy Friday. I haven't talked on this bill yet. And, of course, I have a lot of thoughts about the current fiscal situation in the state. And, you know, I could give you a whole history lesson about both skill games and the current budget crisis. So I could spend a lot of time talking on both of those things. And-- well, first I'll say I didn't participate in the conversation yesterday, was doing some other things, working on some other bills. And I, I do think that when folks get up and say we have to all make a compromise but X, Y, and Z is off the table, that is unhelpful. I have been very clear in my 6 years here, there were a lot of these-- the reasons we have a structural deficit at the moment is because we made some long-term tax cuts that went too far. My first year here, we had a surplus as a result of the ARPA funds, American Recovery Act funds-- I can't remember what ARPA stood for exactly. But we had a, a big influx of money and there was a big push to return some of the excess money to the citizens, which I joined in. Both Senator Hansen and I brought bills that would have just been a direct cash return of, I think it was the $400 million that we had and those ideas were not moved forward because the interest was creating structural changes and, and decreasing the, the income of the state over a period of time, that when we had that conversation, we were told by the Fiscal Office and by every analysis that come 2026, without a, a unexpected growth rate, so the expected growth rate and the revenue of the state, if it would-- unless it was way above the expected growth rate we would be exactly where we are. So this was predicted in 2021. It was, again, predicted in 2022. And then, I think, again in 2023, it might have been 2024. But it was-- this was not only predictable, but was predicted and talked about as we made those decisions. And when we came for the most recent income tax cut, myself and Senator DeBoer both proposed a more gradual step down and an earlier stop that would put us, if you had adopted, I think either one of our suggested more moderate approaches, we would not be in this situation. So again off-ramp was offered and was ignored and so now we're here saying that taking that the solution that is still on the table by the way is off the table, still available is off the table. Taking money out of the canal fund is off the table because it's some-- in some sort of way sacred and not something that can be touched, even though that money can't be used until the lawsuit, the pending litigation is resolved. And it's, it's simply there as a-- to strengthen our bargaining position against the state of Colorado for the ongoing water dispute, which, think of that, colleagues, we want to raise taxes on Nebraskans so that we can strengthen our bargaining position with the state of Colorado. That's why we are doing it if you check all those boxes down the line. So I have, again, repeatedly suggested that we can get some of this money out of the canal. And, and then, of course, as time goes on, yes, you can put money back into the canal. Again, there's a construction fund for the prison that has been-- we're told is off the table as well. So there are a lot of these other things that are less draconian, less extreme, that we could do, could have done along the way, and they were offered every year for the last 6 years. And now people are here angry and upset and confused about why we haven't been able to solve this problem. It's because people refuse to take up the solutions. So I ended up did taking all my time talking about at least some of this history and not about the skill games history. So I'll push my light and talk a little bit more about my experience and the history of regulating skill games in the General Affairs Committee, because this is one of those things when you get to this place, I'd never heard of skill games until I was in the first hearing for General Affairs that took this up in 20-- or 2021. So I'll just push my light and talk again. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Fredrickson would like to recognize some guests in the north balcony, fourth graders from Prairie Lane and Paddock Elementary in Omaha. Please stand and be recognized by the Nebraska Legislature. Senator Clements, you're recognized for an announcement.

CLEMENTS: Thank you, Mr. President. The Appropriations Committee has filed the committee amendments for the budget bills this morning, and the, the budget book summary is available to be passed out. I'll be having them-- the pages pass it out shortly. And so the budget as amended will be-- the book will be in your hands and this Monday morning at 9:00, I'll be having a briefing on the budget. My understanding is that Monday afternoon we will start debate on the budget bills. But we have the budget book available, and I'll ask the Clerk to pass those out to you now. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Returning to the queue, Senator Guereca, you're recognized to speak.

GUERECA: Thank you, Mr. President. Sorry, Senator Clouse cut me off, said I was done, so almost had me there, Senator. I want to echo a few of the comments that a couple of my colleagues said before me and certainly something that I've been harping on all week. While I wouldn't quite categorize the, the, the tax on the game of skills as a regressive tax, so to speak, and, and I think like echoing Senator Conrad's comments, asking what the purpose of the tax, what it's going for, what it's purpose is, what we want to do with it, why we want to introduce it, why we want to levy this, this increased fee? It's a fair question to ask. Sort of similar to the conversation we had around the cigarette and vape tax, is the purpose to improve public health, is the purpose to change social behavior, or is the purpose just to raise revenue? If the purpose is, in this case, with the game of skills to change behavior, OK, get people to rely less, to, to not be addicted to gambling is certainly a worthwhile cause. And problem gambling is a scourge that affects so many folks, so many of our citizens across this country, frankly. Let's make sure we're increasing the revenue to programs that are proven to address problem gambling. That was one of my big issues with the cigarette and the vape tax is that I heard colleague after colleague say the purpose of this is to get people to stop smoking. Certainly a noble cause, but when we were not increasing funding to social programs that we knew stopped smoking, well, then that argument fell short. You know, I-- and I haven't talked to anyone about this, but let's have a frank and honest conversation about these increased taxes on folks and, you know, I, I get the argument that a lot of these games of skill are located in qualified census tracts in the more urban areas. By increasing that tax, it is a tax, on small businesses, where a large number of these skill games are located. So I think it's, it's a good conversation, it's a thorough conversation. I'm, I'm all for doing my part, having my community do their part to address the budgetary shortfall. But if we're going to have an honest conversation, that it's just about dollars and cents and having to fill a hole, that everything should be on the table. It should not be the sole job of the working people of this state to fill a hole because we decided a couple years ago to lower income taxes for the wealthiest Nebraskans and for corporations. This "legislator" was told then that there would be problems, that we would, we would need that money, that we were flush with cash because we had one-time federal dollars. The "legislator" at the time chose to ignore those warnings. Well, now we're here. Do not expect the working people of this state to shoulder the burden for sweetheart tax deals for the largest corporations and the richest Nebraskans. If everything-- if this is truly something that we need to come together as a state and fix, then everyone needs to do their part. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. Well, good morning again, colleagues. And so I did want to talk a little bit about the history of skill games as I learned them. So I got-- you know, General Affairs Committee covers all manner of the sins: tobacco, alcohol, libraries, cemeteries, gambling. And so first couple hearings, maybe even the first hearing we had about regulating these skill games, which, you know, are called gray market or, or whatnot, and I honestly had no idea what they were, never heard of this before, it was something that was essentially created by a Supreme Court Opinion that said games of skill are not-- they're not games of chance, and so they are not regulated under the, under the, the law that says, you know, you have to have-- games of chance have to be in certain ways. So it created this gray market where these were unregulated. And so then we started opportunities trying to take steps to regulate them and tax them in a, a reasonable way. And I remember those first hearings, a lot of small business owners came in, opposed it, and folks who had stood up these businesses in that space after the Supreme Court made that decision, folks who make the machines, folks who sell the machines, folks who put them in, in stores and then the stores and places that have them. And so it's-- it has continued to evolve over that period of time. We did start with some, some regulation, which I think Senator Clouse was talking about the, the registration fee and the sticker fee and the computer system. All of those things are really new, have only been in place for about a year, and that was the result of a long negotiation. Chairman Briese and then Chairman Lowe of the General Affairs Committee both negotiated on those things and got to a place with the fees schedule and the registrations and, and the definitions and, and then we've come back and changed the definitions and fixed them a little bit. And so we had-- you know, had those hearings and then we set a tax on them in 2024. And there was a heavy negotiation and settled on the tax rate that was set. And then actually during that special session in the summer of 2024, immediately, so the tax I think even hadn't gone into effect yet, there was a proposal in that special session to raise revenue by increasing the tax substantially that had just been negotiated. Ultimately, that didn't pass at that point in time. And so, of course, that leaves a bad taste in the mouth of folks that negotiated and then had it, you know, just turned right back around. So I'm just telling this, all this history, and none of the folks I think involved in this bill here at this point in time were a party to any of those negotiations or any of that. So then we did have an interim hearing this last year in General Affairs and Senator Spivey brought in a lot of good information about the necessity for additional regulation which is being put into this bill and that I think are good things about the advertisements and, and the unattended, unattended, unattended machines. And so, you know, if you haven't had a chance, check out these machines. I did, in my research, go to one of the bars in my district and play a skill game one time. And I can tell you that the thing that distinguishes it between chance and skill is that you can technically win every time. And I decided when I was playing it that the skill that you need to play a skill game is patience, because you can technically win every time, but it takes a lot of patience to win every time. And so I think that there's-- a lot of people don't have patience, especially in this world today and with machines with flashing lights and things like that. But, yeah, they are generally-- I mean, in a bar, of course, you're 21 and over age, but there are other places that we've heard about now, like laundromats and gas stations, where they are unattended, and it is really important to make sure that younger people who are not old enough to make this sort of decision about risking, even though it's a skill game, risking their money have-- are being able to put their, you know, money, money into these things and, and not have that patience necessary to win every single time. So the regulations are really important and good. I have said all along that I got heartburn about the increase in the tax portion of it because I've been part of the negotiations in the past that helped settled this issue previously. So a little bit of that history lesson. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Just want to lift a, a quick point that I think has been murky in regards to this revenue-raising legislation and how it fits within the overall budgetary package and some discussion about how we address our budgetary gap. And I join the chorus of my friends who are calling for a balanced approach, an approach that is not solely balancing the budget on the backs of the most vulnerable through deep cuts in critical human services and other safety net programs, and worsened through arbitrary caps and cuts to minimum wage, arbitrary caps and cuts to earned sick leave, and significant now proposed tax increases in some instances that are very regressive. And then that, of course, is exacerbated by the host of exorbitant fee increases that we've seen move through the Legislature in this measure and in other measures which are absolutely regressive. So one point that I want to make sure to lift up is that whether it's the tobacco tax and vape tax measures that failed earlier this week or this measure or other measures that might be coming forward, we know that there is going to be a negotiation. We know that parties are going to come together to figure out how to make this work. And we probably haven't had-- we definitely haven't had the last word on those issues in relation to revenue and will be a big part of our budgetary deliberations. And the goal is balance. There has to be some sense of balance. The unsustainable, inequitable tax cuts, the Kansas-style tax cuts that we couldn't learn the lesson from our neighbors to the south. We committed ourselves to a course of eviscerating our revenue base to help the wealthiest Nebraskans and the biggest corporations at the expense of everything else. And then that comes on top of billions of dollars in corporate welfare. That comes on the top of millions of dollars of preferential tax treatment, whether it's through the extraordinary capital gains measure or otherwise. And so if people are sensing a discomfort about the revenue generation components in this legislation that will hit low-income Nebraskans again the hardest, that discomfort is real. Myself and others are absolutely willing to be part of a solution to figure out a negotiated, balanced approach between all of these issues, which are clearly on the table. And let me also just make sure to provide a point of education for members. And I know not everybody's a lawyer, and I know there's a lot of complex issues in terms of what we're trying to do on budget and tax and how that impacts the programs and services in each of those line items. But there has been definitely some misunderstanding and misconception in regards to what's going on with the Perkins County Canal and the attendant litigation. So, colleagues, there's a special provision in the constitution that says litigation between states, amongst states, we have exclusive original jurisdiction at the United States Supreme Court to referee those disputes. So that is what is being triggered. That is what being utilized in regards to the issues related to water rights and the Perkins County Canal that has been filed against Colorado by the state of Nebraska and is pending in the U.S. Supreme Court to assess whether or not there were alleged violations of the 1923 South Platte River Compact and obstruction of the proposed canal, etcetera. Nebraska is, of course, seeking to secure and establish those water rights in, in their desire to build the canal. So to be clear, there is no component in regards to that legislation that says the exact funding amount for Perkins County has to remain stagnant or as is in order to be successful. That's, that's not legally relevant. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. You're next in the queue, Senator Conrad.

