

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 14, 2026
Rough Draft

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixth day of the One Hundred Ninth Legislature, Second Session. Our chaplain for today is Pastor Joe Laughlin, Victory Church in Omaha, a guest of Senator Clements. Please rise.

JOE LAUGHLIN: Thank you. Lord, the focus of prayer today for this body is for wisdom. Your word declares in Proverbs 4:7 that: Wisdom is the principal thing; therefore, get wisdom: and in all you're getting, get understanding. And your word also declares, Lord, that the fear of the Lord is the beginning of wisdom. I pray for each of our senators that they would have an ever-increasing awareness of your presence in their lives and in this Chamber as they discharge their duties serving the people of Nebraska. Many have sacrificed greatly to serve as a state senator, reward them for their sacrifices, help them to navigate the many challenges that they face this particular legislative session. Many senators spend extended times away from their loved ones so that they can be here to attend to their duties. Help them, Lord, and make the times they're able to be with loved ones very rewarding. 1 Corinthians 1:30 tells us that Christ has been made unto us wisdom. Lord Jesus, when any of us need wisdom, may we remember your invitation to ask and it will be given, to seek and you will find, to knock and the door will be open to us. Give each senator wisdom to know the truth and not just the senators, give each of us courage to stand for truth. May each senator consider each vote this session in light of your word, for your word is truth. You've given so much to this country, to our state, to our communities. Please give this legislative body your wisdom, the wisdom from above. I pray this in the name of Jesus. Amen.

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

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

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

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

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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, an adopted reference report from the Referencing Committee concerning LB953 through LB988, as well as LR297CA and LR298CA. Additionally, amendments to be printed from Senator Kauth to LB989 through LB1031; motion to be printed from Senator Ballard concerning the introduction of new bills-- excuse me, motion to be printed to suspend the rules concerning the introduction of new bills; notice of committee hearing from the Nebraska Retirement Systems Committee, the Judiciary Committee, the Revenue Committee. That's all I have this time.

KELLY: Thank you, Mr. Clerk. Senator Fredrickson would like to recognize the physician of the day, Dr. Steve Williams of Omaha. Please stand and be recognized by the Nebraska Legislature. Senator Brandt has two guests under the south balcony, both from the Council of State Governments in Chicago, Laura Tomaka and Tim Anderson. Please stand and be recognized. Senator Clouse and Ibach would like to recognize a guest under the north balcony, Dr. Rand Petersen of Kearney. Please stand and be recognized by your Nebraska Legislature. Senator Brandt, you're recognized for an announcement.

BRANDT: Thank you, Mr. President. If everybody could pay attention here for a little bit. CSG is in the house today. Council of State Governments is one of a couple things that the Exec Board funds, and we are a member of. CSG annually hosts a legislative conference of 11 states and 4 provinces. This last year it was in Saskatoon, and I think we had probably, I don't know, Brad, what did we have up there, probably 10 members? Yeah, from, from Nebraska go there and the conference rotates every year and next year it'll be in Minneapolis and here's the important thing. In 2027 it's coming to Nebraska. There will be 500 state legislators from these 11 states and 4 provinces coming to Nebraska for 5 days and you will all be asked to help with this in the summertime. That, that is something I want everybody here to be aware of. My class is aging out. We will not be able to help with this, so it'll be all the younger members in the Legislature. The other important thing that CSG does is called the "build program," a very intensive 5-day workshop that you apply for. And if you are a freshman or a sophomore and you have not done this yet, please look at applying for this. There's probably about 12 alumni to 15 alumni in

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here right now. I am one, Wendy's one, Myron's one. I know Brad and Senator Hughes, Senator Fredrickson. There's a number of you in here. Please talk to them. And if I could yield some time to Senator von Gillern.

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

VON GILLERN: Good morning, colleagues, and thank you, Senator Brandt, for highlighting that. The CSG, as you noticed, the CSG Midwest meeting will be held in Omaha on July 18 through the 21, 2027. If you want to go ahead and carve that into your calendars now, that would be great. And as Senator Brandt indicated, I'll be tapping many of you in the room to, to help with this. It's a really big deal that we get to have 500 lawmakers from around the Midwest to come to our state and learn what makes Nebraska great. So I'll appreciate your help as I reach out to pull that program together and we'll put on a great event and impress those folks where they want to come back time and time again. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Mr. Clerk, please proceed to the first item on the agenda.

CLERK: Thank you, Mr. President. Mr. President, pursuant to the agenda, Senator Raybould would move to withdraw LB791.

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

RAYBOULD: Thank you and good morning. I wish to withdraw this bill as it was not constitutionally correct and in compliance.

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

CLERK: 38 ayes, 0 nays on adoption of the motion to withdraw, Mr. President.

KELLY: The motion is adopted. Mr. Clerk.

CLERK: Mr. President, new bills. LB1032, introduced by Senator DeBoer, is a bill for an act relating to adoptions; it amends Sections 43-107, 43-110, 43-116, 43-117, 43-117.02, 43-292, 43-1312, 43-1312.01, 43-1314, 43-1501, 43-1503, 43-1505, 43-1506, 43-1507, Reissue Revised Statutes of Nebraska, and Sections 43-102, 43-104, 43-108, 43-109,

43-146.01, and 43-246.01 and 43-292.02, Revised Statutes Cumulative Supplement, 2024; to provide for recognition and enforcement of tribal customary adoptions; define and redefine terms; change provisions relating to adoptions, the Nebraska Indian Child Welfare Act, termination of parental rights, and the Foster Care Review Act; harmonize provisions; repeal of the original section. LB1033, introduced by Senator Spivey, is a bill for an act relating to social services; amends Section 68-1215, Revised Statutes Cumulative Supplement, 2024; to provide for crisis assistance payments under the low-income home energy assistance program; repeal the original section. LB1034, introduced by Senator Dungan, is billed for an act relating to schools; to amend Sections 79-2701, 79-2702, Reissued Revised Statutes of Nebraska; to state intent; to define a term; to limit access to schools by federal immigration enforcement officers as prescribed; and repeal the original section. LB1035, introduced by Senator Machaela Cavanaugh, is bill for an act relating to the Property and Casualty Insurance Rate and Form Act; to amend Sections 44-7501, 44-7508, Reissue Revised Statutes of Nebraska; to change provisions relating to rating systems under the act; to provide a limitation on the rating system an insurer can file for insurance for homeowners; harmonize provisions; repeal the original section; and declare an emergency. LB1036, introduced by Senator Dungan, is bill for an act relating to the Nebraska Evidence Rules; to amend Section 27-404, Revised Statutes Cumulative Supplement, 2024; to provide for consideration of extrinsic evidence that is inextricably intertwined with the charged crime; to eliminate an unnecessary reference; repeal the original section. LB1037, introduced by Senator Raybould, is the bill for act relating to revenue and taxation; to amend Sections 77-2602.05, 77-2602.06, 77-2603.01, Reissue Revised Statutes of Nebraska; to change provisions relating to negotiation agreements between the Governor and federally recognized Indian tribes relating to collection and dissemination of any cigarette tax or other tobacco product tax collected on sales of cigarettes, roll-your-own, or smokeless tobacco made or sold on a federally recognized Indian tribe's Indian country; harmonize provisions; repeal of the original section. LB1038, introduced by Senator Hughes, is a bill for an act relating to education; amends Sections 9-1204, 77-4211, 79-1001, 79-1003, 79-1005, 79-1005.01, 79-1006, 79-1007.11, 79-1007.18, 79-1008.01, 79-1009, 79-1016, 79-1017.01, 79-1021, 79-1022, 79-1022.02, 79-1023, 79-1027, 79-1031.01, 79-10,120, 79-3402, 79-3403, and 79-3406, Reissued Revised Statutes of Nebraska, and Sections 77-3012 and 77-4212, Revised Statutes Cumulative Supplement, 2024, and Sections 77-3442, and 77-4602, 77-7304, and 77-7305, Revised Statutes

