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# UPDATE

## Expansion of convention center financing amended, advanced



Sens. Steve Lathrop (left) and John Harms discuss LB779, which would help fund the construction of sports arenas.

A bill that would make changes to the state's Convention Center Facility Financing Assistance Act was amended and advanced from select file April 8.

The act provides a mechanism for using sales tax revenue to fund the construction or enhancement of certain facilities. Sales tax revenue generated by a qualifying facility – and by retailers within a specified vicinity – is “turned back” to assist in paying down the debt incurred to develop and build the facility. The Legislature has authorized the use of turnback funds for the Qwest Center in Omaha and a proposed Lincoln arena.

LB779, introduced by Omaha Sen. Steve Lathrop, would permit use of the turnback mechanism for smaller

*continued on page 2*

## Cities authorized to extend bar hours to 2 a.m.

Nebraska municipalities will be permitted to authorize a 2 a.m. bar close under an amendment added April 6 to a bill that makes a variety of changes to the Nebraska Liquor Control Act. Senators gave final approval to the bill April 9.

LB861, sponsored by Wilber Sen. Russ Karpisek, makes technical changes to the act.

During select file debate, Lincoln Sen. Colby Coash offered an amendment, adopted 33-10, that allows a

local governing body or county board to extend on-site alcohol retail sales from 1 a.m. to 2 a.m. As introduced, the amendment would have required a vote of at least 60 percent of a local governing body to authorize the change.

Coash said the amendment allows local elected officials to take local circumstances into account when making decisions about whether to extend bar hours.

“If this amendment passes, 2 a.m. does not become the law of the land

for bar closing times,” he said. “This gives the local governing body the flexibility to do what they feel is necessary to govern.”

Sen. Amanda McGill of Lincoln supported the amendment, saying the change could encourage convention business in Omaha and keep young people in Nebraska.

“I think this is something that we seriously need to consider if we want to stay competitive,” she said. “It’s something that we’ve fallen behind on in terms of attracting people.”

*continued on page 3*

# A CLOSER LOOK.....

## Expansion of convention center financing advanced

*continued from front page*

sports arena facilities.

The bill defines an eligible sports facility as one that:

- is publicly owned;
- is enclosed and temperature-controlled;
- has a seating capacity of 3,000 to 7,000;
- is financed by a general obligation bond;
- is initially occupied after July 1, 2010;
- does not exceed \$75 million in state assistance; and
- is not bonded for more than 20 years.

An amendment offered on select file by Elk Creek Sen. Lavon Heidemann would add to the definition of an eligible facility any racetrack enclosure licensed by the State Racing Commission that is initially occupied on or after July 1, 2010, including concession areas, parking facilities

and onsite administrative offices connected with operating the racetrack.

Heidemann said he introduced the amendment because other efforts this session to assist the horse racing industry in Nebraska had failed. He said the change possibly would help Lincoln replace the racetrack scheduled to cease operation due to the state fair's move to Grand Island.

"This is a way that we will be able to help this industry," he said.

Lincoln Sen. Bill Avery supported the amendment, calling it a way to assist horse racing and other equine programs without expanding gambling.

"This is the right approach," he said.

Avery said the amendment could help finance a proposed multipurpose equestrian center in Lincoln. The proposed facility would provide a year-round home for equine therapy programs for disabled children, he said, as well as providing Lincoln with a one-mile race track.

Sen. John Harms of Scottsbluff opposed expanding the turnback mechanism to race tracks, saying it would mean using tax dollars to subsidize gambling.

"That's exactly where we are," he said. "I object to that. I

don't think it's appropriate."

Harms also said lawmakers should not approve the amendment without a specific proposal outlining the viability and total cost of the proposed Lincoln racetrack.

"Do we have any idea at all how much this is going to cost us?" he asked.

Heidemann said the amendment only would allow for the possibility of using the turnback mechanism for a qualifying racetrack. Under LB779, any proposal would require approval by a board that includes the governor, state treasurer, a member of the Nebraska Investment Council and an economics professor, he said.

"This will be looked at," Heidemann said. "There will be a plan."

The amendment was adopted 32-4.

Lathrop offered an amendment, adopted 32-0, which would further clarify the expanded turnback mechanism.

Among other provisions, the amendment would:

- stipulate that seating in an approved facility be permanent;
- clarify that a qualifying political subdivision must be a city, village or county;
- reduce from \$75 million to \$50 million the maximum amount of state assistance available for a project;
- specify that application for assistance may be made upon adoption of a resolution authorizing pursuit of a general obligation bond; and
- clarify that board approval of an application would not be permanent until voter approval

*continued on page 4*



*Sen. Lavon Heidemann explains his amendment, which would allow racetracks to use turnback financing.*

# A CLOSER LOOK.....

## Cities authorized to extend bar hours to 2 a.m.

*continued from front page*

Omaha Sen. Brenda Council agreed, saying Omaha currently must compete with casinos and bars across the river in Iowa that stay open until 2 a.m.

“This would allow bars to compete on an equal basis,” she said.

Sen. Gwen Howard of Omaha expressed concerns about the potential impact on residential areas of allowing a 2 a.m. closing time. Calling the noise level at closing time “incredible,” she said her legislative district has experienced many problems related to liquor proliferation.

“Local control to me is about the people who live in the neighborhoods,” she said. “I think this is a decision that we need to think long and hard about.”

Sen. Mark Christensen of Imperial offered an amendment, adopted 37-2, which changed the local governing board vote requirement from 60 percent to a two-thirds majority. Some rural Nebraska communities have small governing boards, he said, and a supermajority vote should be required to allow a later closing time.

Coash said the change will not impact Lincoln or Omaha, which each have seven-member governing boards and will require five votes to authorize a 2 a.m. close under either voting system.

As amended, LB861 also contains provisions of six other bills.

LB786, introduced by Karpisek, removes a prohibition on adding alcohol to beer or selling beer to which alcohol has been added.

LB870, also introduced by Karpisek, creates a temporary operator’s permit for new owners of a business with a liquor license.

LB883, introduced by Coash, allows farm wineries to store products at an offsite facility. Under the bill, farm wineries must notify the Liquor Control Commission of the warehouse location and alcohol consumption is prohibited at the offsite location. The bill also makes state law consistent with federal law regarding reporting and tax payment schedules for farm wineries.



*Sen. Colby Coash offered an amendment that allows extended bar hours.*

**“2 a.m. does not become the law of the land for bar closing times. This gives the local governing body the flexibility to do what they feel is necessary to govern.”**

**-- Sen. Colby Coash**

LB906, introduced by Karpisek, removes a prohibition on granting liquor licenses to establishments located within 150 feet of a church. Under the bill, the commission may grant such a license only after providing notice to an affected church and holding a hearing.

LB1000, introduced by Karpisek, requires that any officer or director of a limited liability company (LLC), or any member with an ownership interest of more than 25 percent, meet the qualifications for a liquor license. The bill also requires that an LLC manager be a citizen and a resident of Nebraska.

Finally, LB1012, introduced by Sen. Kent Rogert of Tekamah, increases the membership of the State Racing Commission from three to five members. Under the bill, three members will be appointed from each of the state’s congressional districts and two will be at-large appointees. No more than three members may be from the same political party and no more than two members may reside in the same congressional district or the same county. The term of office is four years.