CONRAD: Thank you, Mr. President. Perhaps the Attorney General or others interested in the success of that litigation have indicated their preference to have the corpus of that appropriation remain untouched in relation to their case. But they're-- and that's fine, they can have that as part of their litigation strategy. But it, it is not, I believe, legally relevant with what the exact amount of that appropriation might be. And the other thing is, is clear, too. We can meet the goal of accomplishing that project with a different approach. We also can structure the financing to meet the goal of that project with a different approach. And I think it's important to note a couple of things: Governor Pillen himself in regards to that proposal has noted in town hall meetings that were reported by Nebraska news sources that if the funding for that project is gobbled up by litigation cost it would pause-- it would prompt reconsideration of how we approach that issue. Additionally, if you look at the Governor's proposal in regards to this very budgetary cycle you can see that he swept and grabbed the interest on the Perkins County Canal to fill budgetary holes. So when members bring forward thoughtful solutions to addressing tax and budget writ large and we hear a line in the sand that we can't touch the Perkin County-- Perkins County Canal, the Governor already has and you've already supported that in regards to your budget. So I just-- I want to be clear about that. And if we have to fix a big problem, which we are capable of doing through goodwill and hard work, we have put the big chips on the table. We can't just look at working folks to figure it out with restrained wages, with perhaps a ripping away of their sick leave, with an eviscerated safety net, while being saddled with a host of increased fees. And now perhaps being asked to pay more in regards to regressive taxes. All chips have to be on the table. We have to able to have those thoughtful conversations, whether it's a restraint or pause or trigger on the tax cuts, whether it's a reevaluation of corporate welfare programs, whether it is a balanced approach that says the wealthiest Nebraskans, including those who benefit from extraordinary capital gains preferential tax treatment, less than one-tenth of 1% of filers in Nebraska, 800 or 900 filers give or take, get a $40 million a year tax gift. That's a lot of money for filers who on average are primarily residing in Omaha, maybe a little bit in Lincoln, and have-- who are bringing in well over $1 million a year. About 800 or 900 filers are getting a huge tax giveaway in that regard. And it's not just me who has been raising that issue. I believe if you go back and check the legislative record, my friend Senator Briese, a very conservative senator from rural Nebraska who fought tirelessly for property tax relief, had also tried to address that vestige of negotiations from LB775 that provided a sweetheart deal to the richest Nebraskans. LB775 has been renegotiated through LB312. Now there is preferential tax treatment in regards to both individual income and corporate. At the very least, that component has to be on the table, too. Thank you, Mr. President.

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

ANDERSEN: Thank you, Mr. President. I wonder if Senator von Gillern would yield to a question or two?

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

von GILLERN: Yes.

ANDERSEN: Thank you, Senator von Gillern. Hate to keep doing this to you.

von GILLERN: You're all right.

ANDERSEN: I was looking in here, there's at least five different times where it talks about the fees and penalties and all that stuff going to the Department of Revenue to the Enforcement Fund. And looking up, it looks like the Enforcement Fund is currently funded at $1.8 to $2.8

million a year. Are, are the fees and penalties that are articulated in this amendment, is that going to go to reduce the General Fund obligation for the Department of Revenue Enforcement Fund?

von GILLERN: The fees that are in the, in the bill are there to-- well, there's a couple different things. The fees that are in place in the bill are to be applied to tax debts and obviously when they have to pursue people to, to, to collect bad tax, bad tax debt. So there's fees associated for that. The, the other language around the Department of Revenue in the bill is intended to not partition, we had a conversation about this yesterday, to avoid partitioning the funds. Right now, it says if you take in a dollar that's supposed to do X, you have to put it in that X fund and you can only spend it on X. Well, Department of Revenue has multiples of these types of funds, and what, what the bill does is it makes those funds fungible. So if they're, if they're under budget in one line item, but over budget in another, in another category, they can make those funds fungible between those accounts. It does not change-- it does not reduce in any way any of the obligations of the Department of Revenue to enforce any of the things within those funds. All it says is if, if I run out of money to-- well, I'll make it very relevant for today, they have a fund for the mechanical amusement devices, inspection and, and enforcement. If they were to run out money within that fund, then they could no longer enforce it. What this-- the change that this makes in here is if they run out of money in that fund but they're under budget in another fund, they can still enforce what they're supposed to do within that MADD Fund, Mechanical Amusement Device Fund. Does that answer your question?

ANDERSEN: Yeah, I was hoping you were going to tell me that the, the fees and penalties coming out of this bill would actually replace the General Fund obligation, but it sounds like it's actually additive to what the current appropriation is for them.

von GILLERN: It would reduce what they would have to pull out of the General Fund, but-- because right now they're not collecting, they're not collecting on bad debts or-- well, they're collecting bad debts, they're not collecting fees on them. So, obviously, any dollar that they take in, whether it's regards to collecting back taxes that aren't being paid or fees associated with that, obviously reduces their, their reliance on General Fund revenue.

ANDERSEN: OK. So it's, it's not going to increase their budget,--

von GILLERN: No, no, no, no. No.

ANDERSEN: --it's just maintaining the different tasks that they have to accomplish.

von GILLERN: It's, it's, it's intended to be an offset, correct.

