

SEVENTH DAY - JANUARY 12, 2017**LEGISLATIVE JOURNAL****ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION****SEVENTH DAY**

Legislative Chamber, Lincoln, Nebraska
Thursday, January 12, 2017

PRAYER

The prayer was offered by Father Ryan Lewis, Gross Catholic High School, Bellevue.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:30 a.m., President Foley presiding.

The roll was called and all members were present except Senators Bolz, Harr, and Kolowski who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the sixth day was approved.

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the following report:

LB/LR	Committee
LB164	Transportation and Telecommunications
LB165	Judiciary
LB166	Health and Human Services
LB167	Judiciary
LB168	Banking, Commerce and Insurance
LB169	Revenue
LB170	Business and Labor
LB171	Business and Labor
LB172	Business and Labor
LB173	Judiciary
LB174	Revenue
LB175	Education
LB176	Natural Resources
LB177	Transportation and Telecommunications
LB178	Judiciary

LB179	Health and Human Services
LB180	Judiciary
LB181	Business and Labor
LB182	Natural Resources
LB183	Government, Military and Veterans Affairs
LB184	Banking, Commerce and Insurance
LB185	Banking, Commerce and Insurance
LB186	Banking, Commerce and Insurance
LB187	Banking, Commerce and Insurance
LB188	Judiciary
LB189	Appropriations
LB190	Revenue
LB191	Judiciary
LB192	Judiciary
LB193	Judiciary
LB194	Banking, Commerce and Insurance
LB195	Health and Human Services
LB196	Banking, Commerce and Insurance
LB197	Government, Military and Veterans Affairs
LB198	Judiciary
LB199	Judiciary
LB200	Government, Military and Veterans Affairs
LB201	Judiciary
LB202	Judiciary
LB203	Business and Labor
LB204	Judiciary
LB205	Appropriations
LB206	Appropriations
LB207	Executive Board
LB208	Banking, Commerce and Insurance
LB209	Government, Military and Veterans Affairs
LB210	Executive Board
LB211	Business and Labor
LB212	Business and Labor
LB213	Banking, Commerce and Insurance
LB214	Education
LB215	Revenue
LB216	Executive Board
LB217	Revenue
LB218	Natural Resources
LB219	Nebraska Retirement Systems
LB220	Banking, Commerce and Insurance
LB221	Appropriations
LB222	Government, Military and Veterans Affairs
LB223	Health and Human Services
LB224	Health and Human Services
LB225	Health and Human Services
LB226	Judiciary
LB227	Health and Human Services

LB228 Revenue
LB229 Judiciary
LB230 Executive Board

(Signed) Dan Watermeier, Chairperson
Executive Board

NOTICE OF COMMITTEE HEARING(S)
General Affairs

Room 1510

Monday, January 23, 2017 1:30 p.m.

Candy Henning - Nebraska Arts Council
Melissa Marvin - Nebraska Arts Council
Paula L. Pflueger - Nebraska Arts Council
Reven Wright - Nebraska Arts Council
Stephen Bader - Nebraska Arts Council
Helen Abbott Feller - State Racing Commission

(Signed) Tyson Larson, Chairperson

Health and Human Services

Room 1510

Thursday, January 19, 2017 1:30 p.m.

Thomas L. Williams - Division of Public Health-Department of Health and
Human Services

LB64
LB61

(Signed) Merv Riepe, Chairperson

Government, Military and Veterans Affairs

Room 1507

Thursday, January 19, 2017 1:30 p.m.

LB89

(Signed) John Murante, Chairperson

Revenue

Room 1524

Thursday, January 19, 2017 1:30 p.m.

LB12
LB20
LB51

Friday, January 20, 2017 1:30 p.m.

LB63
LB77

(Signed) Jim Smith, Chairperson

ATTORNEY GENERAL'S OPINION

Opinion 17-001

SUBJECT: Authority of a Register of Deeds to Refuse to Record an Instrument or to Withdraw an Instrument After Recording

REQUESTED BY: Senator John Stinner
Nebraska State Legislature

WRITTEN BY: Douglas J. Peterson, Attorney General
Lynn A. Melson, Assistant Attorney General

You have requested an opinion from this office on four questions relating to the authority of a register of deeds to refuse to record a document or to require certain changes to be made to a document prior to filing. You informed us that you are considering a bill for the 2017 legislative session that relates to the statutory authority of a register of deeds and have attached a draft of the legislation which would amend Neb. Rev. Stat. §§ 23-1503.01, 23-1506 and 23-1311(2012). You have posed the following questions:

- (1) Whether a register of deeds has the authority to refuse to record a document or to withdraw documents from record which meet the statutory formatting and signature requirements and for which the correct fee will be paid.
- (2) Whether a register of deeds has the authority, before filing a document, to require legally valid changes to be made to such document.

- (3) Whether the county is liable for expenses incurred as a result of rerecording documents which were recorded in error (e.g. filed in the improper index or alphabetized improperly).
- (4) Whether the refusal by a register of deeds to file a document that meets the statutory requirements for filing, and the withdrawal of a document that is already of the record, are misdemeanors under Neb. Rev. Stat. §§ 84-1213 (2014) and 23-1507 (2012).

BACKGROUND

At the outset, we note it is our long-standing policy not to provide opinions to members of the Legislature on the interpretation or constitutionality of existing statutes. Op. Att'y Gen. No. 157 (Dec. 24, 1985). Accordingly, we normally would decline to provide an opinion on the questions presented. As you have proposed legislation which could be impacted by our conclusions, we will proceed to respond to your questions.