*continued on page 4*

# A CLOSER LOOK.....

## Expansion of convention center financing amended, advanced

*continued from page 2*

of a general obligation bond is secured.

Lathrop said the changes would safeguard the state's investment in any qualifying project.

"This is not just giving state money away," he said. "There is a process in place and you have to show that this is a viable project."

Lathrop also offered an amendment that would have changed the turnback formula for projects approved under LB779.

Under the bill, retailers subject to turnback would be located within 600 yards of an eligible facility. Any increase in sales tax revenue from retailers that existed 24 months prior to the facility's completion could be used for the turnback provision. All sales tax revenue collected by retailers that began operation up to 24 months prior to, or 24 months after, completion of the facility could be used for the turnback provision.

Under the formula, 70 percent of turnback revenue would be used to retire debt on the qualifying facility and 30 percent would be directed to the Local Civic, Cultural and Convention Center Financing Fund, which provides grants for rural community improvement projects.

During the final 10 years of financing, turnback funds could not exceed the highest amount turned back in any single year of the first 10 years of financing.

Lathrop's amendment would stipulate that 30 percent of turnback funds be directed to the state's general fund, rather than to the Local Civic, Cultural and Convention Center Fund.

Lathrop said the fund's current balance of \$2.1 million is not being depleted as quickly as money is being deposited from Qwest Center turnback funds.

Turnback from the Qwest Center and the proposed Lincoln arena, if approved, would continue to be directed to the Local Civic, Cultural and Convention Center Fund, he said, adding that the Qwest Center turns back approximately \$1.3 to \$1.5 million annually.

"We have more money in that fund than we have projects," Lathrop said.

But Sen. John Wightman of Lexington said \$1.3 million in grants were made in 2008 and that diverting turnback monies from LB779 projects could put the fund in jeopardy.

Fullerton Sen. Annette Dubas agreed, saying projects funded by turnback dollars are vital to small communities.

"Right now in rural Nebraska we are fighting for our future," she said. "This [amendment] is a strong deviation from this bill's original intent."

The amendment failed on a 2-28 vote.

Lincoln Sen. Colby Coash offered and later withdrew an amendment that would have provided a tax credit on liability insurance for agritourism businesses in Nebraska.

LB779 also would allow cities of the primary and metropolitan class to adopt biennial budgets in even-numbered years. Currently, budgets must be adopted in odd-numbered years.

Senators advanced the bill to final reading by voice vote. ■

## Cities authorized to extend bar hours to 2 a.m.

*continued from page 3*

The bill also removes prohibitions on commission members:

- having an interest in a horse that is racing under the commission's jurisdiction;
- placing wagers on the outcome of any race under the commission's jurisdiction or supervision; or
- having a financial interest in or engaging in any private employment with any business that is regulated by or conflicts with the commission's duties, or that does business with any racing association licensed by the commission.

Under the bill, members may engage in these activities, but are required to file a conflict of interest statement and may not vote on matters where a conflict of interest exists.

Provisions originally from LB869 that would have increased the liquor license application fee from \$45 to \$400 were removed from LB861 by a Karpisek amendment, adopted 35-0. He said the increase was not needed to cover the cost of processing new applications.

Senators advanced LB861 to final reading by voice vote and passed the bill 40-5. ■

# ISSUES UPFRONT

## Agriculture

**Bill facilitating use of food stamp benefits at farmers' markets passes**

Under a bill passed April 9, farmers' markets may apply for state grants to purchase equipment to facilitate customers' use of Supplemental Nutrition Assistance Program benefits.

LB986, introduced by Lincoln Sen. Danielle Conrad, expands acceptable uses of Agricultural Opportunities and Value-Added Partnership Act grants to include purchases of electronic scanners and point-of-sale devices that enable those receiving federally subsidized food and nutrition benefits to purchase food at farmers' markets.

The bill passed 46-0.



Sen. Danielle Conrad



contractors enables employers to avoid paying them unemployment, health insurance or workers' compensation benefits. The practice also allows employers to skirt labor laws and can lower their labor costs to 30 percent below an employer who is properly classifying employees, he said.



Sen. Steve Lathrop

Under the bill, an independent contractor is defined as one who is registered under the Contractor Registration Act and is assigned a combined tax rate or is exempt from unemployment insurance coverage. A violation would result in a \$500 fine per misclassified employee for a first offense and a \$5,000 fine per misclassified employee for subsequent offenses.

The bill would require the state Department of Labor to establish and operate a hotline and Web site, which could be used to report suspected violations. The bill would require public construction contractors to submit an affidavit attesting that each employee has completed an I-9 form and is properly classified and that the contractor has complied with E-verify, the federal program that verifies the

legal resident status of newly hired employees.

Lathrop offered an amendment, replacing the bill, which, among other technical changes, would stipulate that money to implement the bill be taken from the Contractor Registration Cash Fund.

Bellevue Sen. Scott Price offered an amendment to Lathrop's amendment that would remove delivery service personnel from the provisions of the bill.

"I've found nothing to show the need to include delivery services," he said, noting that the bill does not address how delivery service employees are classified.

Lathrop opposed Price's amendment. He said that while LB563 does not change the standard for classifying delivery service personnel, it provides an enforcement mechanism for current law.

"The only reason to take [delivery personnel] out of here is to take away the enforcement mechanism," Lathrop said.

Price's amendment failed on a 5-21 vote and Lathrop's amendment was adopted 34-0.

After voting 36-0 to adopt a Lathrop amendment making technical changes, senators advanced LB563 from select file on a voice vote.

## Business & Labor

**Employee classification bill advanced**

Senators advanced a bill April 7 that would address the misclassification of employees as independent contractors.

Omaha Sen. Steve Lathrop, introducer of LB563, said misclassification of employees as independent

# ISSUES UPFRONT.....

## Workers' compensation for mental injuries bill extended, passed

A bill that changes the Nebraska Workers' Compensation Act was given final approval April 9 after being amended April 6 to extend a sunset clause.

Currently, the act indicates that mental injuries are compensable only when associated with a compensable physical injury.

LB780, introduced by Omaha Sen. Steve Lathrop, makes mental injuries unaccompanied by a physical injury eligible for compensation for first responders in limited circumstances. The bill excludes recovery for mental injuries resulting from normal employer and employee relations, including personnel and disciplinary actions.

Under the bill, a first responder is defined as a sheriff, deputy sheriff, police or state patrol officer, volunteer or paid firefighter or a volunteer or paid individual licensed in a subdivision who provides immediate medical care in order to prevent loss of life or aggravation of physiological or psychological illness or injury.

As amended on general file, the bill's provisions would have ended by June 30, 2013.

During select file debate Holdrege Sen. Tom Carlson offered an amendment, adopted 41-0, which extends the sunset to June 30, 2014. He said the extension will give senators an additional year to gauge the impact of expanding workers' compensation to stand-alone mental injuries.

Sen. Beau McCoy of Omaha offered an amendment that would have paid compensation to the dependents of an employee who dies within one year of a compensable mental injury or mental illness, if his or her death

is a direct result of the mental injury or illness. He said the change would place necessary limitations on the bill's benefits.

The amendment failed on a 17-27 vote.

A second McCoy amendment would have limited benefits for stand-alone mental injuries to 26 weeks.