ANDERSEN: OK, and I'd like to ask you a question. I've been-- as we talked earlier about the, the whole thing with the, the tax credit issue and all that kind of stuff, it being funded by the-- removing the exemption for the data centers, I understand that that's about $6.5 million that's going out according to Department of Revenue. Don't have any specifics, but that's a discussion for a different day on what visibility we should have into that. I'm very curious your, your perspective and your thoughts on how do we, how do we, how do we measure between the benefits of having data center exemptions for businesses here in Nebraska that are bringing in revenue that have families and schools and houses and all that stuff, as opposed to getting rid of that and stopping that, that incentive and then giving it to nonprofits? How do you trade off the two of those to decide one over the other?

von GILLERN: Really good question and we're using the term data centers way too loosely in this conversation and I've probably been guilty of that also. This was a very specific exemption that was given to a manufacturer that was, that was manufacturing data-- manufacturing components that are being used in data centers. This is not a tax exemption or a tax impact to data centers, it is-- it was a manufacturer that was using this. It was an incentive to bring a manufacturer into the, into the state, I think, when it originally came. In research with the Department of Revenue, they say it's being used. We reached out to the lobbyists, we reached out to the company themselves, said are you using this? Do you care? They said, we're not using it, and we don't care. So no one showed up in opposition. There was no lobbyist showed up, no industry showed up in opposition. The Department of Revenue says that it's being used, so obviously it's a valid budget line item that, that can be debited so that we can credit this other side, but there is no opposition to pulling this out and it does not hurt data centers as an industry.

ANDERSEN: Yeah, that's kind of the logical conversation is if, if they say they're not using it, then why are we giving it to them?

KELLY: That's time, Senators.

ANDERSEN: Yeah, I'll--

KELLY: Thank you, Senators Andersen and von Gillern. Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. I rise in, in favor of AM2406 on the Revenue Committee. I feel like I need to get on the mic again because we're back where we were yesterday and Senators Conrad, Guereca, Machaela Cavanaugh who brought up time and time again that vaping and smoking was a regressive tax. I made what I thought was a very generous offer for any of those senators or anybody come talk to me, row 3, on the aisle, come to my office, coming to the balcony. Give me a tax, any tax, and I will paint as regressive. I made that generous offer and nobody showed up. I'm disappointed. I'll make the offer again. Come tell me a tax that I can't paint as regressive. So putting two and two together, we should apparently, based on those senators' testimony, we should abolish all taxes. As crazy as that sounds, that's what this circular argument has become. I would implore you to stop wasting our time and get on with something that is meaningful or at least come talk to me so I can educate you on what you're saying. It's nonsense. Thank you.

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

ANDERSEN: Would Senator von Gillern yield to a question?

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

von GILLERN: Sure, still here.

ANDERSEN: Well, thank you for your patience. So back on the same, the same conversation. How do you do a trade-off of saying $6.5 million is being used for economic development by unnamed companies, because it's not releasable to us? But, presumably, they're putting it to good use, and they have families and houses and schools and everything that they're paying with the economic impact to the state. And then trade that off with saying we're going to get rid of that, and are we going to de-incentivize businesses here within the state? And they say, well, we get better incentives from, I don't pick a state, and they decide to leave. And we've taken that money that was being productively used for economic development and now we're giving it to nonprofits where it would appear as if there's not going to be any traceability to what the end utility of that money is if they use the exchange and all those kinds of things. And that's a struggle I have is, one, I, I don't know who's getting the incentives to be able to say, and what the return on the investment of $6.5 million is. If it's $30 million back, fantastic. If there's $1 million back, probably not a very good investment. So from, from your perspective as the Chairman, how do, how do you make that trade-off and make the determination to say we should stop the tax incentives for the businesses and we should give the money to the nonprofits?

von GILLERN: Well, you obviously know where I stand on incentives and you know where I stand on-- and anybody that hangs around with me gets tired of hearing the term return on investment. And I, I absolutely believe if there was a multiple of return of investment on that $6 million I'd be the first one to stand in the way of doing what we're doing. We made a public statement saying we're going to remove this, this incentive. We actively pursued the industry and said we're going to remove this incentive. We actively pursued the lobbyists, said we're going to remove this incentive. We actively pursued the company that we knew had used it at one time. No one came in in opposition. You're defending some unknown industry or you're asking a good question, but you're potentially defending someone who had apparently no interest in defending this tax credit. And, and I would, I would potentially posit to say that maybe they felt that the return on investment in the domestic violence shelter provisions that this provides far exceeded the value of their business investment. I don't know, let me dream for a minute that that was the thought that went through their head is we'd rather see this money go there and with the, the level of understanding that I believe we all have around what data centers are earning and what these data companies are earning, I would say that's good corporate citizenship. So I don't want to step in and, and presume what they-- the, the logic behind them not coming forward to, to protect this, this incentive or this, this investment. I, I, I don't know, you're-- that-- I believe that's where you're going and if you choose to, that's obviously up to you. I don't want to step in and say this is why they did or why they didn't and we gave every opportunity and we actively pursued it. There was nothing under the radar about this at all.

ANDERSEN: OK, thanks. I have one last question and a comment, and I think I'll be done. Is there any traceability, visibility on behalf of the state government for the tax-- refundable tax credits that go to the nonprofit? If they put it on the, on the market and they get cash back, do we have any visibility on the cash that comes back and what they use that money for? Because ultimately when you trace it and you follow the bouncing ball, it goes back to tax dollars. Do we have any visibility on where that ends up?

von GILLERN: Not that I'm aware of.

ANDERSEN: OK. Thank you. The comment I would have is I greatly appreciate in this bill all the different places I saw where you have fees and penalties on stuff that increase at the rate of inflation. I think it's fantastic. I think that's where we need to go with everything so we don't have to have the debate on fees and adjustments and all this stuff. So thank you, Senator von Gillern. Thank you, Mr. President.

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

FREDRICKSON: Thank you, Mr. President. I will yield my time to Senator Conrad.

KELLY: Senator Conrad, 4 minutes, 57 seconds.

CONRAD: Thank you, Mr. President. Still, good morning, colleagues. We'll be moving over the noon hour shortly. And I, I just wanted to make sure to acknowledge that each of us who was specifically named in need of reeducation by my friend Senator Sorrentino heard his offer and we are not in need of his services in this regard. We are fully capable of utilizing our own intellect and research abilities to assess policy in front of us. When it comes to assessing how Nebraska's overall revenue structure is put together and what aspects thereof are considered regressive or progressive, there is a host of research available. Now, if Senator Sorrentino wants to stand in opposition to hardly progressive voices from the Reason Foundation, the Tax Foundation, the Cato Institute, Grover Norquist Group, the Platte Institute, all of which note unequivocally in addition to the same kind of think tanks in the center and on the left that sales taxes and excise taxes and, particularly, cigarette taxes are regressive. He is entitled to his own opinion that stands alone in contrast to the experts of-- the panoply of experts and authorities on this issue. And we each are fully capable of doing our own research to assess what components of what tax proposals are progressive or regressive. The fact that anybody has not had a chance to take him up on his offer is not an accident. We are not in need of his rhetoric or spin. We can do our own research. We will not be head padded or mansplained to by any member. Additionally, the point is clear. When you look at where Nebraska is today, where-- comparison to where it has been through most of our modern history, Nebraska's tax system has become more regressive in recent years. The recent income and corporate tax cuts shifted the burden more heavily onto low-income working Nebraskans, middle-income working Nebrassians, and seniors on a fixed income. Because of the dramatic shift to the income taxes, which were a more progressive approach prior to the cuts, it has also increased pressure on sales and property taxes, which are more regressive. And because of these cuts, Nebraska has shifted to what previously we were at about the middle of the pack, about 30th as compared to our sister states in terms of progressivity, regressivity, ranking. Post-tax cuts, we've moved up 10 spots in increased regressivity. In recent years, Senator Sorrentino, the research shows we've moved up 10 spots in terms of regressivity. So I'd encourage you to add that to your files for your research. Thank you, Mr. President.

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

STORER: Thank you, Mr. President. I am probably going to be asking some repetitive questions, and I apologize for that, because I've been in and out of the room. But if Senator von Gillern would yield to a question?

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

von GILLERN: Yes.

STORER: I feel like this is like a game show or something. There's a--

von GILLERN: Not really.

STORER: I was just trying to get a little bit more clarification and I had visited with Senator Bostar a few weeks back and, and trying to wrap my head around the tax credits for certainly a very good cause here with domestic violence and sexual assault. But when I read about the-- just for clarification, the credit recipient may sell all or a portion to a taxpayer, is there any-- it does not necessarily indicate that that has to be a Nebraska taxpayer. Is that correct?

von GILLERN: Well, yes, we've covered this ad nauseam this morning.