Neb. Rev. Stat. §§ 23-1501 to 23-1528 (2012) set out the various duties of a county register of deeds with regard to the recordation and indexing of instruments affecting real estate. The general duties of a register of deeds in Nebraska are set out at Neb. Rev. Stat. § 23-1506 (2012), which provides, in pertinent part, that a register of deeds "shall also record or cause to be recorded all deeds, mortgages, instruments, and writings presented to him or her for recording and left with him or her for that purpose." Neb. Rev. Stat. § 23-1507 (2012) provides that a "register of deeds who shall neglect to perform any of the duties described in section 23-1506 shall be guilty of a Class IV misdemeanor."

There are also statutes in Chapter 76, Article 2 of the Nebraska statutes which pertain to the execution and recording of real estate conveyances and which will be discussed below to the extent they impact the duties of a register of deeds.

DISCUSSION

1. Authority to refuse to record a document or to withdraw documents

Your first question is whether a register of deeds has the authority to refuse to record a document or to withdraw documents from record which meet the statutory formatting and signature requirements and for which the correct fee will be paid. In other words, you are inquiring about what appears to be a mandatory duty to record all instruments pursuant to Neb. Rev. Stat. § 23-1506. For the reasons set forth below, we conclude that, under current statutes, a register of deeds should refuse to record a document and may withdraw documents from record in limited circumstances in which the instruments are not entitled to be recorded under Nebraska law. While, as a general rule, the duties of a register of deeds under Nebraska

statutes are ministerial, our office has issued several prior opinions in which we stated that a register of deeds should refuse to record certain instruments presented to him or her.

In an opinion found at 1945-46 Rep. Att'y Gen. at page 35 (dated February 27, 1946) we opined that a register of deeds should refuse to accept for recording a mortgage which was not acknowledged. Our opinion was based, in part, on Neb. Rev. Stat. § 76-211, which requires that deeds and other instruments conveying an interest in real estate must be signed and acknowledged by the grantor. We also noted Neb. Rev. Stat. § 76-241, which states that deeds and other instruments shall not be deemed lawfully recorded unless previously acknowledged or proved. We then concluded that a register of deeds should refuse to record an instrument which shows upon its face that it is not entitled to be recorded. With regard to the authority to withdraw a document from the record, we stated "there would seem to be no good reason why the public official should not expunge the mortgage from the record voluntarily where it is obvious on the face of the instrument itself that it should not have been recorded."

That 1946 opinion was readopted in 1979-80 Rep. Att'y Gen. 231 (Opinion No. 164, dated October 30, 1979).¹ The issue presented was whether an instrument which is obviously a copy is entitled to be recorded. However, we first discussed our earlier opinion and stated that:

It could be argued that the foregoing statute (Neb. Rev. Stat. § 23-1506) makes it the duty of a register of deeds to record all instruments purporting to affect title to real estate or purporting to convey real estate, even though such instruments are wholly unacknowledged. However, we believe such an interpretation is manifestly too broad. We do not construe Neb. Rev. Stat. § 23-1506 as making it the duty of a register of deeds to record improperly executed or unacknowledged instruments. Until such instruments are properly executed and acknowledged, they are not what they are called or purport to be and are thus not entitled to be recorded.

Id. at 232.

In the 1979 opinion we cited the case of *Eggert v. Ford*, 21 Wash. 2d 152, 150 P. 2d 719 (1944), which held that a Washington statute requiring a county auditor to record real estate conveyances did not make it the duty of the county auditor to record unacknowledged instruments. We also noted Nebraska cases in which the Supreme Court held that an instrument which was not properly acknowledged or proved does not operate as constructive notice, even though recorded. *Dawson County State Bank v. Durland*, 114

¹ This 1979 opinion also specifically overruled and superseded an opinion at 1979-80 Rep. Att'y Gen. 68 (Opinion No. 44, dated March 6, 1979) in which we stated that a register of deeds could not refuse to file any instruments presented.

Neb. 605, 209 N.W. 243 (1926); *Warnick v. Latta*, 44 Neb. 807, 62 N.W. 1097 (1895) (in which the Court stated that "without being witnessed or acknowledged, this instrument should not have been recorded").

We then answered the question posed in that 1979 opinion request, concluding that "a mere copy of an original instrument is not entitled to be recorded and a register of deeds may thus refuse to record it. Such an instrument would obviously not comply with the requirements of Neb. Rev. Stat. § 76-211. 1979-80 Rep. Att'y Gen. at 232.

Subsequently, in Op. Att'y Gen. No. 233 (November 2, 1984), we discussed the legal status of common law liens and other instruments affecting real estate that are not entitled to be filed under Nebraska law and concluded that the register of deeds must refuse to file such instruments. We cited Neb. Rev. Stat. § 76-237 which provides that "[e]very deed, entitled by law to be recorded, shall be recorded" and § 76-238 which makes reference to instruments "which are required to be or which under the laws of this state may be recorded." We concluded "it is clear that deeds and other instruments affecting real estate can be filed with the register of deeds only if the instruments are entitled by law to be recorded or which under the law of this state may be recorded, and that the registers of deeds have the authority and duty to refuse to file instruments that do not meet those requirements." *Id.* at 1. We added that, as these instruments were not authorized by law to be filed, the refusal by a register of deeds to file such documents should not result in liability for the register of deeds or for the county.