Supplement, 2025; to change school district levy limitations and provide exceptions; to terminate funds; to eliminate certain property tax credits; to change provisions relating to the transfer of General Fund net receipts; to change the Tax Equity and Educational Opportunities Support Act as prescribed; state intent regarding certain transfers; to provide levy authority to school districts as prescribed; to change provisions relating to special building fund levies and the School District Property Tax Limitation Act; harmonize provisions; repeal the original section; declare an emergency. LB1039, introduced by Senator Dungan, is a bill for an act relating to schools; to amend Section 79-2704, Reissue Revised Statutes of Nebraska; to further prohibit corporal punishment as prescribed; and repeal the original section. LB1040, introduced by Senator Kauth, is a bill is for an act relating to civil commitments; to amend Sections 71- 908, 71-921, 71-923, 71-925, 71-930, 71-932, 71-949, Reissued Revised Statutes of Nebraska, and Sections 71-901, 71-903, 71-922, and 81-1850, Revised Statutes Supplement, 2025; change requirements for commitment as a mentally ill and dangerous person under the Nebraska Mental Health Commitment Act; define and redefine terms; to allow interested parties to file petitions under the act; change provisions relating to inpatient commitment; to provide a penalty for the petition filed in bad faith; provide duties for mental health boards and county attorneys; to harmonize provisions; repeal the original section. LB1041, introduced by Senator Rountree, is a bill for act relating to housing; provides requirements for cities, villages, and counties relating to accessory dwelling units; and to define terms. LB1042, introduced by Senator Rountree, is a bill for an act relating to Uninsured and Underinsured Motorist Insurance Coverage Act; to amend Sections 44-6410, 44-6411, Reissue Revised Statutes of Nebraska; change provisions relating to stacking of coverage; harmonize provisions; repeal the original section. LB1043, introduced by Senator Meyer and others, is a bill for an act relating to public assistance; amend Section 68-954, Reissue Revised Statutes of Nebraska; to provide for inclusion of antidepressant, antipsychotic, and anticonvulsant prescription drugs on the preferred drug list; repeal the original section. LB1044, introduced by Senator Prokop, is a bill for an act relating to the Business Innovation Act; amend Sections 81-12,155, 81-12,158, 81-12,160, and 81-12,163, Reissue Revised Statutes of Nebraska; change provisions relating to a qualified action plan, a financial assistance program for creating prototypes, a financial assistance program for commercializing products and processes, and legislative intent for appropriations; repeal the original section; declare an emergency. LB1045, introduced by Senator McKinney, is a

bill for an act relating to local housing agencies; adopts the Nebraska Public Housing Preservation Trust Act; provide an operative date; declare an emergency. LB1046, introduced by Senator McKinney, is a bill for an act relating to education; to define terms; to provide for school policies related to certain name, image, and likeness rights for certain high school students; provide powers and duties to the State Board of Education and school boards as prescribed. Mr. President, as it concerns the agenda, Senator Ben Hansen would move that pursuant to Section 50-2003, the Executive Board would recommend the reappointment of Julie Rogers as Public Counsel.

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

HANSEN: Thank you, Mr. President. I rise on behalf of the Executive Board to introduce the nomination of Julie Rogers for reappointment as Public Counsel for the State of Nebraska pursuant to Nebraska Revised Statute 50-2003. As you know, the Office of Public Counsel, commonly known as the State Ombudsman's Office, serves as a vital independent watchdog within our legislative branch. It promotes accountability in state government by impartially investigating citizen complaints about state agencies, resolving issues, conducting reviews under the State Government Effectiveness Act, or also known as the Whistleblower Act, and serving as a key resource to this body on matters of government operations, efficiency, and integrity. Julie Rogers has led this office with distinction since her initial appointment in January of 2020. Prior to assuming the role of Public Counsel, she served as Nebraska's first Inspector General of Child Welfare, a position created by the Legislature in 2012. In that capacity, she oversaw critical investigations into our child welfare system, advocated for vulnerable children and families, and worked closely with lawmakers to drive meaningful improvements and reforms. Under her leadership as Public Counsel, the office has continued its important work of addressing complaints, conducting thorough and fair investigations, and upholding transparency and accountability across state government. Julie has demonstrated strong leadership, impartiality, and a deep commitment to serving the people of Nebraska. Her background as a former deputy public defender, legal counsel to the Judiciary Committee, and experienced investigator has equipped her exceptionally well to guide this office effectively. The Executive Board has carefully reviewed her performance and service during this term. Following our deliberation and vote, the Board has voted to nominate Julie Rogers for reappointment to another term as Public Counsel. Mr. President, I respectfully ask that the body support this nomination

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and to remind-- and remind-- and to remind my colleagues that this appointment requires 33 votes for approval. Thank you.

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

McKINNEY: Thank you, Mr. President. I was the lone no vote on Executive Board for this recommendation. And the reason why I was a no is because my confidence in the Office of the Public Counsel has diminished since my time in the Legislature. And it really diminished when this whole MOU thing happened with the Department of "Punitive" Services. And I still don't feel like the Office of Public Counsel really did a lot to show any confidence in me and a lot of people, especially individuals that are inside and are incarcerated. Since that MOU, the Office for Public Counsel or the Ombudsman's Office has decreased the amount of times that they go to our institutions. When you talk to individuals inside, they have zero confidence in the Ombudsman's Office. They would rather speak to the Inspector General because a lot of their concerns are not being heard anymore when their families call the Office of Public Counsel. Their families are not being heard as well. They're being-- the families are being told that the individuals inside have to file or, or make the grievance or whatever. And it's just a big issue that I have. I don't think the office is operating how it's supposed to. Over the interim, multiple individuals in the, in the Public Counsel's Office reached out to my office with concerns. I reached out and had a bunch of questions, and I got a reply from Ms. Rogers, and then I got a bunch of other replies that said-- what she said-- what she replied back wasn't true or kind of misleading. So that's why I voted no. I think we need new leadership in the Public Counsel's Office, especially how things have been going in this state over the last 3 years. I know some people might feel comfortable with what's happening, but ask the people that are sitting inside, ask the families who have individuals inside and have concerns with the office, and they would tell you that it's a lot of problems going on. So I cannot, in good faith, vote yes because of these issues, and I have, as many of you know, I care a lot about the people inside because they are humans just like the rest of us and a lot of their human rights are violated on daily and the Office of Public Counsel was supposed to try to address those issues as much as possible but it's not really been happening especially since that MOU took place and, for whatever reason, the Ombudsman's Office got included and the Ombudsman's Office got restricted from going into the institutions, but they weren't even included in the Opinion that was made by our Attorney General, but we restricted them and told them

they shouldn't go in, then we required them a, a notice of 24 hours or something to even say they were going inside, which is problematic for a lot of reasons. They are supposed to be our checks and balances. They are supposed to be our eyes on the ground to tell us what's going on. And that just kind of, honestly, hasn't been happening in, in an adequate manner. And I think it starts at the top. So-- and that-- that's my close and that's my explanation of why I have zero confidence and why I think we should have new leadership in this office and why you all should vote no. Thank you.

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

ARCH: Thank you, Mr. President. I rise in support of Julie Rogers being reappointed as Public Counsel. I had the opportunity to work with Julie very closely over the last couple years as we worked through LB298 last year and the oversight. Her-- the inclusion of the, of the Ombudsman in the AG's Opinion was not Julie's responsibility or fault. She was-- as far as I'm concerned, the Public Counsel Office was caught up into the IG issue. And, and what I found in Julie and in my discussions with Julie was a very thoughtful, very deliberative, very reasoned person who works very hard to maintain the responsibilities of that office and receive the information necessary. And so I have great confidence in Ms. Rogers and would recommend voting yes on the reappointment. Thank you.