STORER: OK.

von GILLERN: But I'll give you a brief overview. There's a marketplace where tax credits may be bought and sold. It's a government regulated, SEC regulated marketplace. It's very commonly used. My familiarity with it is more in the affordable housing market. It's very common in affordable housing that Low-Income Housing Tax Credits are granted to a developer who would put them in a marketplace and then sell them at a discounted rate to, to a third party. There's brokerages that do this. It's, it's a very common, common thing. As I shared with Senator Andersen several times, the, the nonprofit would have the choice of either doing that. That is one choice. If I was on the board of the nonprofit, that's not the choice I would utilize. The choice that I would utilize is filing a tax return even though you don't have taxable income, because it's a refundable tax credit. So even though you don't have taxable income you can still file a tax return and get a refundable credit. Just like folks of modest means earn the Earned Income Tax Credit that have-- families that have children qualify for the Earned Income Tax Credit. You can have no taxable income, but you can still file a tax credit and get 100% of that refundable credit back. That would be the route that most nonprofits would utilize. I don't know why they would possibly use the marketplace to sell a credit at a discounted rate when all they have to do is file for the refundable credit and get in 100%. Does that make sense?

STORER: It does. And, and just clarifies a little bit that if they do choose to sell it, there's not necessarily any guarantee that goes to a Nebraska business or Nebraska taxpayer.

von GILLERN: It's a national, national marketplace. Yeah.

STORER: OK.

von GILLERN: Yeah.

STORER: Thank you.

von GILLERN: Mm-hmm.

STORER: And then I don't know if this is so much a question, I'll just maybe make the statement, but if there's any-- I know there had been a lot of discussion on this, I think, it's probably already been talked about, but a lot of discussion earlier in the day, concern about Section-- repealing Section 77-2704.46. And I just wanted to mainly say this on the mic for the record and any of my constituents or who may hear of any concern, but that-- that's further refined on page 24 of this amendment to specifically only be removing the exemption for game birds and not touching any other part of ag exemptions, correct?

von GILLERN: Correct, thank you for that clarity, yes. Also, the other ag related item was the mineral dust suppressant. And I don't remember what page, it's on page 27, I believe.

STORER: Right, and that's an outright repeal, I believe.

von GILLERN: It might be, I'm not finding it at the moment, but correct.

STORER: Yeah.

von GILLERN: Yes.

STORER: But just--

von GILLERN: Thank you for clarifying the difference between the--

STORER: --but there was discussion--

von GILLERN: --partial repeal and the outright repeal.

STORER: Right. I know there was a lot of, a lot of discussion, a little bit of excitement here first thing this morning with trying to wrap our head around what was-- 77-2704.46 was actually doing, but, yes, to clarify the reference of the specific exemption that's being removed, which is on page 24, Section 17 of the bill or amendment only taking out the exemption for game birds subject to permit, regulation by Game and Parks Commission. So not touching any other ag exemptions in that section.

von GILLERN: Correct.

STORER: Thank you.

von GILLERN: Thank you.

KELLY: Thank you, Senator Storer and von Gillern. Seeing no one else in the queue, Senator von Gillern, you're recognized to close on the amendment.

von GILLERN: Thank you, Mr. President. We took the long way around on this one, but that's OK. There's a lot of information that was shared. I think there's more information to come. There's a few other modifications that have been talked about on the floor, and that may come between General and Select. I see that there are, are numerous kill motions filed on Select, which is very disappointing. The, the committee statement came out days ago. The information has all been there, the, the number-- you know, the folks that are interested in apparently slow playing or killing the bill have not approached me with, with other thoughts on how to make it better. I think the fact that it generates revenue for some reason is, is uncomfortable, I'm not exactly sure why. I think we-- I'd like to draw us back to what the bill actually does, which, which we have again talked about ad nauseam so I'm going to review it all right now. So I would ask that everyone return to the floor so we do not have to call the house, and I would ask for your green vote on AM2406. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Senators, the question is the adoption of AM2406. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: AM2406 is adopted. Mr. Clerk.

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

KELLY: Senator von Gillern, you're recognized to close on the bill. And waive. Members, the question is the advancement of LB901 to E&R Initial. All those in favor vote aye; all those opposed vote nay.

ARCH: Mr. Clerk, please record.

CLERK: 33 ayes, 1 nay on advancement of the bill, Mr. President.

ARCH: LB901 does advance. Mr. Clerk, for items.

CLERK: Thank you, Mr President. Amendments to be printed from Senator Hallstrom to LB901, Senator DeBoer to LB1100, Senator, excuse me, Senator DeBoer, amendments to be printed to LB1100. That's all I have at this time.

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

CLERK: Mr. President, Select File, LB429. First of all, there are E&R amendments, Senator.

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that the E&R amendments to ER-- or sorry, to LB429 be adopted.

ARCH: Colleagues, you've heard the motion. All those in favor say aye. Opposed, nay. They do advance.

CLERK: Mr. President, Senator Guereca would move to bracket the bill until April 17, 2026 with MO400.

GUERECA: I'd like to withdraw that motion.

ARCH: Without objection, so ordered.

CLERK: Senator Guereca, I also have MO401, MO402, both with notes that you would withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator John Cavanaugh, would move to amend with AM2100.

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

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. 12:01. So AM2100 is a compromise amendment that, in my understanding, is agreed to, negotiated. It makes a couple of changes to the bill. It is a white copy amendment. It-- essentially, one of the concerns about this bill is that entities could come once we open up that entities can come in that do not have an established relationship with schools and school districts. It opens it up to all kinds of entities that would have unlimited access to school communications-- communicating with school employees and teachers, the, the, the emails and mailboxes and things like that. So this essentially clarifies that there has to be some existing relationship before some-- an organization can get in and start to sell insurance into the, the members, employees of the school district. So pretty simple, small change, but it is substantial and significant in that way that it protects folks who work in our public schools from being bombarded and inundated with solicitations. We did a couple bills this week, yesterday, I think, about spam and things like that. And this is more of a-- there's a potential without this amendment that there would be that sort of analog sort of spam and maybe even the regular form of email spam. So I would encourage your green vote on AM2100. Thank you, Mr. President.

ARCH: Turning to the queue, Senator Murman, you're recognized to speak.

MURMAN: Thank you, Mr. Speaker. I've been having some negotiations and AM2100 is a compromise. My ultimate goal is still to ensure teachers have as much information about liability insurance in front of them as possible and I believe that this amendment will get closer to that goal. I will be a green vote on AM2100 and the underlying bill, LB429. Thank you.

ARCH: Seeing no one left in the queue, Senator John Cavanaugh, you're recognized to close.

J. CAVANAUGH: Thank you, Mr. President. I, I was remiss in not thanking Chairman Murman for his work on negotiating on this. Obviously, it's tough to negotiate, and I appreciate his willingness to compromise and support this amendment, and so I encourage your green vote on AM2100 and 40-- and LB429. Thank you, Mr. President.

ARCH: Members, the question before the body is the adoption of AM2100. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB429 be advanced to E&R for engrossing.

ARCH: Members, you've heard the motion. All those in favor say aye. Opposed, nay. It does advance. Mr. Clerk, next item.

CLERK: Mr. President, Select File, LB824. First of all, Senator, there are E&R amendments.

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that the E&R amendments to LB822 [SIC] be adopted.

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

CLERK: Mr. President, Senator Kauth, I have FA453 with a note you'd withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator Ballard, would move to amend with AM2230.

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

BALLARD: Thank you, Mr. President. AM2230 is a technical amendment that addresses an issue that was brought to my attention by the Revisor of Statute's office. The underlying bill in LB824 changes the required period of bona fide separation of service under the School Employees Retirement Act and Class V School Employees Retirement Act from the current 180-day period with the limited exception for substitutes or volunteer service of a 120-day period with no exceptions. AM2230 repeals references and the provision allowing substitutes to volunteer service in which they were inadvertently missed in the initial draft. I ask for your green vote on AM2230. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Ballard, you're recognized to close, and Senator Ballard waives close. The question before the body is the adoption of AM2230. All those in favor vote aye; opposed, vote nay. Mr. Clerk, please record.

CLERK: 31 ayes, 0 nays on adoption of the amendment, Mr. President.

ARCH: The amendment is adopted. Mr. Clerk, next item.

CLERK: Senator, I have nothing further.

ARCH: Oh, excuse me, excuse me, Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB824 be advanced to E&R for engrossing.

ARCH: Members, you've heard the motion. All those in favor say aye. Opposed, nay. It does advance. Mr. Clerk.

CLERK: Mr. President, Select File, LB816. There are no E&R amendments. Senator Kauth, I have FA445 with a note you'd withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator Storer would move to amend with AM2323.