We answered a similar question concerning the recording of "land patents" which were being presented to various clerks and registers of deeds in Op. Att'y Gen. No. 102 (June 11, 1985). We explained that, although the document submitted with the opinion request was titled "land patent", it was a purported grant of a land patent to two individuals by the same two individuals and not a transfer of title to public land to a private individual by the government. Such a document was invalid, null and void and not a document recognized by Nebraska law and entitled to be filed. Therefore, we concluded that a register of deeds "has a duty to review the document, to determine whether the 'land patent' is a grant of public land by the United States to an individual, and to reject any 'land patents' that do not meet these requirements." *Id.* at 3. We also pointed out that "it would not be appropriate for the Clerk/Register of Deeds to review the various documents presented for filing in order to determine if the person presenting such documents has any interest in the real estate in question", adding that the register of deed's duty is solely to review the form of the document, to determine if it is in fact a document entitled to be recorded. *Id.* at 4.

Finally, in Op. Att'y Gen. No. 86024 (February 25, 1986), we addressed the authority of a register of deeds regarding the filing of improper "lis pendens." We concluded that these bogus "lis pendens" did not meet the requirements for a valid lis pendens under Neb. Rev. Stat. § 25-531, were a

legal nullity and were, thus, not entitled to be recorded. "When presented to the register of deeds for filing, they should be refused, or in the event that they were filed, they should be treated as if they had never been filed and returned to the filer along with the filing fees." *Id.* at 2.

You have asked whether a register of deeds may refuse to record a document which meets statutory formatting and signature requirements. We assume you are referring to those formatting requirements set out at Neb. Rev. Stat. § 23-1503.01 and the signature requirements set out at Neb. Rev. Stat. § 23-1311. Section 23-1311 clearly states that the register of deeds may refuse to file any instrument failing to meet the signature requirements set out therein. Also, it is our view that, under current law, a register of deeds may also refuse to record a document which, on its face, is not entitled to recording. Therefore, even if a document meets statutory formatting requirements, the register of deeds may refuse to record the document if it is defective for the reasons we discussed in our prior opinions. This includes instruments not properly acknowledged, instruments which are mere copies of original documents, and certain other instruments which are not what they are called or what they purport to be. As such instruments are not permitted or authorized to be recorded under our state law, they may also be treated as if they had never been filed and withdrawn from the record.

2. Authority to require legally valid changes prior to filing

Your second question is whether a register of deeds has the authority, before filing a document, to require legally valid changes to be made to such a document which meets statutory formatting and signature requirements. We are not entirely sure what you mean by "legally valid changes." As discussed above, it is our view that a register of deed's authority is not only to determine whether statutory formatting and signature requirements are met. There are additional limited circumstances in which a register of deeds may refuse to record a document which, on its face, is not entitled to recording. In that sense, a register of deeds could require, for example, that a document be properly acknowledged or that the original be presented for recording rather than a copy. However, we think the register of deed's authority would generally be limited to determining whether the document shows clearly on its face that it is not entitled to recording. As explained in Op. Att'y Gen. No. 102 (June 11, 1985), which we discussed in our answer to your first question, the register of deed's duty is to review the form of the document and not to go beyond the document and attempt to determine, for example, whether the person presenting the document has an interest in the real estate or other underlying facts.

3. Liability for expenses incurred as a result of rerecording documents

Your third question is whether, under current statute, a county is "liable for expenses incurred as a result of rerecording documents which were recorded in error (e.g. filed in the improper index or alphabetized

improperly)." Neb. Rev. Stat. § 23-1506 (2012) provides that when documents are recorded, "[i]f an error should occur in recording any of the writings mentioned in this section thereby necessitating the rerecording of same, the expense thus incurred shall be paid out of the general fund of the county in the same way as any other claim, and the amount so paid shall be collected from the official responsible for the error or from his or her official bond." It thus appears that if a document is filed in the improper index or alphabetized improperly, the county and appropriate county official would be liable for expenses incurred as a result of the recording error.

4. Misdemeanors under Neb. Rev. Stat. §§ 84-1213 and 23-1507

Your fourth question is whether the refusal by a register of deeds to file a document that meets the statutory requirements for filing, or the withdrawal of a document that is already of record, constitute a misdemeanor under Neb. Rev. Stat. §§ 84-1213 (2014) and 23-1507 (2012). Beginning with § 23-1507, this statute provides that a register of deeds who "shall neglect to perform any of the duties described in section 23-1506 shall be guilty of a Class IV misdemeanor." The duties described in § 23-1506 include the recording of all deeds, mortgages, instruments and writings presented for recording. However, as discussed above in answer to your first question, certain instruments may not be entitled to recording, whether because they fail to meet statutory formatting and signature requirements or because they are not permitted or authorized to be recorded pursuant to Nebraska conveyancing statutes. In our view, if there is no duty to record such an instrument, the failure to do so would not constitute a misdemeanor under § 23-1507.

We note that the draft legislation which you submitted to our office with your opinion request proposes to amend § 23-1503.01 (formatting requirements for instruments submitted for recording in the office of the register of deeds) and § 23-1311 (legible signature requirements for instruments presented for filing or recording in the office of the county clerk or register of deeds). It appears to us that your amendments to these statutes would require a register of deeds to record all instruments that satisfy the formatting and signature requirements of these two statutes and would provide that the failure to record all instruments constitutes a Class IV misdemeanor. The authority of the register of deeds to refuse to record an instrument in the circumstances which we have addressed in prior opinions (one which is not properly acknowledged, which is a mere copy of an original instrument or which is not of a character entitled to be recorded under Nebraska law) would be in question if § 23-1503.01 and § 23-1311 were amended as you propose.