"The amendment seeks to draw a line, while at the same time recognizing the value of what our first responders do for our state," he said.

Lincoln Sen. Tony Fulton supported the amendment, saying it would help municipalities plan for the bill's cost.

"It is not unreasonable to put forward some guidelines," he said.

The amendment failed on a 12-30 vote.

A final amendment, offered by Omaha Sen. John Nelson, would have limited the bill's provisions to volunteer first responders. Paid first responders currently have access to counseling and other benefits through their employers, he said, and the state should not mandate redundant coverage.

Lathrop opposed the amendment, saying it would be unfair to distinguish between paid and unpaid first responders in relation to mental injuries.

"I think cutting out the paid first responders causes more problems than it solves," he said.

The Nelson amendment failed on a 4-29 vote and senators advanced the bill to final reading 38-5.

LB780 passed on a 40-5 vote.

## Bill seeks federal unemployment stimulus funds

Lawmakers gave first-round approval April 8 to a bill intended to pave the way for Nebraska to accept

federal stimulus funds for unemployment benefits.

LB1020, sponsored by Sen. Steve Lathrop of Omaha, was originally introduced to make a technical change to Employment Security Law. An amendment, offered by the Business and Labor Committee and adopted 31-0, instead would provide a way for the state to accept \$43.6 million in American Recovery and Reinvestment Act (ARRA) funds.



Sen. Steve Lathrop

Nebraska leaders initially did not pursue the stimulus funds, Lathrop said, because doing so would require increased benefits that would further deplete the state's unemployment trust fund in the long term.

"The stimulus money comes with strings," he said. "To qualify we must extend benefits."

Under the amendment, beginning July 1, 2011, individuals who are determined ineligible for unemployment benefits based upon wages earned during the first four of the five most recent calendar quarters would be entitled to a redetermination. The redetermination would be based on the last four completed calendar quarters immediately preceding the first day of the claimant's benefit year.

A committee hearing on the amendment was held April 7.

Jennifer Carter of Nebraska Applesseed testified in support, calling the redetermination provision the most important in the amendment because it would provide for an alternative base period to determine unemployment eligibility.

Currently, income earned in the most recent quarter is not included in calculations to determine eligi-

# ISSUES UPFRONT.....

bility for unemployment, she said, which results in many low-income workers not earning enough money to qualify. Allowing an alternative calculation that includes the most recent quarter likely would result in more low-income workers being eligible for benefits, she said.

Ron Sedlacek of the Nebraska Chamber of Commerce also testified at the hearing in support of the amendment, saying it would make Nebraska's benefit qualifications consistent with other states without increasing taxes on businesses.

There was no opposition testimony given during the hearing.

Lathrop said his amendment represents a "benefit-neutral solution," because the increased benefits it contains would be balanced by limitations on benefit qualifications, resulting in a revenue-neutral proposal. Without that balance, he said, Nebraska likely would be forced to further increase the unemployment withholding rate paid by businesses to ensure the solvency of the state's unemployment trust fund.

Additional benefit enhancements included in the amendment would impact job training and part-time employees.

Under the amendment, an individual who is otherwise eligible for unemployment would not be deemed ineligible solely for seeking part-time work if the majority of the weeks of work in his or her base period include part-time work.

In addition, an individual who has exhausted all regular unemployment benefits would continue to be eligible for up to 26 additional weeks if, among other provisions, such an individual:

- was voluntarily separated from employment as a result of a permanent reduction of the

employer's operation;

- is enrolled and making satisfactory progress in an approved training program that is preparing the individual for entry into a high-demand occupation; and
- is not receiving a similar stipend or other training allowances for non-training costs.

Lathrop estimated that the increased benefits would have an approximately \$15 million impact on the state's unemployment insurance trust fund. To offset that increase, he said, the measure also provides potential savings of approximately \$15.7 million.

Among the projected savings are \$2.5 million from changes in qualifying requirements and \$13.2 million from extending disqualification periods:

- from 12 to 14 weeks for a misconduct discharge;
- from 12 to 13 weeks for voluntarily leaving employment without good cause; and
- from 1 to 2 weeks for voluntarily leaving employment to accept other employment.

LB1020 would go into effect July 1, 2011, and the state Department of Labor would have to apply to the U.S. Department of Labor for ARRA unemployment funds by August 2011.

Lincoln Sen. Kathy Campbell supported the proposal, saying that without it, businesses would have difficulty absorbing additional increases in the state's unemployment withholding rate.

"From a small business perspective, this is one of the expenses that you pay very close attention to," she said.

The bill advanced to select file on a 37-0 vote.

## Education

### Student health screening bill passed

Senators passed a bill April 9 that requires the state Department of Health and Human Services to set health screening schedules for school districts.

Currently, school districts are required to screen every student for vision, hearing and dental health in the first quarter of each school year.

LB713, introduced by Grand Island Sen. Mike Gloor, requires the department to determine which screenings should be performed and establishes a method for gathering student health data for schools.



Sen. Mike Gloor

The bill allows an exemption from health inspections if a student provides written documentation from a doctor stating that the child has recently been inspected. Parents also may opt out of the screenings.

LB713 passed on a 48-0 vote.

### Teacher performance pay bill amended, advanced

Senators amended and gave second-round approval April 7 to a bill that would distribute income from proceeds of wind and solar leases on school lands.

LB1014, sponsored by Malcolm Sen. Ken Haar, originally was designed to create a separate teacher



Sen. Ken Haar

# ISSUES UPFRONT.....

performance pay fund with the proceeds from wind and solar leases and any portion of rental income related to carbon sequestration rights of the Board of Educational Land and Funds.

As amended, the bill's provisions address proceeds from wind and solar leases only and the performance pay fund was removed. Instead, beginning in 2016, income from solar and wind leases would be accounted for separately but would not be placed in a separate fund and would not accumulate.

School districts and their collective bargaining agreements would be required to set performance factors that could include improving professional skills and knowledge, classroom performance or instructional behavior and instructional outcomes.

If 75 percent of school districts reach such an agreement in a given year, the commissioner of education would be required to notify school districts of the amount of their apportionment attributable to wind and solar leases and available for teacher performance pay. The amount available for performance pay would be capped at \$10 million per year.

If a school district fails to include a system for teacher performance pay within its local collective-bargaining agreement, funds specified in the bill would be returned to the state treasurer within one month for statewide redistribution in the following year on a per-pupil basis.

Haar offered an amendment on select file that would eliminate the bill's provisions if the 75 percent requirement is not met in 2016, 2017 or 2018. He said the amendment would give schools three years to reach agreements on teacher performance pay.

Holdrege Sen. Tom Carlson supported the amendment and the bill,

saying the state needs to find a way to increase teacher pay without raising property, sales or income taxes.

"The most valuable assets we have in the state of Nebraska are the minds of our young people," he said. "And teachers are the key to developing those young minds."

Senators adopted the Haar amendment 31-0 and advanced the bill to final reading by voice vote.

## Executive Board

### Bill establishes entrepreneurship task force

Lawmakers gave final approval April 8 to a bill that establishes a task force designed to bring high-wage employment to Nebraska.