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

STORER: Thank you. Thank you, Mr. President and members of the Legislature. AM2323 is a very simple amendment that incorporates provisions of LB1084 into LB816. So, as you know, LB816 establishes statutory protections for public safety personnel, including law enforcement officers, Corrections officers, firefighters, emergency medical providers, and hospital personnel, particularly in the context of high stress and emergency response situations. AM2323 adds to the bill a narrow corrective measure from LB1084 that addresses placement procedures under the Nebraska Mental Health Commitment Act for individuals taken into emergency protective custody. The amendment does not create any new policy, it does not expand any program, it does not alter standards for emergency protective custody, instead it simply corrects a drafting error that occurred during harmonizing amendments last session. Specifically, current language in statute 71-919 contains an internal inconsistency regarding placement of persons taken into emergency protective custody depending on whether the individual is a convicted sex offender. As it presently reads, two subsections apply to the same category of individuals which was clearly not the intent of the Legislature. So the amendment removes the erroneous word that created the conflict and restores the statute to its long-standing structure. Individuals not convicted of sex offenses are, are admitted to appropriate and available medical facilities subject to limited pilot program provisions. Individuals who are convicted sex offenders are admitted to jail or to a Department of Correctional Services facility unless a medical emergency requires hospital treatment. So AM2323 is technical, corrective, and limited in scope, and simply restores internal statutory consistency and aligns cross-references in the Sex Offender Commitment Act with the correct subsection. I ask for your support and a green vote on AM2323 to LB816. Thank you, Mr. President.

ARCH: Senator Conrad, for what purpose do you rise?

CONRAD: Thank you, Mr. President. I'd like to raise a point of order as to germaneness under Rule 7, Section 3(d).

ARCH: Senator Conrad, Senator Storer, would you please approach? Mr. Clerk, for a motion.

CLERK: Mr. President, Senator Storer would move to suspend Rule 7, Section 3(d), for allowing a-- the, the germaneness rule. Excuse me.

ARCH: Senator Storer, you're recognized to open on your motion.

STORER: Thank you, Mr. President. I rise again to support AM2323 and explain why I have made the motion to suspend germaneness rules and why we believe germaneness, LB-- the amendment is germane to LB816 under Legislature's rules. Simply put, LB816 and LB1084, the substance of 2020-- AM2023-- AM2323, excuse me, addresses two parts of the same emergency response continuum for public safety personnel. LB816 focuses on what happens after a critical incident. It promotes peer support programs for first responders coping with trauma. And LB1084, on the other hand, is about what happens during a critical incident, specifically those critical incidents and emergencies involving emergency protective custody procedures to support those same officers and deputies in the heat of the moment. So, right now, when law enforcement encounters a personnel-- a person in mental health crisis, they often face huge challenges in rural areas. If the local hospital is full, officers may have to drive the person hundreds of miles to find an open bed. In a small town with six officers, sending one person to Lincoln or Kearney for help takes a third of the police force out of the community, which is a tremendous strain on those officers and their communities. LB1084 offers a solution, a pilot program, that establishes temporary mental health beds to hold the person temporarily until proper treatment is available. So this keeps the individual safe, close to home, keeps our officers close to their communities, and means deputies aren't exhausted from all-night cross-state drives and can go back on duty faster. This reduces the acute stress and trauma they experience during these crises. Colleagues, this, this is a direct tie into the mission of LB816. We acknowledge that with LB816, that public safety personnel routinely experience traumatic stress, need support to mitigate long-term negative effects. But wouldn't it be even better if we lessen the trauma in the first place? So that's what LB1084 helps to do. By improving emergency custody procedures on the, on the front end, we can prevent at least some of the very stress that officers to need peer support later. So when officers have clear, safe options for handling crisis situations, LB1084, which is cleaning up that original legislative language aims to do, they're less likely to endure additional trauma from the incident. Fewer all-night transports, less uncertainty mean healthier, more focused officers. So this complements the after incident peer support in LB816 by strengthening the overall system of care for our first responders. Under Rule 7, 3(d), and Mason's Manual Rule 402, an amendment must be relevant and in natural and logical sequence to the bill's subject. AM2323 meets that test. The subject of LB816 is supporting the mental well-being of our public safety officers after experiencing emergency incidents, and LB1084 naturally extends the same subject by addressing the emergency response protocols that affect these officers' well- being in the field. I urge you to find AM-- I urge you to, to vote green and support the motion to suspend germaneness-- the germaneness rule, and then we will proceed with the vote on AM2323. Thank you for your green vote.

ARCH: This is a debatable motion. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. I stand in support of the, the motion to suspend the germaneness rule. So I'm going to sidetrack a little bit. I wanted to-- I have been remiss. Normally, I've been handing out educational handouts every morning, and I just wanted to address the one that I handed out to you this morning. It talks about state taxes have a minimal impact on people's interstate moves. And so this is more in my efforts to educate everyone on what state income taxes do or do not do in prompting people to leave a state. And so I'm just going to hit the highlights because it's-- the packet is pretty thick that I handed out to my colleagues and I'm sure they'll enjoy reading it over the weekend. In this report that was done by the Center on Budget and Policy Priorities, it, it goes into what makes people move and why and do they? So it's talking about policymakers in states like California, Connecticut, Illinois, Massachusetts, Minnesota, and New York should ignore warnings by anti-government advocates that state taxes are causing massive tax flight. Conversely, lawmakers in states like Iowa, Mississippi, Nebraska, and West Virginia that have recently cut their income taxes should harbor no illusions that such a move will stem, let alone reverse, their state's long-standing net out-migration trends. To the contrary, if deep tax cuts result in substantial deterioration in education, public safety, parks, roads, and other critical services and infrastructure, these states will render themselves less, not more desirable places to live and raise a family. To be sure, some individuals may relocate because they think their taxes are too high or consider tax levels in deciding where to move. Nonetheless, the evidence shows that those cases are sufficiently rare that they should not drive state tax policy. The other highlight that I wanted to single out, it talks about state income tax cuts for high-income people haven't meaningfully boosted in migration. In recent decades, Kansas, New Mexico, and Ohio deeply cut income taxes on high-income people with the aim of boosting economic growth. None of these experiments were successful overall, and none reached-- resulted in meaningful drops in their net out-migration rates, let alone generated in-migration. State income tax increases on wealthy people have not led substantial numbers of them to move to lower tax states, certainly not enough to erode more than a small fraction of the revenue the state-- that the tax increases generate. And throughout the report they gave you plenty of documented cases like people are saying, oh, people are leaving California in droves. It's just so high-end. Well, people are leaving California and people are leaving the state of Texas. You would think, oh, people going to Texas because they have more affordable housing and great jobs. Well, the result is if you look at both of those states, guess which one has had their growth rate increase as well as a lot of economic benefits come, come to them and to the people in that state? It's California, hands down. And so that's why it's a good idea to look at what other states are doing, what are their best practices. And, most importantly, the last thing I want to leave you, and I sort of said it earlier, state policymakers should reject calls to cut taxes in the name of attracting more people to their states, and instead prioritize raising sufficient revenue to preserve and enhance investments in education, health care, roads, parks, and other critical services and infrastructure that makes their states places where people want to live and businesses want to locate. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I want to thank the Speaker and the Clerk and my good friend Senator Storer for their thoughtful approach to the procedural issues related to this measure. To be clear, I have no quarrel with the underlying bill or the amendment from a substantive perspective. In fact, I think they are sound policy and appreciate why Senator Storer is bringing those forward. I want to just acknowledge the fact that we have very limited time available in our short legislative session so many members are looking to find vehicles to help move otherwise noncontroversial or widely supported legislation forward, as is the case here. But, again, even with those laudable policy goals, we have to ensure compliance within our rules that we've all agreed to. I think that in our discussions in regards to the procedural issue, the issues and questions I've raised in regards to germaneness, I believe that they're strong and legitimate. But rather than trying to push this measure off the agenda or to seek another vehicle at this late stage of our session, I'm in full agreement with the leadership and with my friend Senator Storer that the most appropriate way to handle this is to ask the body to suspend the germaneness rule, because I think there's a, a pretty clear-cut case that this, this measure is not germane. I understand Senator Storer's reasoning, looking at kind of an umbrella approach or a mission approach or a public safety kind of policy objective and a continuum of care policy objective. She's done a good job outlining her thinking in that regard, but our rules require that there has to be a natural and logical sequence relating to subject matter and it's not just enough to say it's public safety, it's not just enough to say it came out of the juris-- they-- both measures emanated from the jurisdictional committee. It has to be more logical and more precise, typically opening up a similar aspect of, of the statute. One component of this legislation relates to some technical issues in regards to where sex offenders are housed in civil commitment actions. The other is a new area in regards to how we want to structure peer support programs for first, first responders, which are good. So even though they're within the same jurisdictional committee or have a similar public safety or continuum of care kind of connection, that I do not believe is legally relevant for purposes of assessing germaneness, which requires a natural and logical sequence relating to the subject matters at hand. That being said, there seems to be some consensus this measure probably would not be germane, but I agree with leadership and Senator Storer, the cleanest, best way to deal with this and remove any ambiguity is to ask for the body to suspend the germaneness rule. So I support her in her motion and am grateful-- and I'm grateful for her leadership. Thank you, Mr. President.