Neb. Rev. Stat. § 84-1213(1) (2014) provides that all records under the control of state or local agencies in the course of their public duties "are the property of the state or local agency concerned and shall not be mutilated, destroyed, transferred, removed, damaged, or otherwise disposed of, in whole or in part, except as provided by law." Subsection (2) then provides

that any person who "willfully mutilates, destroys, transfers, removes, damages, or otherwise disposes of such records, except as provided by law . . . shall be guilty of a Class III misdemeanor." We first note that this statute is part of the Records Management Act, Neb. Rev. Stat. § 84-1201 et seq., which generally governs the management, retention and disposition of state or local government records pursuant to regulations and standards issued by the State Records Administrator and State Records Board. It does not appear to us that a refusal to record a document would subject a register of deeds to liability under this statute. As to criminal liability for withdrawing a document, the answer to your question may depend on the factual circumstances involved in withdrawing a document that has already been recorded. Our prior opinions indicate that the removal of a document which was not entitled to be recorded, would likely not violate this statute as we previously concluded that a register of deeds had authority to refuse to record such a document and to withdraw such a document. Other circumstances would need to be addressed depending on the particular facts of each incident.

CONCLUSION

For the reasons set forth herein, it is our opinion that a register of deeds may refuse to record and may withdraw a document which, on its face, is not entitled to recording. The refusal to record a document under those circumstances would not constitute a misdemeanor under either Neb. Rev. Stat. § 23-1507 or § 84-1213. The withdrawal of a document which was not entitled to be recorded would also likely not constitute a misdemeanor under either current statute.

Sincerely,
DOUGLAS J. PETERSON
Attorney General
(Signed) Lynn A. Melson
Assistant Attorney General

pc Patrick J. O'Donnell
Clerk of the Nebraska Legislature

09-559-29

MOTION(S) - Print in Journal

Senator Brasch filed the following motion to LB125:
MO6
Withdraw bill.

MOTION(S) - Suspend Rules

Senator Groene offered his motion, MO5, found on page 163, to suspend Rule 3, Section 14 to permit cancellation of public hearing on LB14.

The Groene motion to suspend the rules prevailed with 41 ayes, 0 nays, 5 present and not voting, and 3 excused and not voting.

BILLS ON FIRST READING

The following bills were read for the first time by title:

LEGISLATIVE BILL 298. Introduced by Baker, 30.

A BILL FOR AN ACT relating to juveniles; to amend sections 43-2,108, 43-4218, 43-4701, 43-4702, 43-4703, 43-4704, 43-4706, 43-4707, 43-4709, 43-4710, 43-4711, 43-4712, 43-4713, and 43-4714, Reissue Revised Statutes of Nebraska; to change provisions relating to an independent living transition proposal; to rename and change provisions relating to the Normalcy Task Force; to change provisions relating to the Nebraska Strengthening Families Act; to define and redefine terms; to change and provide duties for the Department of Health and Human Services, the Office of Probation Administration, foster family homes, child-care institutions, and juvenile facilities with respect to children in foster care as prescribed; to provide for training; to harmonize provisions; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 299. Introduced by Ebke, 32.

A BILL FOR AN ACT relating to professions and occupations; to amend sections 84-906.01 and 84-910, Reissue Revised Statutes of Nebraska, and sections 84-901.02, 84-901.04, 84-906.04, 84-907.06, 84-908, and 84-920, Revised Statutes Cumulative Supplement, 2016; to adopt the Occupational Board Reform Act; to change provisions relating to certain rules and regulations; to harmonize provisions; to provide an operative date; and to repeal the original sections.

LEGISLATIVE BILL 300. Introduced by Krist, 10.

A BILL FOR AN ACT relating to civil procedure; to amend section 25-228, Reissue Revised Statutes of Nebraska; to eliminate the statute of limitations on civil actions for sexual assault of a child; and to repeal the original section.

LEGISLATIVE BILL 301. Introduced by Albrecht, 17.

A BILL FOR AN ACT relating to the Employment Security Law; to amend section 48-632, Revised Statutes Cumulative Supplement, 2016; to provide for electronic notice of determination of claims; and to repeal the original section.

LEGISLATIVE BILL 302. Introduced by Crawford, 45.

A BILL FOR AN ACT relating to universities and colleges; to provide for psychiatric and behavioral health fellowships for physician assistants; and to state intent relating to appropriations.

LEGISLATIVE BILL 303. Introduced by Crawford, 45.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to the University of Nebraska to fund behavioral health internships.

LEGISLATIVE BILL 304. Introduced by Crawford, 45.

A BILL FOR AN ACT relating to the Nebraska Housing Agency Act; to amend sections 71-15,102, 71-15,140, 71-15,141, 71-15,142, 71-15,157, and 71-15,158, Reissue Revised Statutes of Nebraska; to change provisions relating to commission membership, storage and possession of personal property, filing of reports and plans, conflicts of interest, and public bidding requirements as prescribed; and to repeal the original sections.

LEGISLATIVE BILL 305. Introduced by Crawford, 45.

A BILL FOR AN ACT relating to employment; to adopt the Paid Family Medical Leave Insurance Act; to provide an operative date; and to provide severability.