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

SPIVEY: Thank you, Mr. President, and good morning, colleagues, and happy new year for the folks that are tuning in and watching. It feels like we're jumping right back in, heading into debate. And so I appreciate everyone's attention, especially on this really important topic. I know sometimes it feels like reappointments are just transactional, but I think this has a lot of impact into what we're seeing around our correction system, which we spend a lot of taxpayer dollars on the state and the implications of the success for people inside and as they come back home. So through the interim period, I have spent a lot of time inside of our correctional facilities. I have gone to NSP, so here in Lincoln, I've gone to Tecumseh. I have spent time within the prison system in Omaha, so the Omaha facility, to better understand what does it look like to support folks inside, how does the policy that we pass at the state level transition to little "p" policy from implementation. And I think the, the policy [SIC]

counsel is a very important office because it's really around the checks and balances and accountability of how Corrections are working for the people inside. They are technically property. The people that are incarcerated, we own. We are responsible for, and so when you talk about what does advocacy look like if there are things that are not happening, if folks are being mistreated, there needs to be a strong system and program that allows for there to be changes, allows for to be discourse and dialogue, and I can appreciate the comments from Speaker Arch of, of working with Julie, I have talked with her, she is very open. Yes, she's willing to have meetings and to talk through things. And I do think that there is an opportunity around a, a new change in leadership because what I have seen and witnessed on the ground and the letters that my office have been receiving is contrary to what I think her leadership is able to really accomplish and, and the capacity that she has in that role. I have been working since in office, so I'm going into my second year, my freshman term, with a, a mother who has had a-- her son in restrictive housing now for over 2 years. He has an SMI diagnosis, and so the policy counsel is her lifeline to talking to her child and understanding what is being done to ensure that his diagnosis is being properly treated, and that he's moved through restrictive housing, integrated back. Again, so that he can be successful when he goes back to general population and then home. And we were actually emailing late Monday night of this week of that she has not been able to get a response. She specifically outlined in an email to policy counsel, what does it look like for his plan to come back to general population and get out of restrictive housing? What does his medication and treatment plan look like, and how is that being addressed? She specifically got an email back asking for clarity on these specific things that to me were very clear. I want to know what my treatment-- my son's treatment plan is. I have not been able to talk to him. He's been in restrictive housing for over 2 years, which I have a bill, and I'm working with Judiciary around how we utilize restrictive housing. And, again, the policy counsel is the group, the department that should be working on this. There should be a process. There should be advocacy for the people inside. In this particular instance, which is very timely, that is not happening. And so I think, again, there's an opportunity here to really revisit the leadership of policy counsel, not necessarily the structure that Speaker Arch mentioned around them kind of getting swept up within that, I understand that piece, but Julie's specific leadership and how that department is ran and what does it look like to ensure that people inside actually have advocacy and are able to move through that process. I have witnessed firsthand is not happening

and I have an inbox full and written letters from families as well as people inside that that is, that is not the case. And so I would urge your no vote on this reappointment and I think we need to have a serious conversation around the implementation of policy counsel and how that is actually working for the people that we are responsible for ensuring their success. Thank you, Mr. President.

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

HUNT: Thank you, Mr. President. Good morning, colleagues and Nebraskans. I just have a couple notes that I've, I've scribbled down listening intently to this conversation. Yes, it's true, you know, when we have a, a reappointment up, it's not, not typical to have so much debate about it. But I think that some of the points raised have been very important and also very enlightening to me. And I hope also to the public, to the press who can share this information about how people have been slipping through the cracks under this current leadership. I, I have known Ms. Rogers, Julie Rogers, for a while, just through my-- the capacity of my work here in the Legislature. And I respect her work very much as well. And I also respect and admire members, progressives and conservatives, who have made an effort to visit our prisons throughout Nebraska and talk to the incarcerated people that, as Senator Spivey rightly said, we are responsible for here in Nebraska. Through my own short experience and soon-to-end experience here in the Legislature, I also want to share what, what may be an inconvenient or undesirable political reality, which is that if this reappointment doesn't go through, friends, I don't think we're going to find someone better. You know, when you look at the political landscape of not just what's happening at the top levels of leadership in our country right now, but at the top levels of the leadership in this state, when you see the people who are getting appointed to new positions, who are filling leadership opportunities and how that has changed the political calculus in our state, you know, the opening of a new ICE detention facility in McCook and all of the political ramifications of that, all the human rights ramifications around that. I have grave concerns about rejecting this appointment because I would greatly and very reasonably fear what could come in its place. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Riepe, you're recognized to speak.

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RIEPE: Thank you, Mr. President. I wanted to speak on behalf of Julie Rogers. I had the opportunity to work with Julie when I served several sessions ago as chairman of HHS at that time. She was very productive, very honest, very straightforward, very good to work with, and I believe in continuity and we need continuity in that and other organizations to provide stability and good services. So I simply could not stand idly by without saying I would fully support Julie Rogers and hope that others will. Thank you, Mr. President.

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

JACOBSON: Thank you, Mr. President. First of all, I wanted to confirm with Jenni that you've got me checked in. Thank you. The-- I, too, would like to speak in favor of Julie Rogers. I've, I've gotten to know her since I got here to the Legislature. I found her to be very thorough, very fair, and someone who takes that job very, very seriously. So I would urge all my colleagues, we need 33 votes. Let's, let's get this confirmation done. So thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. Seeing no one else in the queue, Senator Hansen, you're recognized to close and waive. Members, the question is the reappointment of Public Counsel. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 42 ayes, 4 nays on the reappointment.

KELLY: The reappointment is approved. Mr. Clerk.

CLERK: Mr. President, pursuant to Section 50-1705, Senator Dorn, as chairperson of the Legislative Oversight Committee, would move the appointment of Stephanie Meese as Director of Legislative Oversight.

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

DORN: Thank you, Mr. President. Good morning, colleagues. And today, I would like to ask the Legislature to, to confirm the nomination of Stephanie Meese for Director of the Division of Legislative Oversight. Ms. Meese has over 20 years of experience with state government. First, she was a legislative aide and then became legal counsel to the Legislative Performance Audit Office for 16 years. She was then appointed as the Director of the Performance Audit. After the Legislature created the new legislative oversight division, per LB298, which Senator Arch spoke about, Ms. Meese served as interim director for the past several months. As the interim director, she worked

closely with Inspector Generals of Child Welfare and Nebraska Corrections Systems and the Ombudsman's Office to establish the new divisions and ensure effective legislative oversight. While she took on this new responsibility of interim director, she also continued to direct the work and will continue as, if, if passed into this position, the Legislative Performance Audit Office. The Legislature [SIC] Oversight Committee approved the permanent appointment of Ms. Meese and forwarded her name onto the Legislature. Ms. Meese is a graduate of the Nebraska College of Law. She also has a bachelor of science from the University of Nebraska at Kearney. Like I said, she has been in the Legislature Performance Audit for a good number of years, as director for the last 2 or 3 years. And she was appointed by the executive director, Senator Hansen's Office, to be the interim director until we had the process outlined in LB298 to have a committee of the Legislature oversight group and then they chose Ms. Meese's name to be forward and that was forwarded to the Executive Board and then the Executive Board voted on it and forwarded it on to the Legislature. So I would like to ask the Legislature to approve Ms. Mease as the permanent Director of Legislature [SIC] Oversight, and this is for a 6-year term.

KELLY: Thank you, Senator Dorn. Seeing no one else in the queue, you're recognized to close and waive. Members, the question is the appointment of the Director of Legislative Oversight. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 43 ayes, 0 nays on adoption of the appointment, Mr. President.

KELLY: The motion succeeds. Mr. Clerk.

CLERK: Mr. President, a few items: Senator Kauth, amendment to be printed to LB1050; Senator Murman, amendment to be printed to be LB1050 as well. If I could, Mr. President, new bills. LB1047, introduced by Senator Holdcroft, is a bill for an act relating to the Nebraska Bingo Act; amend Sections 9-204.01, 9-230, 9-230.01, 9-241.08, 9-255, Reissue Revised Statutes of Nebraska, and Sections 9-204, 9-204.04, Revised Statutes Cumulative Supplement, 2024; to redefine terms; to authorize certain types of music bingo under the act; to change provisions relating to restrictions on dollar amount of prizes that can be awarded under the act; change provisions relating to special event bingo; to harmonize provisions; repeal the original section. LB1048, introduced by Senator Arch at the request to the Governor, is a bill for an act relating to government; it amends section 44-1412, 48-683, 54-2428, 77-383, 77-385, 77-27,238, 77-6307,