ARCH: Senator Kauth would like to recognize some special guests, they are 69 fourth grade students from Ackerman Elementary in Omaha, and they are seated in the north balcony. Students, if you would rise and be welcomed by your Nebraska Legislature. Returning to the queue, Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I appreciate Senator Conrad and Senator Storer's leadership on the issue of germaneness within this body. This is a-- an issue that we need to watch in terms of the rules of our body. And there is a precedent to suspend the germaneness rules in situations like this one, where the nexus between the original bill and the amended bill are not as close as we would need for our germaneness. So in this kind of situation where there is a, a question about germaneness, has been the tradition of this body for these uncontroversial measures to suspend the germaneness rule in these close cases or even in not close cases so that the amendment can go on. There is a reason why the requirement here is then 33 votes. It's a raised number of votes just so we can make sure that we are in general complying with our germaneness rule and I appreciate Senator Conrad for being vigilant about germaneness so that our rules are followed and I would support Senator Storer's motion to suspend the germaneness rule and her amendment. This came out of committee 8-0. It is a good bill, as is the underlying bill, so I would ask, colleagues, for your support for Senator Storer's MO498, the amendment, and the underlying bill. Thank you, Mr. President.

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

JACOBSON: Thank you, Mr. President. I've sat here all morning and I've listened to a lot of the tax debate and I, I guess I have to respond to Senator Raybould's comments because I disagree with them pretty strongly. Taxes do matter. Ask anyone on their property tax today whether it matters that their property taxes continue to climb and that they're one of the highest in, in the region, if not the country. I would also tell you that when it comes to income tax it does make a difference. I don't care what think tank comes up with something and says well people aren't moving out because of this. Let's understand that migration runs two ways. We want in-migration. Why would someone select Nebraska to start a business, to move a company here and bring employees here or try to hire employees here if we have the highest property taxes, the highest state income taxes in the region? Why would they do that? That's what we're faced with. The reason that we reduced the income taxes when we did is because we were the highest and continue to be the highest in all the states around us. We don't have mountains. We don't have oceans. We don't have sandy beaches unless you go to a lake. We do have a work ethic here. We do have the Nebraska Sandhills, I might add. We have a lot of reasons that people want to be here in Nebraska. But for somebody who's not here today, they are going to continue-- consider our tax rates, all of our tax rates, when they make a decision. And, most importantly, those who are wanting to either relocate their business or start a new business, we've got to be attractive, and this does make a difference. I can, I can point down the street to a neighbor of mine who ended up with a fairly large inheritance and decided to establish residency in

Florida. It was a pretty easy decision. At the time, our state income tax, high-end tax, was, was around 7%. And you can move to Florida where it's zero, and you start taking the amount of the dollars we're talking about, you can buy a very, very nice home in Florida for what you would have paid in taxes here. I will tell you that we always have this idea we're going to go tax the rich. They're not paying enough. We need to tax them more. Well, they didn't get rich by being stupid, OK? They understand what tax rate impacts have. They understand that part. I'm telling you, we need to have people here in this state that do make money that are philanthropic who do pay taxes that support all of the social programs that our state provides. It doesn't happen in a vacuum. We seem to talk so much about regressive taxes, but we don't think about all of the things that we provide on the supply side, all of the freebies that we're handing out that are being funded by people who are paying taxes. We have to be competitive. So I push back pretty strongly on the idea that taxes don't matter. They clearly do. And let's don't ever forget that. Thank you, Mr. President.

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

HUNT: Thank you, Mr. President. Colleagues, I just rise very briefly to, to rise against the motion to suspend the germaneness rule. I think that for us to suspend a rule, there needs to be a very serious and grave reason, especially at this point in debate, not to do a favor for a friend, not to find a way out of sloppy procedural decisions. I, I certainly don't support this motion, and I don't support the path that we seem to be going down of trying to find the easy way out of just, just messy lawmaking, honestly. The, the amendment is not appropriate. If Senator Storer doesn't want to withdraw it, or if the Chair doesn't want to rule it not germane, then we debate it like we always do. But, you know, the solution to suspend the rule so then suddenly it's germane is so sloppy and embarrassing. And someone had to stand up and say that. Thank you, Mr. President.

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

DOVER: Yeah, I just want to rise briefly in, in agreement with Senator Jacobson. Anyone that says that taxes don't matter, trust me as a small business owner of four small, four small businesses in a small town, every decision my business makes is based on tax ramifications. Thank you.

ARCH: Seeing no one in the queue, Senator Storer, you're recognized to close on your motion.

STORER: Thank you, Mr. President. Again, I appreciate the discussion. And I would just ask for your green vote on MO498 and AM2323. Thank you.

ARCH: Colleagues, this motion to be successful will require 30 positive votes. All in favor vote aye; all opposed vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 2 nays on the adoption of the rule suspension, Mr. President.

ARCH: The motion is adopted. Senator Storer, you have, you have previously been recognized to open on your amendment. Seeing no one in the queue, you are now recognized to close on your amendment. Senator Storer waives close. The question before the body-- pursuant to Rule 3, Section 20(c), any amendment other than a committee amendment offered within 10 days after the public hearing that is substantially the same as a pending bill shall require a three-fifths vote of the elected members. AM2323 will require 30 votes to adopt. All of those in favor vote aye; all of 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.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB816 be advanced to E&R for engrossing.

ARCH: Members, you've heard the motion. All those in favor say aye. Opposed, nay. It does advance. Mr. Clerk, next item.

CLERK: Mr. President, Select File, LB979. There are no E&R amendments. Senator Kauth, I have FA635 with a note you'd withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator Brandt would move to amend with AM2147.

ARCH: Senator Brandt, you're recognized to open.

BRANDT: Thank you, Mr. President. Today I'm introducing AM2147 at the request of the Nebraska Game and Parks Commission in response to an issue they ran into when they opened their permits for nonresident turkey hunters. On the first day, all 10,000 permits sold out in less than 2 hours. For this reason, Game and Parks is determined that they may need to move to a draw system beginning next year. This amendment would allow them to do that. This amendment does three things: First, it provides a statutory authority for Game and Parks to charge an application fee for turkey permits issued through a draw. At this time, this would apply only to nonresidents as resident turkey permits will remain unlimited. The application fee will be no more than $9. Second, it increases the fee caps for resident and nonresident turkey permits. Resident permits would go from $31 to $40, nonresident would go from $164 to $214. Third, if a draw is implemented, it allows nonresidents to purchase preference points, consistent with what we already allow for deer and antelope so applicants can improve their odds in future years. The preference points would be no more than $24 for residents and $72 for nonresidents. With that, I would ask for your green vote on AM2147. Thank you.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Brandt waives close. The question before the body is the adoption of AM2147. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 33 [SIC--34] ayes, 0 nays, and adoption of the amendment, Mr. President.

ARCH: The amendment is adopted.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB979 be advanced to E&R for engrossing.

ARCH: Members, you've heard the motion. All those in favor say aye.

CLERK: I'm sorry, hold on, hold on. Strommen's got an amendment.

ARCH: Mr. Clerk, for an amendment.

CLERK: Mr. President, I apologize. Senator Strommen, I have AM2331.

STROMMEN: Thank you, Mr. President. Thank you. Good morning, colleagues. What we're doing here is we're incorporating language presented in LB1232, a bill I introduced this session on behalf of constituency regarding livestock depredation, battles they face up in their areas. It would amend current game law to authorize the issuance of resident-limited landowner mountain lion permits and designated mountain lion management zones based on certain stipulations and criteria. Additionally, the number of these permits issued is a single management unit shall not exceed 75% of the total regular mountain lion permits issued for that specific management unit. Mountain lions are apex predators capable of attacking livestock, pets, and, in rare cases, humans. Livestock losses caused by mountain lions can create serious financial strain for ranchers and farmers, unlike large corporation operations many Nebraska producers operate on narrow profit margins, meaning the loss of even a few animals can significantly affect annual income, future income, and economic livelihood. In addition to direct losses, ranchers often faced increased costs related to monitoring herds, installing protective fencing, managing stress-related health issues among animals, regulated hunting permits can help control mountain lion populations in high risk areas, reducing predation and helping preserve the stability of local agriculture operations. AM2331 serves as an important step towards protecting the state's livestock industry, supporting rural economies, and maintaining responsible wildlife management, recognizes the importance of both conservation and agriculture, ensuring that Nebraska's natural resources and agricultural heritage can continue to thrive together. I appreciate those who testified in favor of the legislation and committee, and I would appreciate your green vote on AM2331. Thank you.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Strommen waives close. Colleagues, the question before the body is the adoption of AM2331. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Thank you, Mr. President. I move that LB979 be advanced to E&R for engrossing.

ARCH: Members, you've heard the motion. All those in favor say aye. Opposed, nay. It does advance. Mr. Clerk, next item.