LB1109, introduced by Lincoln Sen. Danielle Conrad, establishes the Innovation and Entrepreneurship Task Force. Comprised of six legislators appointed by the Executive Board, the task force will commission a nonprofit organization to provide research, analysis and recommendations for the development of a statewide strategic plan to encourage entrepreneurship in Nebraska.



Sen. Danielle Conrad

The study will be funded by a \$48,000 appropriation made available through unexpended monies reverted to the general fund from the Microenterprise Development Cash Fund.

The statewide strategic plan will include an inventory of existing state and locally sponsored programs and resources targeted at small business,

microenterprise and entrepreneurship endeavors in the state. The task force will be required to present the plan to the Legislature by Dec. 1, 2010.

LB1109 passed on a 43-0 vote.

## Government, Military & Veterans Affairs

### Extra write-in spaces for ballots approved

Nebraska voters will see additional write-in spaces on their ballots beginning in 2011 under a bill passed April 9.

LB852, introduced by Lincoln Sen. Bill Avery, removes the prohibition against write-in spaces on primary election ballots for directors of natural resources districts and public power districts.



Sen. Bill Avery

The bill also permits write-in spaces on general election ballots for directors of reclamation districts, members of the board of educational service units, directors of natural resources districts, directors of public power districts and members of county weed district boards.

The operative date of the bill is Jan. 1, 2011.

The bill passed 47-0.

### State will give preference to energy star appliances

Under a bill passed April 9, en-

# ISSUES UPFRONT.....

ergy star certified appliances have an advantage in purchases made by the state over their less efficient counterparts.

LB978, introduced by Omaha Sen. Heath Mello, directs the state Department of Administrative Services in its competitive bidding process to purchase or lease only energy star certified products. The material administrator may choose otherwise if the cost of an appliance exceeds its projected energy savings.

Lawmakers voted 46-0 to approve the bill.



Sen. Heath Mello

- removes a requirement that governing boards for developmentally disabled specialized services include elected officials.

The bill was amended to include provisions from nine other bills.

LB25, introduced in 2009 by former Sen. Mike Friend of Omaha, adds children's day health services to the definition of health care service under the Health Care Facilities Licensure Act.

LB702, introduced by Grand Island Sen. Mike Gloor, allows a longer time frame for written authorizations for the release of health information. Currently, a request is effective for 180 days. Under the bill, an authorization will expire in 12 months if it does not contain an expiration date or specify an event that causes the authorization to expire.

LB726, introduced by Wilber Sen. Russ Karpisek, requires four hours of annual education and training for direct care staff pertaining to the care or treatment outlined in the Alzheimer's Special Care Disclosure Act. The four hours specified do not increase the aggregate hourly training requirement of the Alzheimer's Special Care Unit, nor is the state Department of Health and Human Services responsible for the curriculum.

LB734, introduced by Gay, eliminates a requirement that municipal and private utility companies use certified mail to give notification of service termination to welfare recipients. Notification by first-class mail is required seven days prior to termination of utility service to any domestic subscriber.

LB766, introduced by Gloor, eliminates the July 1, 2010 termination date for the Nebraska Center for Nursing Act.

LB828, introduced by Gloor, re-

defines, limits and changes education requirements for medical radiographers under the Medical Radiography Practice Act.

LB857, introduced by Gay, consolidates the Modular Housing Units Cash Fund and the Manufactured Homes and Recreational Vehicles Cash Fund into a new Public Service Commission Housing and Recreational Vehicle Cash Fund. The bill also eliminates specified statutory dollar amounts for manufactured home and recreational vehicle seals and allows the commission to determine annually the amount charged for the seals. Currently, the fee is set in statute as not less than \$10 and not more than \$75.

LB930, introduced by Gloor, amends the Pharmacy Practice Act by defining prescription drugs and devices as those not carrying an FDA-approved prohibition on their sale except on the order of a licensed health care provider. The bill also specifies that the practice of pharmacy does not include a business or person who sells, delivers or distributes such devices.

LB941, introduced by Gay, adds to the practice of optometry the dispensing and sale of a contact lens containing an ocular pharmaceutical agent, which the FDA classifies as a drug and an optometrist is authorized to prescribe.

LB849 passed on a 43-0 vote.

## Bill would require hospital licensure moratorium

Senators gave first-round approval April 7 to a bill that would provide for a temporary moratorium on the issuance of new hospital licenses in Nebraska.

As introduced, LB999, sponsored by Lincoln Sen. Kathy Campbell,

## Health & Human Services

### Omnibus health bill approved

Lawmakers gave final approval April 8 to a bill that makes various changes to health and human services provision in Nebraska.

LB849, sponsored by Papillion Sen. Tim Gay, is the Health and Human Services Committee's annual "clean-up" bill, which:

- updates state law regarding references to the Federal Social Security Act;
- transfers decision-making authority on appeals from a hearing officer to the director of the division of developmental disabilities; and



Sen. Tim Gay

# ISSUES UPFRONT.....

would direct the state Department of Health and Human Services not to accept applications from or issue licenses to new hospitals from Sept. 1, 2010 through Aug. 31, 2012. The bill makes an exception for critical access hospitals.

Campbell offered an amendment, adopted 41-0, which would end the moratorium on Sept. 15, 2011, and provide an exemption for any hospital that has begun construction prior to May 1, 2010. She said the change would allow time for the Legislature to study the status of hospital development in Nebraska and its impact on the cost and quality of the care provided. The one-year moratorium also would allow lawmakers time to pass any legislation resulting from the study next session, she said.



Sen. Kathy Campbell

"It's important for us to know what we're spending on hospitals and how we should proceed," Campbell said, adding that Nebraska made \$331 million in Medicaid payments to hospitals last year.

"We are not a bystander to the issue of hospitals in this state," she said.

Grand Island Sen. Mike Gloor agreed, saying over 50 percent of Nebraska hospitals' revenue comes from taxpayers in the form of Medicaid and Medicare payments.

Under the bill, the Legislature's Health and Human Services Committee would conduct a study that would examine:

- referral practices;
- ownership disclosure;
- community benefit;
- uncompensated and under-compensated patient care;

- different types of hospitals and limited-service facilities;
- compliance with the federal Emergency Medical Treatment and Active Labor Act; and
- the impact of federal health care reform.

Campbell said a number of states regulate physician ownership of hospitals, physician self-referral and acceptance of Medicaid patients.

"Nebraska is silent on each of these [categories]," she said, adding that the state has not studied the growth of health care costs or how best to conserve limited health care resources since 1997.

Holdrege Sen. Tom Carlson questioned the need for a moratorium, saying it would constitute an undue constraint on business and free enterprise.

But Kearney Sen. Galen Hadley supported the bill and agreed that more time is needed to allow for a comprehensive study.

"We want solutions that improve quality, lower costs and improve access," he said.

Senators advanced LB999 to select file on a 41-2 vote.

## Judiciary

### Ban on animal fighting paraphernalia passes

Those in possession of animal fighting paraphernalia could spend up to a year in prison under a bill approved April 9.

LB252, introduced by Bellevue Sen. Abbie Cornett, defines animal fighting paraphernalia to include any



Sen. Abbie Cornett

materials used in the training, preparation, conditioning or furtherance of the pitting of one animal against another. Animal fighting paraphernalia does not include equipment, products or materials used by a veterinarian.

Those found owning or possessing animal fighting paraphernalia are guilty of a Class I misdemeanor.