LEGISLATIVE BILL 306. Introduced by Lindstrom, 18.

A BILL FOR AN ACT relating to the Portable Electronics Insurance Act; to amend sections 44-8502 and 44-8508, Revised Statutes Cumulative Supplement, 2016; to redefine a term; to change provisions relating to notice requirements; and to repeal the original sections.

LEGISLATIVE BILL 307. Introduced by Brasch, 16.

A BILL FOR AN ACT relating to court fees; to amend sections 33-106, 33-106.03, 33-107.02, and 43-1906, Reissue Revised Statutes of Nebraska; to provide for mediation, child abuse prevention, and civil legal services fees in certain proceedings; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 308. Introduced by Brasch, 16.

A BILL FOR AN ACT relating to schools; to amend section 79-724, Reissue Revised Statutes of Nebraska; to change provisions relating to the committee on Americanism; to harmonize provisions; and to repeal the original section.

LEGISLATIVE BILL 309. Introduced by Brasch, 16.

A BILL FOR AN ACT relating to time; to amend sections 32-908 and 49-1301, Reissue Revised Statutes of Nebraska; to eliminate daylight saving time; to harmonize provisions; to provide an operative date; to repeal the original sections; and to outright repeal section 49-1302, Reissue Revised Statutes of Nebraska.

LEGISLATIVE BILL 310. Introduced by Friesen, 34.

A BILL FOR AN ACT relating to highways and bridges; to amend sections 39-1411 and 39-1412, Reissue Revised Statutes of Nebraska; to change provisions relating to carrying capacity and weight limits of bridges; and to repeal the original sections.

LEGISLATIVE BILL 311. Introduced by Morfeld, 46.

A BILL FOR AN ACT relating to public assistance; to amend section 68-1017.02, Revised Statutes Cumulative Supplement, 2016; to eliminate a provision relating to eligibility for Supplemental Nutrition Assistance Program benefits as prescribed; and to repeal the original section.

LEGISLATIVE BILL 312. Introduced by Briese, 41; Erdman, 47; Friesen, 34; Hughes, 44; Watermeier, 1.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-382, 77-2701.16, 77-2701.35, 77-2703, 77-2704.10, 77-2704.24, 77-2715.07, and 77-27132, Revised Statutes Cumulative Supplement, 2016; to change provisions relating to a tax expenditure report; to impose sales and use taxes on certain services and trade-ins; to change and eliminate certain sales and use tax exemptions; to increase the earned income tax credit; to provide for the use of the net increase in tax revenue; to create a fund; to provide property tax credits; to harmonize provisions; to provide an operative date; to repeal the original sections; and to outright repeal sections 77-2704.07, 77-2704.14, 77-2704.38, 77-2704.52, and 77-2704.55, Reissue Revised Statutes of Nebraska, and sections 77-2704.56, 77-2704.65, and 77-2704.67, Revised Statutes Cumulative Supplement, 2016.

LEGISLATIVE BILL 313. Introduced by Briese, 41.

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-2701.02, Reissue Revised Statutes of Nebraska, and sections 77-2715.07 and 77-27132, Revised Statutes Cumulative Supplement, 2016; to change the sales and use tax rate; to increase the earned income tax credit; to provide for the use of the net increase in tax revenue; to create a fund; to provide property tax credits; to harmonize provisions; to provide an operative date; and to repeal the original sections.

LEGISLATIVE BILL 314. Introduced by Murante, 49.

A BILL FOR AN ACT relating to elections; to amend sections 18-2713, 32-301, 32-304, 32-312, 32-915, 32-939, and 32-947, Reissue Revised Statutes of Nebraska; to change deadlines for submitting economic development programs to a vote; to eliminate provisions relating to funding; to conform statutory language to penalties previously changed by the Legislature; and to repeal the original sections.

LEGISLATIVE BILL 315. Introduced by Murante, 49.

A BILL FOR AN ACT relating to cities of the second class and villages; to amend section 17-503, Reissue Revised Statutes of Nebraska; to change provisions relating to the sale of real property, to eliminate exceptions for sale by public auction or sealed bid; to eliminate a provision providing for establishment of a minimum price for bidding; and to repeal the original section.

LEGISLATIVE BILL 316. Introduced by Murante, 49.

A BILL FOR AN ACT relating to the Election Act; to amend sections 32-118, 32-204, 32-221, 32-223, 32-230, 32-231, 32-232, 32-236, 32-301, 32-320, 32-328, 32-608, 32-805, 32-806, 32-807, 32-810, 32-814, 32-815, 32-816, 32-821, 32-901, 32-903, 32-910, 32-914, 32-916, 32-1001, 32-1010, 32-1012, 32-1013, 32-1032, 32-1041, 32-1521, 32-1522, and 84-510, Reissue Revised Statutes of Nebraska, and sections 45-621 and 49-14,140, Revised Statutes Cumulative Supplement, 2016; to redefine signature; to change the name and purpose of the Election Administration Fund; to prohibit use of and eliminate references to electronic voting systems; to authorize use of electronic poll books, ballot-on-demand technology, and precinct-based optical scanners; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 317. Introduced by Hughes, 44.

A BILL FOR AN ACT relating to cities of the second class and villages; to amend section 17-703, Reissue Revised Statutes of Nebraska; to provide for relevy or reassessment of a special assessment as prescribed; and to repeal the original section.