81-125, 81- 1354.01, 81-1378, 81-1504.01, 81-1505.04, 81-1505.05, 81-1607.01, 83-184.01, 83-1,100.03, 83-918, 83-963, and 86-1301, Reissue Revised Statutes of Nebraska, and Sections 77-6521, 77-6604, 77-6610, 77-6837, 77-6928, Revised Statutes Cumulative Supplement, 2024, Sections 61-218, 70-1003, 81-1113, 81-1139.02, 81- 1430, 81-15,175, and 81-1606, Revised Statutes Supplement, 2025; to change and eliminate certain reporting requirements for the Department of Agriculture, the Department of Labor, the Department of Water, Energy, and Environment, the Department of Revenue, the Department of Administrative Services, a task force under the Nebraska Commission on Law Enforcement and Criminal Justice, the Department of Correctional Services, the Board of Parole, the Department of Economic Development, the Department of Insurance, Department of Transportation, the broadband Internet providers under the Nebraska Broadband Bridge Act as prescribed; change reporting procedures for preparation of the state executive budget; eliminate reports regarding labor negotiations; eliminate the Suggestion Award Board and the state employee suggestion system; to harmonize provisions; repeal the original section; outright appeal Sections 84-2909, 54-642, 77-6309, 81-1205, 81-1346, 81-1347, 81-1347.01, 81-1350, 81-1351, 81-1352, 81-1353, 81-1354, 81-1384, and 86-1313, Reissue Revised Statutes of Nebraska, and Section 39-1392, Revised Statutes Cumulative Supplement, 2024, and Sections 81-1348 and 81-1607, Revised Statutes Supplement, 2025. LB1049, introduced by Senator Ibach, is a bill for an act relating to legislation; amend Section 84-906.03, Reissue Revised Statutes of Nebraska; require the Legislative Fiscal Analyst to prepare economic impact reports as prescribed; require the Secretary of State to provide an annual report of rules and regulations; and repeal the original section. LB1050, introduced by Senator Murman and others at the request of the Governor, is the bill for an act relating to schools; amend Sections 79-2601, 79-2602, 79-2603, 79-2604, 79-2605, 79-2606, and 79-2607, Reissue Revised Statutes of Nebraska; to amend the Nebraska Reading Improvement Act; to the limit advancement to grade four as prescribed; to provide duties to school boards; to provide duties to the State Department of Education; harmonize provisions; repeal the original section. LB1051, introduced by the Education Committee, is the bill for act relating to the University of Nebraska; to amend Section 85-179.02, Reissue Revised Statutes of Nebraska; change provisions relating to a definition; repeal the original section. LB1052, introduced by the Education Committee, is a bill for an act relating to schools; amend Section 79-257, Reissue Revised Statutes of Nebraska; change provisions relating to the Student Discipline Act; harmonize provisions; and

repeal the original Section. LB1053, introduced by the Education Committee at the request of the Governor, is a bill for an act relating to schools; amends Sections 79-263 and 79-265 and 79-267, Reissue Revised Statutes of Nebraska; to eliminate the prohibition regarding suspending a student that is in pre-kindergarten through second grade; harmonize provisions; repeal the original section; and outright repeal Section 79-265.01, Reissue Revised Statutes of Nebraska. LB1054, introduced by Senator DeBoer, is a bill for an act relating to appropriations; appropriate funds of the State Board of Education for a program for cybersecurity products and services. LB1055, introduced by Senator DeBoer, is a bill for an act relating to the Adult Protective Services Act; amend Sections 28-348 and 28-350, Reissue Revised Statutes of Nebraska; to define a term; provide training requirements for adult protective services officials as prescribed; and repeat the original section. LB1056, introduced by Senator Conrad, is a bill for an act relating to Nebraska Workers' Compensation Act; to amend Sections 48-120, 48-121.01, 48-122, 48-122.01, 48-122.03, 48-126, 48-134, 48-1304.01, Reissue Revised Statutes of Nebraska, and Section 48-121, Revised Statutes Cumulative Supplement, 2024; require payment for interpretive services; change provisions relating to the right to select a physician, compensation schedules, maximum and minimum weekly income benefits, and calculation of wages; require annual cost-of-living adjustments to benefits as prescribed; define terms; require the payment of benefits of personal representative; harmonize provisions; repeal the original section. LB1059 [SIC--LB1057], introduced by Senator Ballard, is a bill for an act relating to Health Care Facility Licensure Act; to amend Section 71-404, Revised Statutes supplement, 2024; to redefine a term; to repeal the original section; declare an emergency. LB1058, introduced by Senator Hallstrom and others, a bill for an act relating to the Nebraska Visitors Development Act; to amend Section 81-3725, Revised Statutes Supplement, 2025; provide an additional grant under the Nebraska Visitors Development Act; provide powers and duties of the Nebraska Tourism Commission; to state intent regarding-- relating to funding; to repeal the original section; declare an emergency. LB1059, introduced by Senator Bosn, is a bill for an act relating to crimes and offenses; to amend Section 86-2,103. Reissue Revised Statutes of Nebraska, and Sections 28-101, 28-311.02, and 28-311.04, Revised Statutes Supplement, 2025; to prohibit certain conduct relating to mobile tracking devices; provide penalties; define and redefine terms; change penalties for stalking; change provisions relating to intercepted communications; to harmonize provisions; and to repeal the original section. LB1060, introduced by Senator Murman and others; is

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a bill for an act relating to children and families; to adopt the Child Placement Services Preservation Act; and provide-- and to provide severability. That's all I have this time.

KELLY: Thank you, Mr. Clerk. Mr. Clerk, returning to the agenda.

CLERK: Mr. President, as it concerns the agenda, General File, LB60, introduced by Senator Quick. It's a bill for an act relating to the State Lottery Act; it amends Section 9-829; removes the prohibition that a lottery ticket cannot be sold through a vending or dispensing device; and repeals the original section. The bill was read for the first time on January 9 of 2025 and referred to the General Affairs Committee. That committee placed the bill on General File.

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

QUICK: Thank you, Mr. President, and good morning, colleagues. Today, I'm introducing LB60. LB60 makes a simple change to the language in the State Lottery Act, Nebraska State Lottery Act. If passed, it will allow Nebraska lottery tickets to be sold by vending machines. I was approached by the Nebraska Retail Federation and Nebraska Grocery Industry Association to introduce this bill to bring attention to the Legislature, the national trend of self-checkout, and point out how the lottery, Nebraska lottery is lagging behind other states. Of the 45 states with lotteries, Nebraska is one of two, the other being South Carolina, that does not offer lottery ticket sales by vending machine. Unlike other vending machines, lottery vending machines are stand-alone and secure. They are age controlled and require a valid driver's license with barcode to be scanned to verify the player's age. The vending machines do not validate tickets, which would have to be presented to a cashier of the Nebraska Lottery Claim Center for age verification and payment. Unmatched by competitors for the-- for gambling dollar-- for the gambling dollar, the Nebraska lottery has just, just distributed over \$908 million in quarterly transfers since it began operation in 1993. At the direction of the Nebraska voters, these funds all go to education as directed by the Legislature, the Nebraska Environmental Trust Fund, the Nebraska State Fair, and Compulsive Gamblers Assistance Fund. In addition to the potential increase in sales and beneficiary proceeds over the-- over time, the change can help retailers who are dealing with staffing issues and working to respond to customers' demand for increasing-- increasingly convenient means of transacting business. And I just wanted to add a little story, and, you know, I've, I've gone into the gas station convenience stores once in a while to buy a soda or a coffee, and

sometimes you're standing in line waiting because there's people in front of you buying lottery tickets. And I think this will really help not only speed up the process for those who want to get on with their day, but also for those who are buying the lottery tickets, they can go to the vending machine and purchase them. LB60 came out of the General Affairs Committee 8-0. This bill will allow self-checkout through age-restricted vending in locations where alcohol cannot be consumed, a very modest and logical update. Thank you for your attention and I ask you to vote green on LB60. Thank you, Mr. President.