Lawmakers voted 46-1 to approve the bill.

### Senators establish crime victim fund

Senators passed a bill April 8 that creates the Nebraska Crime Victim Fund.

LB510, introduced by Omaha Sen. Pete Pirsch, charges defendants a \$1 fee on each misdemeanor and felony conviction in district and county court and each affirmation on appeal.



Sen. Pete Pirsch

The bill also allows up to 5 percent of wages earned by inmates in work release programs to be directed to the Crime Victim Reparations program.

The bill stipulates that 75 percent of the funds from the surcharge go to the Victims Compensation Fund and 25 percent to the Reentry Cash Fund, which funds the Work Ethic Camp in McCook.

Senators passed LB510 on a 38-1 vote.

### Abortion screening bill amended to require mental health provider list

Senators amended an abortion screening bill April 7 to require the state Department of Health and Hu-

# ISSUES UPFRONT.....

man Services to maintain a list of mental health service providers on its Web site.

LB594, introduced by Ewing Sen. Cap Dierks, would require a physician to perform a risk evaluation before performing an abortion.

Under the bill, abortion providers would be required to evaluate patients, at least one hour before the abortion, to identify any risk factors associated with abortion. Risks could include physical, psychological, emotional, demographic and situational factors.

Doctors would be required to discuss with the patient risk factors based on research reports from peer-reviewed journals. Violations would entitle the patient or her survivors to a civil cause of action.

Sen. Ken Haar of Lincoln opposed the bill, saying it would do little to reduce the number of abortions in the state. An article from the Guttmacher Institute reported that 40 percent of unintended pregnancies end in abortion, as compared to 4 percent of intended pregnancies, he said.

“We can reduce the need for abortions by focusing our efforts on the decrease of unplanned pregnancies,” Haar said. “Prevention is a real and productive solution to reducing abortions.”

By requiring abortion providers to evaluate risk factors, Dierks said, the bill simply would set the same standard for abortion providers as exists for other doctors.

“Why would we want the standard of care for abortions to be less than any other care?” he said.

Lincoln Sen. Amanda McGill offered an amendment, adopted 34-1,



Sen. Cap Dierks

which would require the department to maintain a printable list of public and private mental health service providers on HHS’s Web site. McGill said doctors could refer patients to the list for treatment options for any risks identified during a pre-abortion evaluation.

“With the bill, we are going to be giving women an evaluation as to whether or not they are going to be at risk. We should also be giving them some information regarding mental health services regardless of the decision they make,” she said.

Senators adopted a technical amendment 33-5 offered by Dierks and advanced the bill from select file on a 36-7 vote.

### Small claims court jurisdictional amount limit raised

A bill approved by the Legislature April 9 raises the jurisdictional amount limit for small claims court.

The limit is reviewed every five years by the state Supreme Court and adjusted based on the Consumer Price Index for All Urban Consumers.

LB695, introduced by Bellevue Sen. Scott Price, provides a one-time adjustment from \$2,700 to \$3,500.



Sen. Scott Price

The bill was approved 48-0.

### Senators amend, pass bill addressing city, county jail time formulas

Senators adopted an amendment to a tenant property bill April 6 that makes the calculation of time served in city and county jails consistent with that of state facilities. The bill was

passed April 9.

LB712, as introduced by Tekamah Sen. Kent Rogert, allows landlords to dispose more easily of furniture and other personal property left by former tenants by raising the property value threshold requiring public sale from \$250 to \$1,000.



Sen. Kent Rogert

Sen. Brenda Council of Omaha offered an amendment to the bill, adopted 26-0, incorporating provisions from LB990, which she introduced. The provisions require city and county jails to use the same formula that state facilities use to calculate good time. Under the state formula, inmates with good behavior records serve approximately one out of every two days of their sentence.

The current formula for city and county jails stipulates that for every 14 days served, an inmate earns seven days of good time. Council said this disparity in good time formulas results in some inmates serving more time in city and county jails than inmates in state prisons, even though city and county inmates are never sentenced for more than one year.

Omaha Sen. Scott Lautenbaugh offered an amendment, adopted 32-0, which incorporates provisions from two bills he introduced: LB843, which changes provisions relating to arson, and LB840, which changes provisions relating to criminal attempt.

As amended on general file, LB712 also contains provisions relating to civil law procedures from the following bills.

LB687, introduced by Lexington Sen. John Wightman, changes amounts of homestead allowance, exempt property and family allow-

# ISSUES UPFRONT.....

ance for decedents' estates.

LB703, introduced by Wightman, changes provisions relating to powers of attorney.

LB757, introduced by Wightman, provides for non-probate transfer on death of motor vehicle certificates of title.

LB824, introduced by Valentine Sen. Deb Fischer, changes provisions relating to master jury lists.

LB847, introduced by Council, changes provisions relating to small claims court powers.

LB915, introduced by Lincoln Sen. Amanda McGill, provides for use of motor vehicle operator license numbers and state identification card numbers in compiling jury lists.

LB939, introduced by Platte Center Sen. Arnie Stuthman, changes child support enforcement provisions relating to the collection of other monetary judgments, mandatory reporting of account balances and review and modification of child support orders.

LB988, introduced by Council, increases the amount of credit for imprisonment from \$60 to \$90 per day.

LB1026, introduced by Wightman, creates a statutory process for transferring civil actions from one district court to a district court in another county.

LB1045, introduced by Lautenbaugh, eliminates a provision for jury commissioner duties to be transferred to the clerk of the district court once a county reaches 150,000 residents.

LB1046, introduced by Lautenbaugh, stipulates that if defendants choose to exercise continuances past the stated statutory period, they are deemed to have waived their right to a speedy trial.

LB1084, introduced by Wilber Sen. Russ Karpisek, provides a court

procedure for a county to obtain regular payments for the maintenance, care and disposition of any pet animals or equines seized by a sheriff while a case is pending against a defendant for the mistreatment of the animals.

Senators adopted a technical amendment offered by Wightman 32-0 and advanced LB712 from select file April 6 by voice vote. The bill passed April 9 on a 48-0 vote.

### Senators advance increased penalties for offenses against HHS employees

Senators scaled back and advanced a bill from general file April 6 that would increase penalties for offenses against employees at regional and youth rehabilitation centers.

Under LB771, introduced by Norfolk Sen. Mike Flood, offenses against employees of the state Department of Health and Human Services who work in a regional center facility or a youth rehabilitation and treatment center could be categorized as felonies.



Sen. Mike Flood

The bill would allow the filing of felony charges against individuals confined in a regional center or a youth rehabilitation and treatment center, including those committed as a mentally ill dangerous person or a dangerous sex offender.

Flood said offenses against regional center employees often result in severe injuries and that current penalties are inadequate.

"We owe it to these [employees] when a patient, who knows the difference between right and wrong,

assaults them," he said.

A Judiciary Committee amendment, adopted 41-0, limited the bill's application to offenses committed by dangerous sex offenders. Omaha Sen. Brad Ashford said the committee did not support increasing penalties for all inmates.

"The populations are different when we're dealing with these various types of individuals," he said, noting that some mental illnesses affect an individual's sense of right and wrong.

Senators voted 38-0 to advance the bill from general file April 6.