LEGISLATIVE BILL 318. Introduced by Hughes, 44.

A BILL FOR AN ACT relating to public meetings; to amend section 84-1411, Reissue Revised Statutes of Nebraska; to authorize telephone conferencing for meetings of the Nebraska Brand Committee; and to repeal the original section.

LEGISLATIVE BILL 319. Introduced by Halloran, 33.

A BILL FOR AN ACT relating to the Nebraska Workers' Compensation Act; to amend section 48-144.01, Reissue Revised Statutes of Nebraska; to provide for confidentiality of and access to certain injury reports; and to repeal the original section.

LEGISLATIVE BILL 320. Introduced by Lowe, 37.

A BILL FOR AN ACT relating to state government; to amend sections 81-154, 81-161.05, 81-1118, and 81-1119, Reissue Revised Statutes of Nebraska, and sections 81-161.03 and 81-1108.15, Revised Statutes Cumulative Supplement, 2016; to change provisions relating to bidding and purchases, conflicts of interest by the materiel administrator and materiel division employees, and facilities construction and administration; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 321. Introduced by Lowe, 37.

A BILL FOR AN ACT relating to crimes and offenses; to amend section 28-1204.04, Reissue Revised Statutes of Nebraska; to change provisions relating to unlawful possession of a firearm at a school; and to repeal the original section.

LEGISLATIVE BILL 322. Introduced by Craighead, 6.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-5016.01, 77-5023, 77-5026, and 77-5028, Reissue Revised Statutes of Nebraska, and sections 77-5004, 77-5013, 77-5015, 77-5015.02, and 77-5018, Revised Statutes Cumulative Supplement, 2016; to change the Tax Equalization and Review Commission Act as prescribed; and to repeal the original sections.

LEGISLATIVE BILL 323. Introduced by Kolterman, 24; Howard, 9.

A BILL FOR AN ACT relating to public health and welfare; to adopt the Palliative Care and Quality of Life Act.

LEGISLATIVE BILL 324. Introduced by Kolterman, 24.

A BILL FOR AN ACT relating to pharmacy; to adopt the Pharmacy Benefit Fairness and Transparency Act.

LEGISLATIVE BILL 325. Introduced by Harr, 8.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2701 and 77-2701.04, Revised Statutes Cumulative Supplement, 2016; to exempt certain purchases of energy star qualified products from sales and use taxes; to harmonize provisions; to provide an operative date; and to

repeal the original sections.

LEGISLATIVE BILL 326. Introduced by Kolowski, 31.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-3442 and 79-1022, Revised Statutes Cumulative Supplement, 2016; to provide and change levy authority for certain school districts as prescribed; to provide a duty for the State Department of Education; and to repeal the original sections.

MOTION - Escort Governor

Senator Kolterman moved that a committee of five be appointed to escort the Governor of the State of Nebraska to the Legislative Chamber to deliver his State of the State Address.

The motion prevailed.

The Chair appointed Senators Brasch, Kuehn, McDonnell, Howard, and Kolterman to serve on said committee.

STATE OF THE STATE ADDRESS

"We are making government work for the people."

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"We are controlling spending first. That is responsible budgeting and responsible tax relief—it's the Nebraska way."

"This isn't easy. It will require Nebraska grit."

President Foley, Speaker Scheer, Members of the 105th Legislature, Tribal Chairmen, Distinguished Guests, Friends, Fellow Nebraskans, and of course, our First Lady, my lovely wife Susanne - good morning!

Congratulations on the commencement of the 105th Nebraska Legislature. I want to thank each and every one of you for your willingness to serve our fellow citizens. I also want to highlight that you are beginning an historic year, the 150th year of our statehood which we will celebrate on March 1, our sesquicentennial.

I am honored to be here with you in the people's house. We all appreciate the tradition of our unique, non-partisan Unicameral. Nebraska consistently passes a balanced budget—on time—not all states can say that. In our system, every bill gets a hearing and every Senator gets a priority bill. Senators can have an impact with legislation, regardless of party or seniority. And debate happens right here on the floor, not in a closed door conference committee. Our Unicameral system empowers citizens with increased access to the process, greater transparency, and responsive representation.

Why do we have this system? We have it because of a man by the name of George Norris, who believed government should be more open and responsive to the people. A man who traveled 5,000 miles, wore out two sets of tires, sent 192,000 fliers—all at his own expense—to advocate for our Unicameral. George Norris was a man with a vision. He had initiative. He persevered. He was tenacious. He had grit—Nebraska grit.

That is a characteristic of our people. As a people, Nebraskans have a heart for their neighbor, a firmness of character, and they demonstrate resilience and fortitude. Nebraska is what America is supposed to be.

We are blessed to have so many everyday heroes in our communities, like the men and women who comprise Nebraska's law enforcement. They work hard and risk much to keep us safe. We are also grateful for our servicemen and women, the Nebraska National Guard, and their families.

Another great example of true Nebraska grit is Don Stratton who grew up in Red Cloud during the Great Depression. He was in the news about five weeks ago when we marked the 75th anniversary of Pearl Harbor.

On that fateful Sunday morning in 1941, a Japanese dive-bomber caused an explosion that engulfed the U.S.S. Arizona.

Stratton and his battery mates were trapped in a metal compartment being scorched alive. Finally, a serviceman on a repair ship tied to the Arizona, threw a rope to Stratton and his mates. With burns covering 65 percent of his body, he peeled loose skin from his arms to be able to climb hand-over-hand across 75 feet of rope, in excruciating pain and under fire from Japanese pilots while suspended 45 feet above flaming oil. Stratton made it.