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

HOLDCROFT: Thank you, Mr. President. And this came out of my committee, as mentioned by Senator Quick, it came out 8-0. There was-- as he mentioned, the proponents were the retailers, the grocers, the, the, you know, gas stations. And it was all about customer convenience because they do get-- it takes a little while to issue those tickets and people wait in line, especially when the, when the payout's going to be high. And so it was, it was for, mostly for customer convenience. Also, the State Fair testified in favor because they benefit from, from the winnings, a percentage of the, of the, of the take. There was opposition also from your organizations that typically do oppose gambling, Gambling With The Good Life, Family Alliance. But the, the committee-- and then also we had testify-- testimony from the charitable giving directorate on-- this will actually be revenue, they, they expect more revenue because of the machines, probably somewhere in the, in the range of about \$500,000, half a million, because of that. So it, it came-- I guess, the committee decided that, you know, customer convenience outweighed the increase in gambling winnings, and so it came out 8-0. Kind of-- coincidentally, with that, I have some good news again from the Department of Health and Human Services I'd like to talk about. Nebraska collects more than \$200,000 in child support from gambling winnings. So Nebraska has collected more than \$200,000 in past due child support from gambling winnings in just 3 months according to the Department for Health and Human Services. The collections are the result of gambling winnings set off for Outstanding Debt Act, which was approved by LB1317, which was submitted by Senator Linehan, and signed into law by Governor Jim Pillen in 2024. The program officially began on September 2, 2025. Under the law, gaming operators are required to withhold a portion of the gambling winnings from individuals who owe unpaid debts to the state. Those funds are then set-- sent to the Nebraska Department of

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Revenue, which distributes the money to several state agencies, including the Department of Revenue, the Department of Labor, the Department of Motor Vehicles, and the Department of Health and Human Services. Within the first 13 weeks of the program, a total of \$529,000 was distributed among the participating agencies. Of that amount, \$215,000 was directed to DHHS for the Child Support Enforcement Program. This program ensures funds are being used to help support kids across Nebraska. Governor Jim Pillen said parents have an obligation to their children and we're guaranteeing that their well-being by collecting these winnings. State officials say the program is already making a meaningful difference for families who rely on child support payments. Thank you, Mr. President.

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

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

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

ANDERSEN: He said yes. Senator Quick, can you give us a brief synopsis on how the security has handled this, especially ensuring that underage people are not using the vending or distributing machines?

QUICK: Yeah, so what happens is if they come in-- and first off they're going to place the machines-- the lottery when they come into-- you know, the, the vendor will place the machine in a secure area so that staff can see what's-- who's going up there, for starters. And then when you come to purchase a ticket, you have to use your valid Nebraska driver's license, it scans the barcode on the back, and then it verifies your age. If you're not of age, it's not going to allow you to, to purchase a lottery ticket. If you-- once you buy the lottery ticket, you purchase it, and you discover that you win, then you still have to take it to the cashier to redeem that ticket for the cash. So then there's another age verification in person to a person behind the, the counter as well.

ANDERSEN: Awesome. Thank you, Senator Quick.

KELLY: Thank you, Senators Andersen and Quick. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. And I want to thank Senator Quick for introducing this measure. You know we hear about workforce

shortage, workforce issues, and I know this is certainly timely. The other thing that I want to commend Senator Quick on is this is a revenue generator. I think revenue generators are critically important for our state of Nebraska, so-- as we struggle through some of our fiscal crises that we are trying to deal with. What I also liked about this initiative-- and I just wanted to point out some of the dollar amounts. So in fiscal year 2026-2027, it looks like it would generate \$598,000. The following year of 2027-2028 would generate \$818,000, and the third year of fiscal year 2028-2029, \$838,000 for a total of about one-- almost \$1.7 million. This, this is substantial and it, it will help with our revenue shortfalls as we are seeing. The other thing that I really want to commend Senator Quick is the designation of these funds and where they're going. We know last year that we have had to redirect some of the funds from these departments to our General Fund to help offset our budget deficit last year. But I just want to say thank you again because, I know Senator Quick mentioned it, but part of the proceeds will go to the Nebraska Education Improvement Fund, Nebraska Environmental Trust Fund, Nebraska State Fair Board. And as a lot of the gambling proceeds, a portion of that goes to the Compulsive Gamblers Assistance Fund. So I stand in support of this. I know other retailers are in support of this in light of all the, the things I mentioned. And I, I ask for your support of this bill. And I just wanted to thank Senator Quick again.

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

CLEMENTS: Thank you, Mr. President. I stand in opposition to LB60. I have never thought that gambling was a good practice for a person. I've found that gambling mostly affects the poor. It's a tax on the poor. If you talk to the rich, they are not the ones buying lottery tickets. I personally had a loan customer who was unable to make his car payment, came into my office, and he had a-- a \$150 car payment is all it was. He said, well, I had \$50 that I was going to bring you toward the payment, but, instead, I bought lottery tickets with it. And if I win the lottery, then I'm going to pay the whole car loan off. Well, I never heard from him again. And I, I told him I would have rather you bought groceries with that \$50 for your family because I knew how hard up they were. And so I've not had good experience with people with gambling and I believe it is a tax on the poor. I would have a question, would Senator Quick yield to a question?

KELLY: Senator Quick, would you yield a question?

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QUICK: Yes, I will.

CLEMENTS: I wanted to know if this-- if the bill, I haven't read your bill, is it restricted to retail locations and how is it restricted?

QUICK: Well, I believe the, the Nebraska Lottery decides those locations, so they would-- I'm, I'm sure it's restricted to, like, convenience stores and grocery stores. It can't be sold-- they can't put in a place like a bar where people can consume alcohol, but they determine those, those-- the site locations and there's only, I believe-- I could be wrong about this, but maybe a certain number that they put in.

CLEMENTS: You, you mentioned about alcohol not being consumed, would, would you go-- that's in the bill as a provision?

QUICK: Yes, it can't-- it cannot be consumed-- it cannot-- it can't-- it cannot be placed in a position where there, there's consumption of alcohol.

CLEMENTS: And I was wondering, could this be-- this-- these vending machines, could they be put in a casino?

QUICK: I do not believe so. Now, I can't say if they have one at Fonner Park. I don't think they have them at Fonner Park either. I think that's all pickle cards. But I think they're-- most places I've seen them have been at the gas station convenience stores and in grocery stores. That's the only places I've seen them.

CLEMENTS: I was thinking about casinos already having enough gambling options. I really would not want to see them there. Thank you, Senator Quick. Also, the-- I think one of the reasons that lottery and gambling bills have been passed by the general public is because it's going to go to property tax relief. Well, in the-- we're working on the budget right now and we've been told that casino revenues are about \$34 million of property tax relief this year. Well, the Property Tax Credit Fund is \$430 million, the school property tax credit is \$780 million, so we're already giving \$1,210,000,000 of general funds to property tax relief, and additional \$34 million is from casinos, but that's 2.8% of property tax relief. It's not significant property tax relief and the social consequences of gambling, treating gambling addictions and crime that comes from people that get hooked on gambling is a cost that offsets some of that credit. And so I would urge your no vote on LB60. Thank you, Mr. President.

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KELLY: Thank you, Senator Clements. Seeing no one else in the queue, Senator Quick, you're recognized to close.

QUICK: Thank you, Mr. President. And I appreciate all the questions and comments this morning, and I would just ask for your green vote on LB60. Thank you.

KELLY: Thank you, Senator Quick. Members, the question is the advancement of LB60 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: LB60 is advanced to--

CLERK: Excuse me. 32 ayes, 10 nays, Mr. President.

KELLY: LB60 is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, next item on the agenda, General File, LB212, introduced by Senator Wordekemper. It's a bill for an act relating to Tobacco-- the Tobacco Products (Tax) Act; changes provisions relating to the tax on cigars, cheroots, and stogies as prescribed; provides an operative date; repeals the original section. The bill was read for the first time on January 14 of 2025 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 Wordekemper, you're recognized to open.

WORDEKEMPER: Thank you, Mr. President. Colleagues, I rise today to introduce LB212. This bill began as a request from a constituent in my district, Churchill's Cigar Bar in Fremont, and it has, it has evolved into legislation that will benefit small businesses across Nebraska while generating additional revenue for the state. LB212, as introduced, attempted to address the challenge our local cigar shops face when competing with online retailers by placing a 50 cent cap on the excise tax for cigars. While well-intentioned, this approach was predicted to result in a revenue loss for the state. Through the work of the Revenue Committee and collaboration with the industry stakeholders and the Department of Revenue, we've developed a better solution, the committee amendment, AM319, and the amendment to the committee amendment, AM1720, strike the original language and replace it with provisions that modernize our tobacco tax statutes to account

for the realities of online commerce. This new approach levels the playing field for our local businesses without sacrificing state revenue. In fact, it's expected to generate revenue by ensuring that online retailers selling directly to Nebraska consumers properly remit the tobacco excise tax just as our brick and mortar stores do. I'll speak to more detail on AM1720 in just a moment, but I wanted to introduce the underlying bill and provide context for how we arrived at this point. I'm happy to answer any questions on LB212 and would encourage a green vote when it comes up. Thank you, Mr. President.