### Bill updating deceptive trading practices passes

Deceptive trading practices prohibited under the Uniform Deceptive Trade Practices Act are updated under a bill approved April 8.

LB801, introduced by Lincoln Sen. Tony Fulton, defines deceptive trading practices to include the use, promotion, establishment, operation of or participation in pyramid promotional schemes that solicit members of the public.



Sen. Tony Fulton

Pyramid promotional schemes are defined as plans or operations in which participants receive compensation that is primarily derived from the recruitment of other participants, as opposed to the sales of goods, services or intangible property.

The bill does not affect operations that give consideration in return for the right to receive compensation based upon purchases of products or services for use, consumption or resale, as long as inventory loading is not promoted or induced and an

# ISSUES UPFRONT.....

inventory repurchase program is implemented.

Also included in the bill as a deceptive trading practice is the distribution of peer-to-peer file-sharing programs that do not notify users that their computer files will be made available to the public and that activate file-sharing functions without users' consent. Those who thwart reasonable efforts to block the installation, execution or disabling of file-sharing programs will be guilty of deceptive trading.

The bill allows for a private right of action for damages for those likely to be damaged by a deceptive trading practice.

Those bringing a cause of action are required to notify the attorney general and provide a copy of any final judgment within seven days. The attorney general may intervene as a party in such an action and can issue a cease and desist order against persons engaged in deceptive trading practices.

LB801 passed 44-0.

## Bill lengthens Medicaid fraud statute of limitations

The criminal statute of limitations for submitting a false Medicaid claim increases from three to five years under a bill given final approval April 9.

LB809, sponsored by Sen. Kent Rogert of Tekamah, applies to crimes where the value of benefits sought or obtained through fraudulent means is \$500 or more. The extended statute of limitations will apply to offenses committed prior to the effective date of the bill.

LB809 passed on a 47-0 vote.

## Senators approve handgun permit exemptions

Senators gave final approval to a bill April 8 that removes the requirement for conceal and carry handgun permit holders to obtain a permit to purchase a handgun.

LB817, introduced by Tekamah Sen. Kent Rogert, also exempts those who participate in the National Instant Criminal Background Check every five years from having to obtain a permit to purchase a handgun. The bill clarifies that city ordinances cannot require conceal and carry handgun permit holders to obtain a permit to purchase a handgun. The bill also includes provisions from three other bills:



Sen. Kent Rogert

LB905, introduced by Fullerton Sen. Annette Dubas, makes any person who discharges a firearm from a motor vehicle at a person, dwelling or other structure guilty of a Class IC felony.

LB795, introduced by Omaha Sen. Brenda Council, authorizes natural resources districts to contract with law enforcement agencies for protection of public property and law enforcement at natural resources district recreation areas.

LB860, introduced by Omaha Sen. Scott Lautenbaugh, allows concealed carry permits to be granted to individuals with a minor misdemeanor crime of violence on his or her record if the misdemeanor occurred more than 10 years prior to the application.

Senators voted to pass LB817 on a 43-0 vote.

## Senators pass in-custody death investigation bill

Senators passed a bill April 8 that allows county attorneys to investigate all cases in which a person dies while being apprehended by or while in the custody of a law enforcement officer or detention personnel.

Omaha Sen. Scott Lautenbaugh said he introduced LB842 to allow counties to avoid the expense of hiring a special prosecutor and additional law enforcement officers to handle grand jury investigations and proceedings, as is required by current law.



Sen. Scott Lautenbaugh

LB842 was passed on a 39-4 vote.

## Regulation of civil litigation funding companies approved

Senators passed a bill April 8 that will regulate civil litigation funding companies doing business in Nebraska.

LB1094, sponsored by Omaha Sen. Steve Lathrop, requires civil litigation funding companies to disclose an itemization of one-time fees and the total dollar amount to be funded to the consumer, repaid by the consumer and paid in broker fees to the company. Contracts may be cancelled within five business days without penalty and the consumer's attorney is required to review the contract and sign off on the agreement.



Sen. Steve Lathrop

Under the bill, civil litigation fund-

# ISSUES UPFRONT.....

ing companies are prohibited from paying commissions or referral fees to law firms, attorneys or medical providers for referring clients to the company.

The bill also establishes a registration and data-gathering system through the secretary of state's office. Civil litigation funding companies will be required to register in order to practice in Nebraska and to submit data on the number of cases, fees charged and dollar amounts funded annually.

LB1094 passed on a 42-0 vote.

## Natural Resources

### Changes passed for river-flow enhancement bonds

More natural resources districts are eligible to use river-flow enhancement bonds under a bill approved April 8.

River-flow enhancement bonds currently are issued by NRDs in a river basin subject to an interstate compact among three or more states. The bonds can be used to pay or refinance the costs of qualified projects, which include vegetation management, augmentation of river flows, acquisition of ground water and surface water rights and the purchase or lease of canals and other works used for irrigation.

To service the bonds, NRDs are granted the authority to levy an occupation tax not to exceed \$10 per irrigated acre.

LB862, introduced by Imperial Sen. Mark Christensen, ex-



Sen. Mark Christensen

tends the use of river-flow enhancement bonds to NRDs containing basins with integrated management plans (IMPs) that explicitly state the district's intent to use river-flow enhancement bonds for qualified projects.

The bill permits NRDs to use the occupation tax to pay for all or part of one or more qualified projects. In addition, NRDs with more than one basin are permitted to restrict the occupation tax to basins affected by IMPs.

LB862 was approved 40-2.

### Senators approve eminent domain process for trails

Natural resources districts must meet new requirements before using eminent domain to claim private land for recreational trails under a bill passed April 8.

LB1010, introduced by Louisville Sen. Dave Pankonin, requires a 67 percent supermajority of an NRD board to vote to conduct a public hearing if negotiations with landowners to acquire land for a recreational trail or corridor are unsuccessful. After the hearing, eminent domain may be approved by another supermajority vote.



Sen. Dave Pankonin

To proceed, the board needs to find, by clear and convincing evidence, that a number of criteria are met, including provision of public notice to landowners, consideration of route alternatives, analysis of potential benefits to adjacent communities and good faith attempts to address landowner concerns.

The bill provides some liability

protection for affected landowners and requires formal agreements between districts and landowners that outline each party's rights and obligations regarding the trails.

NRDs are required to allow reasonable access to landowners whose properties are divided by trails at a location mutually agreed upon.

Senators passed the bill 42-0.

### Lawmakers pass process for private renewable energy development

The Nebraska Power Review Board has a new process for approving private renewable energy projects under a bill passed April 9.

LB1048, introduced by the Natural Resources Committee, provides an approval process for certified renewable export facilities, which the bill defines as facilities that:

- use solar, wind, biomass or landfill gas to generate electricity;
- are constructed and owned by a private entity; and
- have 10-year power purchase agreements that direct 90 percent of electric output to out-of-state customers.

The bill establishes a two-step process for approving eligible facilities. The board first may grant conditional approval if a facility meets the requirements of a certified renewable export facility, provides public benefits including economic development, has a memorandum of understanding to export at least 90 percent of its output and offers public utilities serving loads greater than 50 megawatts the option to purchase up to 10 percent of the facility's output at a negotiated rate. Energy provided to public utilities would not be calculated when determining whether

# ISSUES UPFRONT.....

a facility exports 90 percent of its electric output.