CLERK: Mr. President, Select File, LB954. There are no E&R amendments. Senator Kauth, I have FA610 with a note you'd withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator von Gillern would move to amend with AM2209.

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

von GILLERN: Thank you, Mr. President. I'll make this very brief. AM2209, instead of reading a long opening, the, the language in the original bill actually was not reflective of, of what I completely described in my opening last time. The-- what, what I said was that the sale of a business would continue to qualify for incentives-- excuse me-- under advantage program, even though that the company had sold. The situation actually is with regards to a company that did an internal spinoff, so there was not technically a sale of the business, so what this does is it preserves those incentives for a company that employed, went from 2,000 to 3,000 employees and invested hundreds of millions of dollars in the state of Nebraska, and it preserves a credit that, that was granted to them under the advantage program. So the, the language is very technical, it clarifies that an internal spinoff still qualifies rather than a sale of the business. So with that, I request your green vote on AM2209. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're recognized to close. Senator von Gillern waives close. Colleagues, the question before the body is the adoption of AM2209. All those in favor vote aye; opposed, vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB954 be advanced to E&R for engrossing.

ARCH: Members, you've heard the motion. All those in favor say aye. Opposed, nay. It does advance. Mr. Clerk, next item.

CLERK: Mr. President, Select File, LB834. Senator Kauth, I have FA474 with a note you'd withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator Strommen would move to offer AM2252.

ARCH: Senator Strommen, you're recognized to open on your motion. Oh, excuse me, amendment.

STROMMEN: Thank you, Mr. President. I would like to thank Senator Kauth for allowing me to file this amendment to her bill, LB834, and I would like to thank members of the Judiciary Committee for advancing LB1230 out of committee with no opposition. AM2252 clarifies the specific inclusion of mobile homes in the currently existing Disposition of Personal Property Landlord and Tenant Act. It also amends existing statutes to allow the use of the Disposition of Personal Property, Personal Property Act to authorize the Department of Motor Vehicles and the County Treasurer once the procedures have been completed consistent with the Disposition of Personal Property Act to issue certificates of title to the abandoned mobile homes in the expectation that this will be an efficient means to facilitate dealing with removal of abandoned mobile homes which create eyesores, safety concerns for mobile home communities throughout the state of Nebraska. Under the existing Disposition of Personal Property Landlord and Tenant Act, there is a procedure for landlords to give notice to tenants who have abandoned personal property, provide them with the opportunity to reclaim the property, and if they fail to do so, allow the landlord to sell the property at a public sale, or if the value of the property is less than $2,000 to make any disposition of personal property which the landlord believes is appropriate, with the expectation in this situation that the abandoned homes will be removed from the community in Nebraska. Mobile homes and manufactured homes are deemed to be personal property, but they have certificates of title in order for the landlord to take control over an abandoned home and either remove the eyesore and safety hazard from the park or alternative, rehabilitate the home and put it back into use. It is appropriate for the landlord to get the certificate of title into the name of the community. Although there is a procedure presently available under the lien statutes, it requires that the property remain on site for 90 days and then there is a procedure to give notice to sell the property at a public sale. Such a procedure is cumbersome and not well-suited for the abandoned home situation. LB1230 is designed to provide a means consistent with existing Nebraska statutes with regard to the disposition of abandoned personal property of tenants to bring about a relatively quick resolution of the matter so that the landlords can efficiently address the abandoned homes located in their parks. Thank you, and I would ask for your support for AM2252 to LB834.

ARCH: Seeing no one in the queue, Senator Strommen, you're recognized to close. Senator Strommen waives close. The question before the body is the adoption of AM2252. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB834 be advanced to E&R for engrossing.

ARCH: Members, you've heard the motion. All those in favor say aye. Opposed, nay. It does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB768, introduced by Senator Dover. It's a bill for an act relating to grants and other financial assistance; it provides powers and duties for the Nebraska Investment Finance Authority; changes and eliminates provisions of the Nebraska Affordable Housing Act; changes provisions relating to new state buildings and buildings constructed with state funds; authorizes certain contracts under the Nebraska Affordable Housing Act, the Rural Workforce Housing Investment Act, and the Middle Income Workforce Housing Investment Act; eliminates a housing advisory committee; harmonizes provisions; repeals the original section; outright repeals Section 58-704 and Section 58-712. The bill was read for the first time and referred to the Banking Committee, that committee placed the bill on General File with committee amendments.

ARCH: Senator Dover, you're recognized to open on the bill.

DOVER: Thank you, Mr. Speaker. LB768, as amended into LB1246, is about making sure Nebraska has the right structure and accountability in place to meet our growing housing demand, particularly for low- and middle-income families. Across our state, housing shortages are affecting workforce growth, community stability, and economic opportunity. Employers are struggling to recruit because attainable housing is limited. Young families are competing in tight markets. Seniors on fixed incomes are facing rising costs. The need is real and it spans every region in Nebraska. It's imperative that we, as the Legislature, do what we can to responsibly accelerate housing development while remaining fiscally conservative and careful with taxpayer dollars. LB768 improves administrative structure by consolidating efforts and streamlining procedures. The bill authorizes the Department of Economic Development to contract with NIFA, the entity already responsible for administering federal housing tax credits, bond financing, and homebuyer programs to oversee key housing functions. This allows the Department of Economic Development to focus more fully on its core mission of economic development while housing finance and compliance responsibilities are administered by the entity specifically structured to manage them. Because housing finance is capital-intensive and compliance-driven, this alignment ensures our housing dollars are managed efficiently and with the appropriate expertise. The companion bill, LB1246, strengthens oversight. It ensures that when state housing dollars are deployed, they are subject to clear reporting requirements and proportional monitoring, just as they would be if administered directly by the Department of Economic Development. The Legislative Fiscal Office and NIFA have worked closely with my office to ensure that the same level of transparency and communication that currently exists between DED and the Legislative Fiscal Office will continue under this new structure. The language in the bill explicitly ensures that this transparency and reporting will occur. Together, these bills work hand in hand. One improves coordination and efficiency, the other strengthens stewardship, neither expands spending, neither creates new programs. Instead, they ensure the tools we already have, the Affordable Housing Trust Fund, workforce housing programs, and housing finance mechanisms are structured and monitored in a way that maximizes their impact for Nebraska families and communities. If we are serious about addressing Nebraska's housing shortage, especially for low- and middle-income Nebraskans, then we must ensure both sound structure and strong accountability. LB768, as amended, accomplishes both. I would ask for your support to advance the bill.

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

JACOBSON: Thank you, Mr. President. AM2364 is the committee amendment, and it will add Senator Dover's LB1246 into LB768. LB1246 was added to LB768 on an 8-0 vote. LB1246 strengthens fiscal oversight by integrating NIFA into stricter state accounting standards and, and designated the DAS Budget Administrator as the primary oversight authority. The bill mandates high-level transparency requiring NIFA to record every transaction with any formal system, provide detailed monthly accounting, and submit comprehensive reports to key state officials before each legislative session. Additionally, it amends the Nebraska Affordable Housing Act to grant the DED the power to reclaim 100% of the awarded funds or seize equity positions from recipients who fail to meet strict reporting and accounting requirements beginning in 2027. And with that, I would, I would ask Senator Dover if he would respond to a question?

ARCH: Senator Dover, will you yield?

JACOBSON: Is there anything else you'd like to add on LB24-- LB1246 rather?

DOVER: No, it just-- basically, what we did is I wanted to ensure that as the award system and the monitoring of the system moved over to NIFA, that we, as, as a Legislature, would have the same reports as we would-- or that we're commonly used to getting from DED. Also one thing it also does is it, it asks that those nonprofits, those entities that are receiving state dollars, annually report how much money that they currently have, how much-- what, what the uses of those are, and also the equity position in awards that are given. In last session, I passed a bill that made the housing assistance such as down payment assistance and everything a revolving fund. So annually we will know how nonprofits, how much money they have lent out and potentially have to get back to use for housing.

JACOBSON: Thank you, Senator Dover, and thank you for your work on this important-- these important bills. With that, I would ask that we-- that the body support the amendment for-- to LB768, and we move, move the bill forward. Thank you, Mr. President.

DeBOER: Thank you, Senator Jacobson. Senator Kauth would like to recognize a guest underneath the south balcony, Bo Grandgenett from Millard. Please rise and be recognized by your Nebraska Legislature. Mr. Clerk.

CLERK: Madam President, Senator Dover would move to amend with AM2388.

DeBOER: Senator Dover, you're recognized to open on your amendment.

DOVER: Thank you, Madam President. AM2388 is a cleanup amendment that removes some redundancies in language within the reporting requirements. Thank you.

DeBOER: Thank you, Senator Dover. Seeing no one else in the queue, Senator Dover, you're recognized to close. Senator Dover waives closing. The question before the body is the adoption of AM2388. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 36 ayes, 0 nays on adoption of the amendment, Madam President.