KELLY: Thank you, Senator Wordekemper. Mr. Clerk, Mr. Clerk, as indicated, there's committee amendments from the Revenue Committee. Senator von Gillern, you're recognized to open on AM319.

von GILLERN: Thank you, Mr. President. Good morning, colleagues. I rise today to introduce committee AM319 to Senator Wordekemper's LB212, and to ask for your green vote on both the bill and the amendment as modified by Senator Wordekemper's AM1720, which we'll have a chance to talk about shortly. LB212, with the relevant amendments, will require out-of-state remote tobacco retailers to collect and remit the same excise tax on tobacco sales to Nebraska customers as in-state brick and mortar establishments pay. In his remarks, Senator Wordekemper gave the detail about precisely how this bill works, but the 30,000-foot view looks like this: number one, the bill generates revenue for the state; number two, it ensures consistent application of the tobacco tax, creating a level playing field for in-state retailers to compete with out-of-state remote sellers; and, three, modernizes our tax code to account for the development of e-commerce that could not ever have been envisioned when this law was originally enacted in 1987. Senator Wordekemper's Office has worked long and hard with relevant stakeholders to neutralize any outstanding opposition and shape the way-- shape the bill in a way that works for everyone involved. With that, I urge your green vote on the committee AM319 and an advance of Senator Wordekemper's AM1720 and LB212. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Mr. Clerk.

CLERK: Thank you, Mr. President. Senator Wordekemper would move to amend the committee amendment with AM1720.

KELLY: Senator Wordekemper to open on the amendment.

WORDEKEMPER: Thank you, Mr. President. I now rise to introduce AM1720, which is an amendment to the Revenue Committee amendment, AM319. As I mentioned in my opening, this legislation originated from a concern raised by a constituent and other tobacco retailers across Nebraska. Through the committee process, we identified a gap in our states-- in our statutes that needed addressing. Not just for a benefit of retailers, but to ensure proper tax collection and treatment of all parties involved in tobacco commerce in Nebraska. Let me explain the statutory issue: Nebraska imposes an excise tax on tobacco products at the first point of ownership. Our current statute defines first owner to include: one, persons engaged in business who bring tobacco products into the state for sale; two, those who manufacture tobacco products in the state; and, three, those outside the state who ship or transport tobacco products to in-state retailers. What our statutes did not clearly address was the growing category of remote retail sales: out-of-state sellers who ship tobacco products directly to consumers in Nebraska. This wasn't an intentional exclusion, it was simply an oversight as e-commerce evolved over the past decade. The result is a gap in our tax collection framework that needs to be closed. AM1720 addresses this by modernizing our tobacco tax statute to reflect the realities of online commerce, much as we have done with the sales tax collection following the Wayfair decision. The amendment creates a new category of first-owner, remote retail sellers who make direct-to-consumer sales of tobacco products into Nebraska. Here's how it works: The amendment defines remote retail sale as an order for cigars or pipe tobacco where the consumer submits the order remotely by phone, mail, or Internet, the retailer is not physically present with the consumer, and the product is delivered by common carrier or other remote delivery method. Remote retail sellers meeting the economic nexus threshold are required to obtain a license from the tax commissioner. That threshold is \$100,000 in sales or 200 separate sales transactions to Nebraska consumers. This mirrors the standard we've established for the sales tax collection. Once licensed, these remote sellers become subject to the Tobacco Products Tax Act. They must keep complete and accurate records of all tobacco products sold to Nebraska consumers, including itemized invoices and purchases. And they must remit the tobacco excise tax on those sales, just as Nebraska retailers do on the products they sell. The amendment also includes an important operative date of January 1, 2027. This delayed implementation gives both the Department of Revenue and the tobacco industry adequate time to prepare for compliance with these new requirements. It ensures a smooth transition and allows remote sellers to establish the necessary system for licensure, recordkeeping, and

tax remittance. I want to emphasize the collaborative process that produced this language. I've worked with the Cigar Association of America and the Department of Revenue to develop provisions that are practical, enforceable, and workable for all parties. The industry wanted certainty about licensure requirements and assurance they could continue doing business in Nebraska. The Department of Revenue wanted clear authority to administer and enforce these provisions. The amendment before you today reflects these requests. What does this accomplish? First, it generates revenue for the state. While we are awaiting a revised fiscal note, initial estimates suggest approximately \$80,000 to \$100,000 annually from properly collected tax on remote retail sales. Second, it ensures consistent application of Nebraska's tobacco tax policies. Third, it brings our statutes current with the e-commerce environment and provides clear rules for remote sellers doing business in our state. I want to thank the Revenue Committee and the Department of Revenue and the Cigar Association of America for working on this legislation. I'm happy to answer any questions, and I would encourage your green vote on AM1720, the underlying committee amendment, AM319, and on LB212 as amended. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. I did have a chance to discuss with Senator Wordekemper, some of the questions I had, particularly on the current fiscal note from today that does not reflect these two amendments that we are discussing. So as I look on the fiscal note, it talks specifically about instead of the 20% that the tax would not exceed 50 cents. And so the fiscal note shows that for the first fiscal year, there's a loss of \$479,000 in revenue, fiscal year 2027-2028, a loss of \$755,000, and then fiscal year 2028-2029 of \$793,000. I know Senator Wordekemper mentioned that with the clean up of the amendments, that it will allow us to tax the online transactions and I believe he said it would bring in \$100,000. And so-- and then I noticed that there's also some fees from the Department of Revenue of \$12,600 for staff time and \$10,000. So my question to Senator Wordekemper or Senator von Gillern, if you could tell us what we can anticipate with the new fiscal note. Are we going to still see this loss of revenue because of the tax fee reduction or, you know, it doesn't look like the additional fee for the, the orders that are transacted online will offset the losses. So either maybe-- I'm looking at Senator von Gillern, he's waving his hand.

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

von GILLERN: Yes.

RAYBOULD: I think you heard my question.

von GILLERN: Yeah, I did. I did.

RAYBOULD: OK.

von GILLERN: Thank you. Yeah, and, and I know, as you know, and Senator Wordekemper and I were just talking, obviously we have to pass the amendment to get a new fiscal note, so we can, we can estimate, we can conject, we can, we can speculate, but, but we do need to obviously pass the amendments and see what the new fiscal note would be and whether that offsets a loss of revenue. We believe that it-- in conversations that we've had, we believe that it will, because obviously we're going to-- the whole idea is to pick up revenue that we're not receiving right now. But the proof will be between General File and Select when the new fiscal note comes out. So hopefully that answers your question.

RAYBOULD: Well, just to follow up, I know that Senator Wordekemper had mentioned that with those changes to the online transactions, that it would bring in \$100,000 of new revenue. But with the tax being lowered, in essence, we would be losing revenue or maybe I'm not understanding the, the bill correctly.

von GILLERN: Again, until we get the fiscal note, that'll, that'll be the proof is once we get the fiscal note and if, if it proves to be a negative impact of the budget I would count on my colleague to my right to possibly fall on his sword, so we'll have to see how that shakes out.

RAYBOULD: OK. Thank you very much.

von GILLERN: Thank you.

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

DUNGAN: Thank you, Mr. President. And good morning, colleagues. I do rise today in favor of AM1720, AM319, and LB212. I just wanted to punch in and talk a little bit about why I initially supported this bill out of the Revenue Committee and talk big picture about why I

think it's helpful that Senator Wordekemper was, was focusing on this issue. So at the heart of what we're talking about here, I think it's-- Senator Wordekemper is, I think, effort to support businesses that are on Main Street and making sure that our local businesses are able to keep their doors open. I've talked to business owners and folks who work in different businesses here in Lincoln, specifically those who operate things like cigar shops and bars, and it's been difficult over the last number of years since the pandemic as times have been, I think, hard for those businesses that rely on foot traffic, whether we're talking about bars, coffee shops, cigar shops, those places that offer the third spaces for people to go. And they've been struggling. I know a lot of folks in here probably have friends who operate or work at those kind of businesses in their towns and cities and villages and I think that we as a Legislature need to be doing whatever we can to support those businesses. A friend of mine works at a place that some in this body might have attended or spent time at called Jake's Cigars and Spirits here in town, and I had a conversation with him just a few days ago about the difficulty in the cigar market right now and how it may sound like a niche issue, but it's reflective of the larger problem that I think a lot of businesses are seeing with increased costs, certainly increased tariffs as it pertains to things like cigars and how he's trying really hard to not pass that cost onto the customer, but it's very difficult when margins are very thin to preserve any profit to make sure they can pay their employees an adequate wage and provide them benefits. So we just had a whole discussion about specifically the cigar market. So it's interesting to me that LB212 comes up today because it's something I just talked about in my, my everyday life. I do really appreciate that Senator Wordekemper has made some efforts, I think, to accommodate some issues that have come up. Certainly, AM1720 is, I think, the result, as Senator von Gillern said, of a lot of hard work with multiple different folks in the industry to make sure that this works. But at the heart of the amendment and at the heart of the bill is, I think, a really good intention to support those shops and those businesses that we all have in our towns and our cities that we want to be good partners of. So I just wanted to get up and, and say how much I appreciated that effort from Senator Wordekemper and his office to get that done. I was wondering if Senator Wordekemper would yield to a question briefly.