And it is with the same spirit and determination that we must approach the work before us. Our families, our friends, and our neighbors are relying on us. What's more, we have a chance to give a voice to the voiceless, to improve lives, and to craft policies that build a brighter future for generations to come. I am excited to serve with each and every one of you to grow Nebraska.

Speaker Scheer, congratulations on your election. Thank you for your dedication and service to the people of Nebraska. I'm looking forward to working with you. And that goes for all of the new committee chairs. Thank you for your leadership.

And to the newly-elected Senators, congratulations. With farmers, small business people, attorneys, veterans, a firefighter, and a teacher, your diversity of experience will enrich the body and reflect our people. I look forward to what we will be able to accomplish working together.

In the 105th Nebraska Legislature, in our 150th year of statehood, you all are now part of our unique history. Your first legislative session presents an opportunity for decisive action that will shape the future of our state.

I am halfway through my four-year term of service as your Governor. This morning, I am going to highlight our accomplishments, discuss our legislative efforts to Grow Nebraska, address this year's budget adjustments, and detail my plan for the next biennium. I will also share with you my plans to deliver much-needed tax relief to hardworking families.

By identifying our mission to create opportunity through more effective, more efficient, and more customer-focused state government, we have made progress toward our vision of growing Nebraska. We are making government work for the people.

This thinking is contagious:

The Department of Environmental Quality launched online applications for storm water permits and new general air construction permits, significantly reducing wait times.

Health and Human Services, once under special investigation, is now accomplishing their mission of helping people live better lives. For example, ACCESSNebraska has reduced average call wait times, improved SNAP application processing, and in doing so saved the state \$17 million.

In our Department of Labor, we launched a first-in-the-nation reemployment program to help job seekers connect with good-paying jobs faster, and it is now saving Nebraska businesses \$17.6 million in taxes.

There are more efficiencies we can bring to government. Earlier this week, Chairman John Murante and I announced a merger of our Division of Veterans Homes with the Nebraska Department of Veterans Affairs. We will eliminate red tape for our veterans and can provide streamlined services to them under one roof. Thank you Director John Hilgert and your team for all your diligent work to make this possible and continually improve services for our veterans.

Chairman Curt Friesen and I are also working to merge the Department of Roads and the Department of Aeronautics into the Department of Transportation. Among other things, these efficiencies will allow us to put more money into runways and roads without sacrificing jobs. Thanks to Aeronautics Director Ronnie Mitchell and Roads Director Kyle Schneweis for all their work on this merger.

I also want to recognize my entire cabinet, who is with us in the gallery today. This dedicated bunch is working to transform the culture of state government and deliver better services at a lower cost. Thank you all for everything you do to serve the people of Nebraska.

I know that unnecessary regulations hamper job growth. This year, we need to continue to get rid of unnecessary regulations to empower everyone from car sales people, barbers, and cosmetologists to audiologists and massage therapists. We're going to help people who want to work in these professions get to work more quickly. Thank you to Senators Albrecht, Craighead, Geist, Erdman, Larson, Lindstrom, Lowe, and Riepe for introducing bills to cut red tape.

With initiatives like these, we have built a strong foundation in state government. The state of our state is strong.

Now, we also know we have challenges. Farm income has gone from \$7.5 billion just a few years ago, to \$4.5 billion in 2015 and probably close to \$4 billion last year.

As a result, we face reduced tax receipts. Our revenues were \$95 million below forecast in our last fiscal year and the forecasting board cut another \$172 million for the current fiscal year. The next biennium will require continued expense control.

As Nebraskans, we don't spend money we don't have. We balance our budgets. At the state level, we have maintained a healthy cash reserve and set spending priorities like education, public safety, and infrastructure. This commonsense approach has put us in a financial position where even a budget challenge like this one can be managed.

In a year where we have to make difficult budget decisions, we have to favor the taxpayer. Special interests have the ability to hire lobbyists to achieve their desired ends. As elected officials, we have a duty to be advocates for citizens and a voice of the people.

This is an opportunity for us to put our Nebraska grit to work like Don Stratton. Let's roll up our sleeves and do what needs to be done to chart a course for future prosperity.

Our first task is to adjust the current year budget to bring it to balance.

As I have said, it is easy to view a government budget as a collection of numbers in rows and columns next to agencies and programs, but behind the numbers are people's lives. The dollars that fund our budgets are dollars earned by hardworking Nebraskans. Additionally, our agencies and programs are designed to serve our citizens—and many of them are people in need.

With this in mind, I worked with my agencies and my budget office to prepare budget reductions, which I presented to you last week.

My proposal provides more resources for Child and Family Services, invests in education, protects reforms in Corrections, and balances the budget without raising taxes.

I will not support any effort to raise taxes on Nebraskans. As Ronald Reagan said, "Simple fairness dictates that government must not raise taxes on families that are struggling to pay their bills."

I urge you to take up this budget by the first week of February because there are less than six months left in this fiscal year. It is critical to finish this budget to lay the foundation for the next budget. I appreciate the work of Chairman John Stinner and all of the members of the Appropriations Committee on this effort.

Today, I present to you my recommendation on the upcoming biennium. Four principles guided my budget recommendations.

First, the revenue gap must be addressed without increasing taxes. Raiding the property tax credit relief fund, raising sales taxes, and taxing food and groceries would all harm Nebraska families and be bad for our economy.