The board then may grant final approval if a facility has no materially detrimental effect on retail electric rates, agrees to reimburse public utilities for costs incurred to connect the facility to energy infrastructure and complies with additional requirements. The facility also must show that it does not pose a substantial risk of causing regulatory, legislative or market changes that would prevent any existing generation or transmission facility owned by a public electric utility from earning a favorable economic return.

An applicant approved by the board cannot be subjected to eminent domain by public electric utilities or any other entity if the facility is intended for electric generation or transmission. The bill provides eminent domain powers to public electric utilities for transmission infrastructure serving certified renewable export facilities.

Public electric utilities and governmental entities with regulatory jurisdiction over a facility may apply to the board, or the board may file its own motion, to decertify a facility if it fails to meet required standards. If, after a hearing, a facility is found noncompliant, the facility has one year to reclaim certification before its protection from eminent domain is revoked.

The bill exempts wind turbines from personal property tax and institutes a nameplate capacity tax of \$3,518 per megawatt of energy produced. Turbines owned by governmental entities, cooperatives and net-metering customers are exempt from the nameplate capacity tax, the revenues from which will be directed to local taxing entities that previously levied personal property taxes on the

turbines.

LB1048 passed 48-0.

## Retirement

### Retirement bill approved

Lawmakers gave final approval April 8 to a bill that makes several changes to provisions of the state's retirement systems.

LB950, introduced by Louisville Sen. Dave Pankonin at the request of the Nebraska Public Employees Retirement System, makes technical and clarifying changes to state-administered retirement plans.

Among other provisions, the bill:

- clarifies that temporary and substitute school employees are not plan members;
- clarifies termination provisions in the school employees retirement system;
- specifies when termination occurs and who qualifies as a temporary, regular, part-time and substitute employee;
- clarifies that a qualifying disability under the county, state and school employee retirement plans must have occurred while a member was a participant in the plan;
- clarifies that medical examinations for disabled retirees under the county plan are not required after age 55;
- specifies that a part-time employee becomes a regular employee and must begin contributing to the school employee retirement system if he or she works an average of 15 hours per week within each calendar month of at least three calendar months of a plan year;

- clarifies which state Department of Education employees may elect to become members of the school retirement plan and which employees are automatically enrolled in the state employees retirement plan; and
- amends provisions of LB403, passed by the Legislature in 2009, into the county, judges, state patrol, school employees and state employees retirement acts and the deferred compensation plan. LB403 prohibits payment of benefits to non-citizens or those not lawfully in the United States.

The bill also contains provisions of LB899. Sponsored by Omaha Sen. Jeremy Nordquist, LB899 continues state annual level dollar payments to the judges, state patrol and school employees defined benefit retirement plans. The payments will fund purchasing power cost-of-living adjustments through fiscal year 2012-13.

The bill passed on a 42-0 vote.

## Revenue

### Nonprofit health clinic sales tax exemption delayed until 2013

A bill that would provide a sales tax exemption for health care clinics owned by a single nonprofit hospital was amended April 8 to take effect in 2013.

LB420, introduced by Kearney Sen. Galen Hadley, would permit nonprofit health clinics and health care practitioner facilities owned by



Sen. Galen Hadley

# ISSUES UPFRONT.....

at least one nonprofit hospital to claim a sales and use tax exemption. Current statute requires that eligible clinics be owned by two or more hospitals or parent corporations.

Nonprofit health clinics receiving federal funds through the U.S. Public Health Service and serving medically underserved populations also could claim the sales and use tax exemption under the bill.

LB420 initially was passed on May 21, 2009, but senators changed the effective date at Hadley's request from July 1, 2009, to July 1, 2010, before the bill became law. Citing budgetary concerns, he asked that the bill remain on final reading to be addressed the following year.

On April 8, 2010, senators returned the bill to select file to consider an amendment offered by Hadley that would further extend the effective date to July 1, 2013.

Hadley said health care clinics owned by one nonprofit hospital were once exempt from sales taxes but were recently notified by the state Department of Revenue that they are now subject to sales tax. The amendment would permit the Legislature to implement a more consistent tax policy while delaying the bill's financial impact, he said.

Elk Creek Sen. Lavon Heidemann spoke in opposition to delaying the bill's implementation. He said the measure should be reintroduced as a bill in two years so it can be considered according to the state's budgetary status at that time.

After approving Hadley's amendment 31-9, senators advanced the bill from select file on a voice vote.

### Changes to convention center turnback fund passed

Senators gave final approval April

9 to a bill that makes changes to the state's Local Civic, Cultural and Convention Center Financing Act. The act governs the use of Qwest Center turnback funds for grants to municipalities for community improvement projects.

LB789, sponsored by Omaha Sen. Brad Ashford, increases the maximum grant amounts allowable to municipalities.

Under the bill, the maximum grant for primary class cities increases from \$1 million to \$1.5 million and grants for communities with a population of less than 10,000 increase from \$200,000 to \$250,000. A series of increases for municipalities of other sizes also are authorized.

LB789 passed on a 48-0 vote.



Sen. Brad Ashford

## Transportation & Telecommunications

### Texting while driving ban passes as secondary offense

Texting drivers can be issued tickets under a bill approved by the Legislature April 8.

LB945, introduced by Scottsbluff Sen. John Harms, prohibits drivers from using handheld wireless communication devices to read, type or send written communications while operating a motor



Sen. John Harms

vehicle in motion. The bill exempts law enforcement, firefighters, emergency responders and those operating a vehicle in an emergency situation.

The bill's provisions will be enforced as a secondary offense, meaning drivers must commit another traffic violation or other offense before they can be cited for texting while driving.

Those found in violation of the law will be fined \$200 for a first offense, \$300 for a second and \$500 for third and subsequent offenses and will be assessed three points on their driver's licenses.

Lawmakers voted 38-2 to approve LB945.

### Towing companies must notify owners within 15 days

The time frame within which towing companies must notify owners that a vehicle has been towed is reduced by a bill passed April 9.

LB1065, introduced by Elk Creek Sen. Lavon Heidemann, allows towing companies 15 business days to notify lienholders of towed vehicles. The former requirement was 30 days.