KELLY: Senator Wordekemper, would you yield?

WORDEKEMPER: Yes.

DUNGAN: Thank you, Senator Wordekemper. I didn't give you a heads up about this, but the, the one-liner is, is to change tax provisions relating to cigars, cheroots, and stogies. What's a cheroot? I've always wondered this.

WORDEKEMPER: Well, in my research on this bill, a cheroot is a type of cigar that is open basically on both ends, and I guess I could refer it to the old Clint Eastwood movies, what he probably smoked.

DUNGAN: Got it. OK, that's very clarifying. I appreciate it, Senator Wordekemper. So, colleagues, I would encourage you to vote yes on AM1720, as well as the other committee amendment and the underlying bill. As Chair von Gillern mentioned, we'll have to wait till Select File to see the fiscal note. My understanding is that this is probably going to net us some revenue as a state, which is also helpful in the ongoing conversation we're going to have about our budget. I appreciate Senator Raybould's questions about that, but I do think we're going to see some net revenue on this. So I would encourage my colleagues to vote yes on AM1720. Thank you, Mr. President.

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

WORDEKEMPER: Thank you, Mr. President. I just wanted to address Senator Raybould's comments and, and, and clarify for the, for the body here. The revenue loss was projected on capping the sales tax at 50 cents. It's, it's not capped at this time. So if we would cap that, it would have been a revenue loss. So we removed that cap, so we should not reduce our revenue coming in. So we remove the cap, it should increase the revenue, and from within the Revenue Department, because we're not putting the cap in, they don't have to come up with a new method to tax those products. So it should be status quo for their office. And so there should not be any, any new loss to the state and, and the increase on the tax we're going to collect should be good as a positive. Thank you, Mr. President.

KELLY: Thank you, Senator Wordekemper. Seeing no one else in the queue, you're recognized to close on AM1720.

WORDEKEMPER: Again, thank you, Mr. President. I'd just like to say, you know, the intent of this bill is to support our local in-state small businesses, whether they're in the cigar business or anything, I, I don't think it's advantageous to our state to give out-of-state retailers and, and people selling in our state an unfair advantage to

seek profits over our in-state businesses, small businesses that contribute to our communities paying taxes and employing our citizens. Thank you, Mr. President.

KELLY: Thank you, Senator Wordekemper. Members, the question is the adoption of AM1720. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: AM1720 is adopted. Seeing no one else in the queue, Senator von Gillern, you're recognized to close on AM319 and waive. Members, the question is the adoption of AM319. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 43 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: The amendment is adopted. Seeing no one else in the queue, Senator Wordekemper, you're recognized to close on LB212 and waive. Members, the question is the, the advancement of LB212 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: LB212 is advanced to E&R Initial. Speaker Arch, you're recognized for an announcement.

ARCH: Thank you, Mr. President. In light of the time of where we are right now before the noon hour, I know there's meetings scheduled this afternoon, I'm asking that we pass over LR18CA, we'll take that up Friday morning when we have more time, and proceed to the next agenda item, please.

KELLY: Mr. Clerk.

CLERK: Mr. President, pursuant to the Speaker's announcement, LB207, General File, introduced by Senator von Gillern. It's a bill for an act relating to motor vehicles; it amends Section 60-3,191; provides a fee for certain commercially registered alternative fuel vehicles; and repeals the original section. The bill was read for the first time on January 14 of 2025, and referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File with committee amendments.

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

VON GILLERN: Thank you, Mr. President, and good morning, colleagues. I rise today to open on my bill, LB207. This bill is simple and was advanced by the Transportation Committee with a vote of 8-0. So I'll keep my remarks brief and wrap us up here this morning. LB207 creates a new registration fee for commercially registered alternative fuel vehicles with a gross weight of 7,500 pounds or more. This provision is constructed specifically to target heavy electric vehicles. These vehicles carry large loads over miles of Nebraska roads that everyday Nebraskans ordinarily pay to maintain through their gas taxes. Because these large, heavily, fully electric vehicles do not use gasoline and so do not contribute through gas taxes, it is only fair to ask them to pay their way to maintain the roads and bridges they rely upon to conduct their business. Currently, vehicles of this type are subject to a \$150 registration fee, which is the same that an electric passenger vehicle owner is expected to pay. Because these vehicles are heavier and travel more miles over our roads, it makes sense that they should pay more to register than a regular EV owner. This is exactly what LB207 seeks to accomplish by implementing a \$450 fee for, for commercial EVs or three times the fee for ordinary EVs in case that rate were to change in the future. This proposal is fair, requiring those who place a heavier burden and travel more miles on our roads without paying to maintain them through gas taxes have another way to contribute. It's not an attack on electric vehicles or any type of statement about the choice to adopt them, it's narrowly tailored to ensure that a very specific class of road user is given the opportunity to do their part to maintain our roads most vital-- or one of our state's most vital assets, that being our road system. While the revenue generated by LB207 is not particularly game-changing, Nebraska's transportation needs are projected to grow by billions between now and 2040, and every dollar towards that will count. With that, I ask for your green vote on the advancement of LB207. Happy to take any questions. Thank you.

KELLY: Thank you, Senator von Gillern. Senator Moser, you're recognized for a committee report-- committee amendment.

MOSER: Thank you, Mr. President. Good morning, colleagues. AM73 ensures that the new applicable fee for commercially registered alternative fuel vehicles does not apply to vehicles that have been registered as apportionable vehicles under the international registration plan. The registration plan allows owners to register

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 14, 2026
Rough Draft

fleets of vehicles that travel across multiple state lines. This amendment harmonizes LB207 and current DMV statutes and processes. Thank you, colleagues. I appreciate your support for AM73.

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

von GILLERN: Thank you, Mr. President. Just very quickly, I'm supportive of the committee amendment, AM73, which was worked out through the TNT committee. And I thank Senator Moser for bringing that today. Encourage your green vote.

KELLY: Thank you, Senator von Gillern. Senator Moser, you're recognized to close. Members, the question is the adoption of AM73. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 43 ayes, 0 nays on adoption of the committee member, Mr. President.

KELLY: AM73 is adopted. Seeing no one else in the queue, Senator von Gillern, you're recognized to close.

von GILLERN: Again, thank you for your consideration. I ask for your green vote on LB207. Thank you, colleagues.

KELLY: Thank you, Senator. Members, the question is to advance LB207 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 43 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB207 is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, next item, LB463, introduced by Senator Ballard. It's a bill for an act relating to schools; changes the eligible users of the Medicaid Managed Care Excess Profit Fund; changes provisions relating to the powers and duties of the state school security director; change provisions of the School Safety and Security Reporting Act and requires school districts to develop a cardiac emergency response plan as prescribed; changes provisions relating to the School Safety and Security Fund; provides powers and duties to the State Department of Education to provide grants to schools for costs associated with a cardiac emergency response plan; harmonize provisions; repeals the original section. The bill was read for the

first time on January 21 of 2025 and referred to the Health and Human Services Committee. That committee placed the bill on General File. There are no current amendments, Mr. President.