DeBOER: The amendment is adopted.

CLERK: Another amendment if I could.

DeBOER: Mr. Clerk, for another amendment.

CLERK: Thank you, Madam President. Senator Hallstrom would move to amend with AM2492.

DeBOER: Senator Hallstrom, you're recognized to open on AM2492.

HALLSTROM: Thank you, Madam President, members. The amendment before you is LB819 in its original form. LB819 was advanced by the Business and Labor Committee on a vote of 7 to nothing. It was designated by Speaker Arch as a Speaker's priority bill, but with LB768 up on the board today, in the interest of time and efficiency, we hope to be able to attach this to Senator Dover's housing bill. AM2492 to LB768 seeks to extend the sunset of both the rural workforce housing and middle income workforce housing programs and increases the maximum cost for housing under the rural workforce housing program. The rural workforce program is scheduled to sunset on July 1 of 2027. The middle income workforce housing program is set to sunset on July 1, 2029. As originally introduced, the bill would have extended out to July 1 of 2037. The realtors came into the committee hearing, and with some of the uncertainties in the housing market, particularly LB768 as one example, they had requested that we only extend the sunset for a period of 5 years. So we accommodated that request, and both programs now will go to July 1 of 2032. That is a 5-year extension for the rural program and a 3-year extension for the middle income program. The bill further increases the maximum cost for owner-occupied housing under the rural workforce housing program from $325,000 to $375,000 and for rental housing units from $250,000 to $300,000. By way of background, this program has had an excellent return on investment. We initially had a $7 million transfer from the Affordable Housing Trust Fund, which was parlayed into over $100 million in new housing units across the state and the rural parts of the state, and we've had similar success stories in the middle income workforce housing program. The programs in general started out with a dollar-for-dollar match. Over time to assist the smaller communities in participating, that match was dropped to 50 cents on the dollar and then to 25 cents on the dollar. But we are seeing as we obtained additional funds from the state, in one case $10 million General Fund appropriation for each program and a second $12.5 million appropriation or transfer, I would say, from the Affordable Housing Trust Fund again that we've continued to see the matching grants come in, in good shape and the, the housing units that are going up across the state matching the, the initial investment. With regard to the situation, what we're looking at in terms of raising the, the maximum cost, it has to do with the rising level, unfortunately, of housing across the state of Nebraska. One other thing that LB819 does at the request of the individuals who work on the middle income workforce housing, which applies solely in Sarpy, Douglas, and Lancaster County, is to provide a correction or a clarification on the definition that applies when you have the workforce housing definition, and it has to do with the use of construction cost versus appraised value of construction. And one of those terminologies works best in Omaha and the other in Lincoln. So we have provided for the flexibility to use either definition in looking at what the construction cost of the house and the lots have involved. Again, with that this was a noncontroversial bill, a number of supporters, no opponents, and we've worked out the realtors' request at their-- to accommodate their concern over the expanded sunset. And I would ask for a green vote on AM2492 to the committee amendment and advancement of the bill itself. Thank you.

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

DOVER: Thank you, Mr. Chairman. I rise, I rise in support of AM2492. It's, it's needed. It's a timely amendment. I think that we just have to look back to last session if we want to know if this is a good program, rural workforce housing. As you remember, $8 million was swept from grants that were already handed out, and I think there were probably very few if any senators in greater Nebraska that it didn't afford current affordable workforce housing in their district. So I, I thank Senator Hallstrom for bringing AM2492 and encourage your support. Thank you.

KELLY: Thank you, Senator Dover. Seeing no one else in the queue, Senator Hallstrom, you're recognized to close and waive closing. Senators, the question is the adoption of AM2492. All of 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.

KELLY: AM2492 is adopted. Mr. Clerk.

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

KELLY: Senator Jacobson, you're recognized to close on the committee amendment and waive. Members, the question is the adoption of AM2364. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: AM2364 is adopted. Seeing no one else in the queue, Senator Dover, you're recognized to close on the bill.

DOVER: Thank you. In closing, LB768 is about giving-- about aligning responsibility with expertise and ensuring our housing programs are administered in the most efficient and accountable way possible. It allows the Department of Economic Development to focus on economic growth while placing housing finance functions with an entity already structured to manage them. This bill does not expand programs or spending, it strengthens coordination, reduces duplication, and protects taxpayer dollars. For this reason, I ask for your support on LB768.

KELLY: Thank you, Senator Dover. Senators, the question is the advancement of LB768 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on advancement of the bill, Mr President.

KELLY: LB768 is advanced to E&R Initial. Speaker Arch, for a message.

ARCH: Thank you, Mr. President. Before we conclude our day today, I, I did want to provide several announcements. First of all, just a reminder that on Monday, Senator Clements announced that there will be a 9 a.m. briefing. So we were going to start our debate at 9, we're going to, we're going to delay that to 10 so that he can do the 9 a.m. briefing. I know for those of you that are traveling out of town this weekend and getting back in here by 8:00 on Monday would have been difficult, so let's do the 9 a.m. briefing for Senator Clements. We will begin our, we will begin our debate then at, at 10 a.m. on Monday. I'm also going to be emailing out to you two memos. We don't have them available today. We decided-- we were going to announce these things on Monday, but I want to, I want to get out ahead of it just a little bit and provide these to you before we adjourn. The first one has to do with consent calendars. I've decided to schedule one to two, maybe three consent calendars this year. I think we can get that done. This is the time of session, we've, we've all seen it several times, and this is the time of the session when everybody tries to find something to ride to the finish line. And so amendments are being put on bills and, and, and hopefully could pass the germaneness rule. And they're, they're not controversial bills, they're, they're good, but we need to respect that germaneness rule. We saw that today. So what-- I guess what I want to tell you is there is going to be a consent calendar. Make, make plans. You can begin submitting. If you've already drafted a letter on a consent bill and, and I'm working off of last year's rules as well, I'll, I'll begin accepting those letters today. But if you don't have it, that's fine. I will tell you that my first, my first round of consent bills, I would, I would ask that you submit those by 4 p.m. on Thursday, March 12. This will be part of the memo that you'll receive, email. And then I'll have another round, and, and we will shut that one off at 5 p.m. on Friday, March 20. So you'll have time to submit requests for consent bills. If your consent bill is not-- if, if your bill is not selected for consent on the first round, you don't have to resubmit your letter. It'll sit there, maybe considered for the second round. So we'll just-- we'll, we will just accumulate those. You'll see in, you'll see in the memo as well specific criteria that I'm going to be looking at for selecting those consent bills. So you read those carefully, please. And-- let me just see here, if there's anything else in that memo that I want to highlight. No, I think that's it for that memo. The second memo that you'll be receiving has to do with schedule. And, and we are, we are approaching-- at the beginning of the session I indicated when to please reserve nights for debate and that remains as it is. So we will begin night debate on, on March 18, the day after St. Patrick's Day. And so we'll begin debate and then you'll see the dates following. We will also, at that point, make a change to-- such as, such as-- well, make a change to our lunch hour breaks. We're going to move from an hour and a half lunch hour to an hour. So we'll pick up an extra half hour doing that as well. And, again, all of these things are, are in your-- in the, in the memo. So I would ask that you please arrange your schedules. Make sure that you are here for those late night debates. And, obviously, we, we-- everybody's bill is important. And you may take a look at an agenda and say, yeah, I don't care about those bills that are going to be debated later today in the evening, so I guess I can go home. Please don't. Be here as a courtesy to all your fellow senators and that we have everybody in the room for robust debate. So with that, I, I also want to thank you very much for this week. This has been a difficult one, and we will have another difficult one next week as we begin our debate on the appropriation bills. This is where we do our heavy lifting. We all get tired. We all get tired of each other in the middle of these debates, and so we just have to control that as best we can, deal with the issues in front of us. We, we have a big job in the next couple of weeks here. But we got through quite a few bills today and I really appreciate the work that we did in compromise and, and moving bills along. So with that, please have a good weekend and we will pick it up on Monday. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Mr. Clerk, for items.

CLERK: Mr. President, your Committee on Transportation, chaired by Senator Moser, reports LB1126 to General File with committee amendments. Additionally, your Committee on Natural Resources, chaired by Senator Brandt, reports LB1010 to General File with committee amendments. Series of name adds: Senator Conrad to LB762; Hallstrom, LB838, LB935; Rountree, LB938; Hallstrom, LB965 and LB67 [SIC--LB967]; Senator Quick, LB1067. Finally, a priority motion, Senator Jacobson would move to adjourn the body until Monday, March 6 [SIC--March 9] at 10:00 a.m.

KELLY: The question is the motion to adjourn. All those in favor say aye. All those opposed say nay. The Legislature is adjourned.