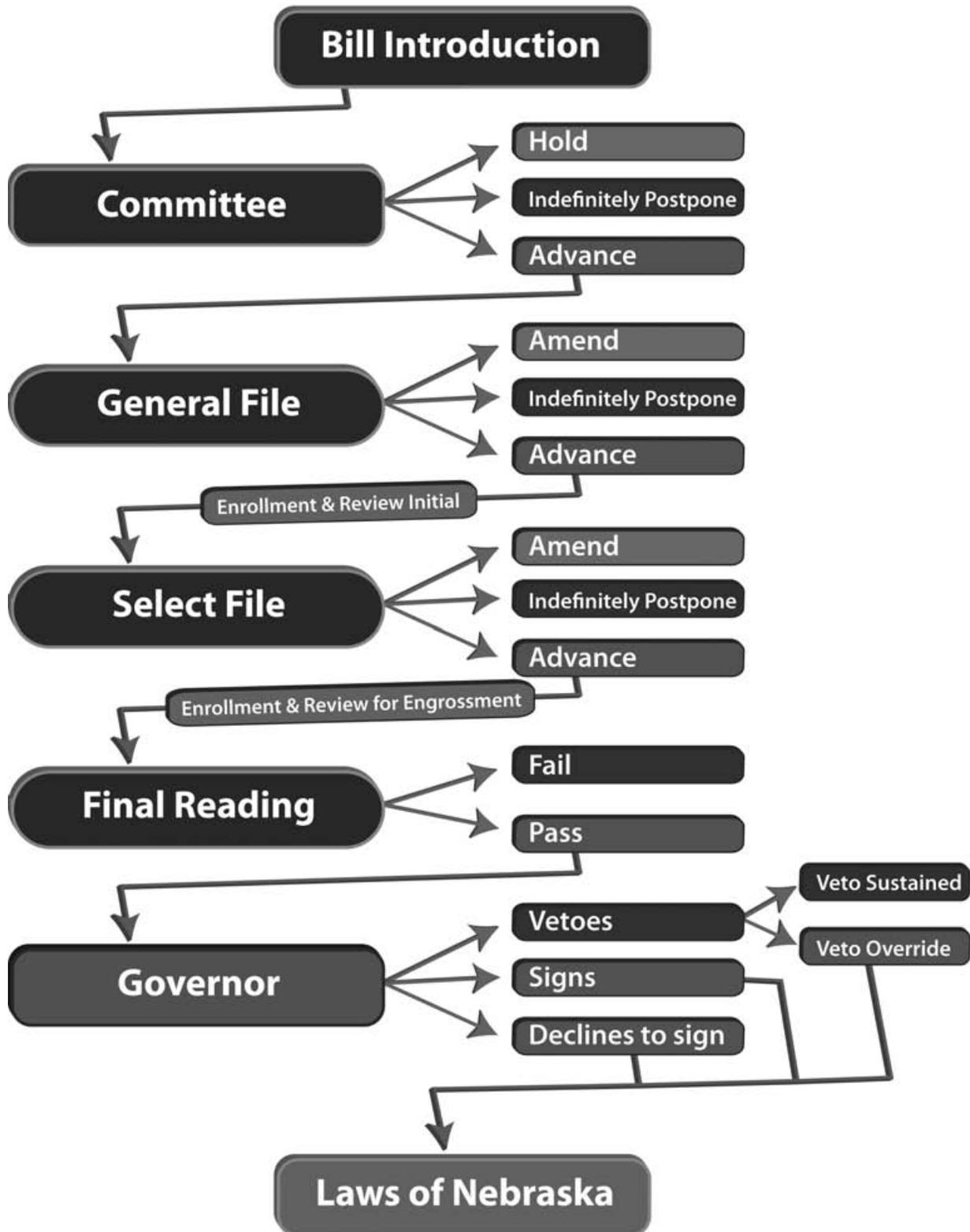
The bill also requires towing companies to return a towed vehicle, upon receipt of payment for towing and storage fees, to the vehicle's owner, lienholder or any other person lawfully entitled to possession of the vehicle.

The bill passed 46-1. ■



Sen. Lavon Heidemann

# LEGISLATIVE PROCESS.....



# LEGISLATIVE PROCESS.....

## How a Bill becomes a Law

**T**he lawmaking process in Nebraska officially begins when a bill is introduced. But the process actually begins much earlier, when senators formulate ideas for new laws. Anyone — concerned citizens, special interest groups, state agencies or the governor — may suggest an idea for a new law. But a senator, a group of senators or a legislative committee must introduce the idea before the Legislature can for-

mally consider it.

Legislative committees then consider each bill and may propose amendments to them before advancing them to the full Legislature. The legislative body then has an opportunity to debate a bill at least twice before voting on its final passage.

This is the process a bill must undergo before it becomes a Nebraska statute:

### Research

First, a senator and his or her staff research a problem and study possible legislative remedies. Senators may introduce bills to create new laws or to repeal or change existing laws.

Much research is done during the period between sessions called the interim. During this time, committees study a variety of issues that have been outlined in interim study resolutions passed by the Legislature.

### Drafting

A senator brings his or her idea for a new law to a bill drafter, who works with the senator to transform the idea into the proper legal form for a bill. Unlike some states, bills introduced in Nebraska may contain only one subject.

### Introduction

Most bills are introduced during the first 10 days of a



regular legislative session, which begins each January.

To introduce a bill, a senator files it with the clerk of the Legislature. The clerk reads the title of the bill into the record, assigns the bill a number and prints copies of it for public and legislative use.

### Committee Action

Except for a few technical bills, all bills and many resolutions must receive a public hearing before a legislative committee. A nine-member Reference Committee determines which bills will be heard by which committees.

The Legislative Fiscal Office prepares budget statements known as fiscal notes for each bill introduced. Fiscal notes generally are prepared before a committee conducts a

# LEGISLATIVE PROCESS.....

hearing on the bill.

After the hearing on a bill, the committee may either indefinitely postpone the measure, hold it for further discussion or advance it to the full Legislature. The committee may forward recommended amendments to the bill if it is advanced.

## General File

General File is the first time the full Legislature can debate and vote on bills. At this stage, senators often consider amendments, which may be proposed both by committees and by individual senators. Many people consider General File to be the most crucial stage of the legislative process, because it is where most compromises are worked out through debate and amendment.

Bills on General File may be amended, indefinitely postponed, sent back to committee or advanced to the next stage. As with most legislative business, it takes a majority of senators (25 votes) to adopt any amendment or to move a bill from General File to the next stage.

After a bill is advanced from General File, it undergoes an initial process of enrollment and review, or E&R. During E&R Initial, adopted amendments are reviewed, and the entire bill is checked for technical and grammatical accuracy.

## Select File

Select File is the second debating and voting stage. This stage offers another opportunity for amendment, compromise and reflection. Bills on Select File may be amended, indefinitely postponed, sent back to committee or advanced to the next stage.

After a bill is advanced from Select File, the bill and all its adopted amendments are sent to Enrollment and Review Final for a process called engrossment. Once all amendments are incorporated into the bill, it is considered to be "correctly engrossed." The bill then is reprinted for Final Reading.

## Final Reading

Final Reading is the third and last stage of legislative consideration. The Nebraska Constitution requires the clerk of the Legislature to read every bill aloud in its entirety before the vote on whether to pass it. However, that requirement may be waived by a three-fifths vote (30 members) of the Legislature.

A bill may not be amended on Final Reading, but it may be returned to Select File for specific amendment. No bill can be passed on Final Reading until at least five legislative days after the bill is introduced and one legislative day after it is placed on Final Reading.

## Governor

After the Legislature passes a bill on Final Reading, it goes to the governor. The governor has five days, excluding

Sundays, to decide what to do with a bill.

If the governor signs a bill or declines to act on it, the bill becomes law. If the governor vetoes the bill, it is returned to the Legislature with the governor's objections. A three-fifths vote of the Legislature is required to override a governor's veto. The governor also may make reductions of specific figures in state budget bills. These reductions are line-item vetoes.

## Laws of Nebraska

Most bills passed and approved by the governor become law three calendar months after the Legislature adjourns. However, bills may take effect before then if they contain an emergency clause or a specified operative date. An emergency clause allows a bill to take effect immediately after the governor signs it. It takes a vote of 33 members of the Legislature to pass a bill with an emergency clause. ■



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