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

BALLARD: Thank you, Mr. President. I'll try to be as brief as possible running up on the lunch hour and meetings at lunch-- at noon. When it comes to sudden cardiac arrest, survival is largely determined by time. Medical data shows that every minute defibrillation is delayed the survival rate increases-- decreases by 7-10%. Each year, approximately 23,000 children under the age of 18 experience cardiac arrest outside of a hospital. It is the leading cause of youth death in the United States. About 40% of those incidents are sports related at school activities. LB463 represents our best chance of addressing the needs for lifesaving medical intervention while students participate in activity on school grounds. LB463 addresses the gap by requiring schools to have cardiac emergency response plans, including staff training and access to AEDs. This approach is designed to stabilize patients in the critical first minutes before EMS arrives, particularly in communities where schools are the primary gathering place. Access to AEDs and a plan and training to use the device is critical to saving lives. In many rural parts of our state, that is simply not the case. Due to longer distance of travel and limited staffing, it is not uncommon for EMS service to exceed 10 or even 20 minutes depending on the distance, weather, and availability of volunteers. Nebraska-specific data shows that this model works. According to Nebraska's Project ADAM, 278 schools in Nebraska, about one-fifth of our schools have been designated as heart safe, including 152 elementary schools, 45 middle schools, 51 high schools, and 4 community sites. Data reporting on those Nebraska schools between May 2024 and December 2025 show that AEDs are deployed-- AEDs were deployed at 21 emergency events; 62 were involving students, 33 were involving staff, and 5% were involving visitors. The average response time in training sites emergency response is 2.14 minutes. The average time an AED to arrive on scene is 2.09 minutes. In 90% of those cases, 911 was called, and 71% of the incidents were transportation to a hospital. These response times were well within the medically recommended window, and improving survival outcome is served long before EMS arrives. This bill is not intended to replace EMS services, it is intended to bridge the gap to an onset cardiac arrest in the viable EMS. LB463 focuses on schools and the impact extend beyond the school day and many rural communities host athletic events, community

meetings, performance, and elections. In the presence of AED trained responders in these facilities provide a measurable public safety benefit for the entire community. LB463 is targeted evidence-based responses and will protect students and individuals' odds of reducing response time when response matters most between saving a life. Because of the, the issues with the excess profit cash fund, we realize that the funding mechanism is still a work in progress. We look towards having an amendment on Select File to address some of these issues and also look to working with stakeholders, including the Athletic Association on the response time and the need in working with school boards on the mandate. So I appreciate your green vote to move this to Select to continue to work with stakeholders. Thank you, Mr. President.

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

KAUTH: Thank you, Mr. President. I just had a concern about requiring it and have talked to Senator Ballard about possibly making it voluntary so we'll work on that through to Select. Thank you.

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

SPIVEY: Thank you, Mr. President. I rise in support of the intention of this bill. I think it's really important to make sure that there is safety inside of these agencies and organizations and schools for AED. My discourse or kind of what I wanted to ping was just around the Medicaid excess cash fund that I know Senator Ballard just mentioned, and if he could-- would he yield to a question, that would be great.

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

BALLARD: Yes.

SPIVEY: Thank you, Senator Ballard. So I sit on Appropriations, and we are eye deep in the budget. We're already here every day till 5, looking at the budget, and one of the continued conversations around cash funds versus general funds and the sustainability of those funds. And so my question to you is, when working with Fiscal around this fiscal note and the Medicaid cash fund, have they given you information that it is sustainable and there's money in that fund for this program?

BALLARD: So there's not money in this program, or not money in the fund for this program. That's why we're working on an amendment to take that out, the cash fund out. Last year-- I've been working on this bill for a number of years-- last year that was-- there was money in there, but now there's none, and so we're working on a different funding source.

SPIVEY: Thank you. Thank you,--

BALLARD: Thank you.

SPIVEY: --Senator Ballard. And I appreciate that. I think, again, as we are talking about the budget and how we fund things, and, and our budget is a reflection of our choices and our prioritizations as a state, what is being-- how that cash fund is being used is going to be really important, I think, from a discretionary perspective of HHS, and then what we put into statute and how it's used, and I think that this is an opportunity for us to really look at holistically and not just in Appropriations, that is the first step, that is our committee's work and it's also, I think, an opportunity for the rest of the body to really look at our cash funds, our priorities, discretionary programs, and what we are saying are priorities as a body. Thank you, Mr. President.

KELLY: Thank you, Senator Spivey. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. If I could, new bills. LB1061, introduced by Senator Murman and others, a bill for an act relating to postsecondary education; amends Section 85-502, Reissue Revised Statutes of Nebraska; to change to residence requirements relating to tuition fees to state postsecretary educational institutions; repeal of the original section. LB1062, introduced by Senator Bostar, is a bill for an act relating insurance; amends Sections 44-150, 44-4055, 44-4059, 44-4064, Reissue Revised Statutes of Nebraska, and Section 44-4605, Revised Statutes Cumulative Supplement, 2024; change provisions relating to reciprocal licenses and retaliatory measures; change provisions relating to nonresident license requirements and the process of issuance, verification, and termination of such licenses under the Insurance Producers Licensing Act; change fees under the Insurance Producers Licensing Act; change-- provide certain penalties and require notification of certain material changes under the Pharmacy Benefit Manager Licensure and Regulation Act; repeal the original section. LB1063, introduced by Senator Bostar, is a bill for an act relating to Nebraska Money Transmitters Act: amends Sections

8-2701, 8-2702, 8-2711, 8-2742, Revised Statutes Supplement, 2025; define and redefine terms; change provisions relating to applications for licenses and adoption of federal law by reference; state legislative findings; to prohibit money transmission by foreign adversaries as prescribed; to provide applicability; to provide duties to the Director of Banking and Finance; require certain information from applicants and licensees; to harmonize provisions; repeal the original section. LB1064, introduced by Senator Bostar, is a bill for an act relating to electricity; to adopt the Large Load Customer Regulation Act. LB1065, introduced by the Executive Board, is a bill for an act relating to law; amend Section 49-1701, Reissue Revised Statutes of Nebraska; change provisions regarding the publication and distribution of the Constitution of Nebraska; to repeal the original section; and declare an emergency. LB1066, introduced by Senator Fredrickson, is a bill for an act relating to the Legislature; require members of the Legislature to complete a civics assessment as prescribed. LB1067, introduced by Senator Hallstrom, is a bill for an act relating to revenue and taxation; amend Section 81-1230, Reissue Revised Statutes of Nebraska, Section 58-703, Revised Statutes Cumulative Supplement, 2024, and Sections 76-901, 76-903, 77-1327, 81-1239, Revised Statutes Supplement, 2025; change provisions relating to the Affordable Housing Trust Fund, the rate and disbursement of documentary stamp tax, the Rural Workforce Housing Investment Fund, and the Middle Income Workforce Investment Fund; harmonize provisions; repeal of the original section. LB1068, introduced by Senator Storm and others, is a bill for an act relating to the Election Act; amend Sections 32-101, 32-628, 32-629, 32-630, Revised Statutes Supplement, 2025; change requirements relating to petition circulators and sponsors; harmonize provisions; repeal the original section. LR303CA, introduced by Senator Cavanaugh, constitutional amendment to require all employers of the state of Nebraska to provide a minimum 6 weeks paid family medical leave for all employees no later than October 1, 2027, 12 weeks no later than October 1, 2028. LB609 [SIC--LB1069], introduced by Senator Dover, is a bill for an act relating to emergency medical services; amend Section 38-1201, Revised Statutes Cumulative Supplement, 2024; provide billing requirements for emergency care providers as prescribed; to define a term; and repeal the original section. LB1070, introduced by Senator Dover, is a bill for an act relating to appropriations; to amend Laws 2025, LB261, Section 245; change appropriations to the Department of Economic Development; repeal the original section. Amendments to be printed from Senator Ballard to LB463; Senator Storer, LB668; Senator Clements, LR18CA. Motion to be printed from Senator McKinney to LB653,

Senator McKinney to LB1053. Notice of hearing from the Natural Resources Committee as well as the Agriculture Committee. Notice that the Committee on Committees will meet in Room 2102 at 1:30; Committee on Committees will meet at 1:30 in Room 2102. And name adds: Senator Storer name added to LB814; Senator Quick, LB915; Prokop, LB964; Storer, LB990; and Senator Juarez would withdraw her name from LB1053. Finally, Mr. President-- excuse me, another notification, the Referencing Committee will meet in Room 1524 upon adjournment; Referencing upon adjournment in 1524. Finally, a priority motion, Senator Raybould would move to adjourn the body until Thursday, January 15 at 9:45 a.m., 9:45 a.m.

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