Second, the budget must be balanced.

Third, we must reduce government expenditures.

Fourth, we targeted keeping around \$500 million in the cash reserve, so we are in good position to address future uncertainty.

Having said that, there are certain priorities we must continue to fund. That is why we propose an increase in funding for K-12 education. I know education is an investment in our children and our future. When most areas of the state budget are essentially flat, I am proposing a 2.7 percent average annual increase to K-12 education. That's a 5.4 percent increase for the biennium. I also recommend an additional three percent biennial increase in special education funding. This is significantly more than the overall state budget is growing and is responsible within our resources.

Now, you will be lobbied that this budget "doesn't fully fund education." That is not true. That statement is based upon a flawed school aid formula that encourages spending. The formula allows schools to grow their budgets 12 percent.

What I have proposed is responsible. It respects the taxpayer and prioritizes K-12 education with a significant increase, amounting to an historic high of over a billion dollars per year in general fund support.

Another priority is the Department of Corrections. Together, we made significant progress in an agency that had been neglected for years.

In addition to providing for the basic needs of more than 5,300 inmates, Corrections successfully launched an automated sentence calculation program, implemented the first-ever risks/needs assessment tool, reformed restrictive housing, completed a culture study and staffing analysis, expanded mental health and cognitive behavioral programming, created mission specific housing, and developed an inmate health plan while addressing pay and quality of life issues for Corrections officers.

With this budget proposal, we will reduce protective services vacancy rates, upgrade technology, and improve the Lincoln Correctional Center.

I want to thank Director Frakes and the members of his team, who are with us today. They put themselves in harm's way to keep us safe, and they have worked together to transform the culture of the agency. Please join me in thanking them.

We began work on this budget last June to right size appropriations with historical spending. Our recommendations are thoughtful and reflect the input of my agencies. These are reductions that can be made without affecting operations.

In the end, our first fiscal year increase is 1.5 percent followed by a 1.9 percent increase in the next fiscal year for a two-year average of a 1.7 percent increase in spending. This is in line with my current year recommendation.

As I travel the state, I hear almost universally from Nebraskans that they are taxed too much. So I am proposing both property and income tax reform.

Property taxes are too high, especially for our agricultural producers. Between 2003 and 2013, property taxes on farmers and ranchers rose by 137 percent.

As cattle and crop prices decline, it is important assessments drop as well. Taxes should correlate with income.

We have to think bold. We have to think long-term.

This year we have a chance to achieve lasting, fair, and structural property tax reform by changing the way we value ag land.

The Agricultural Valuation Fairness Act, sponsored by Ag Committee Chairwoman Lydia Brasch, changes the methodology for assessing property value from a market-based system to an income-potential assessment. Income potential is a much fairer measure, and will slow the growth of ag land valuation increases. If this system were in place for 2017, it would reduce ag land valuations by about \$2.2 billion.

Income potential based property tax assessment for ag land is used in North Dakota, South Dakota, Kansas, Iowa, Wisconsin, Illinois, Indiana, and Ohio. This method is much fairer and standard across ag states, which is why many Nebraska ag producers have suggested it to me.

We would implement this change beginning in 2019 to give local taxing entities and county assessors plenty of time to prepare.

In the past, Nebraska attempted to get property tax relief by putting more money into TEEOSA, the school aid formula. That has proven to be a failed policy. Historically, additional aid without spending restraint has only resulted in additional spending and higher property taxes.

Finally, I want to talk about reducing income taxes.

When it comes to the income tax, they get a reminder on the 1st and the 15th of every month when they get their paychecks.

It's not just Lincoln reaching into their pockets, it's Washington, D.C.

We can't control what happens in Washington, but we can here in Lincoln.

Let me tell you, our people get frustrated when they hear us talk about finding "revenues," "new resources," and "rebalancing." They know those are code words for raising their taxes!

The way to grow revenues is to grow the number of people who live here and create more and better paying jobs. To do that we have to be more competitive.

Only one of our bordering states has a higher income tax rate than Nebraska—that's Iowa. Wyoming and South Dakota have no income tax, and Colorado, Kansas, and Missouri all have lower rates. Our high tax rate hampers our ability to grow our economy over the long-term. It discourages new investment and chases away great people. If we want to outpace other Midwestern states, we have to be competitive on taxes.

Do you know it's been 20 years since middle class Nebraskans saw a cut in the income tax rates?

The hardworking people of Nebraska deserve better than for their elected officials to treat cutting income tax rates as a once-in-a-generation event!

Partnering with Revenue Chairman Jim Smith, we propose to take the top income tax rate down roughly one-tenth of one percent per year, starting in 2020, as long as our revenue growth exceeds 3.5 percent. In effect, we will have a trigger when we hit 3.5 percent growth to take that income tax rate from 6.84 percent down a little each year until it's under six percent. If our

revenue doesn't grow fast enough, the tax rate doesn't come down. It's that simple.

Now, I want to take a minute to address the top income bracket in Nebraska. In a world of hyper-political rhetoric, people are quick to say a reduction of the top income tax bracket is a "tax break for the rich."

Any single individual making \$29,831 is caught in the highest tax bracket. Folks, \$29,831 is not rich. It is middle class. Married couples making \$59,661 are also caught in that tax bracket, and that's more than half of them.

Nebraskans look at us and wonder why it's so hard for us to let them keep more of their money.

The only way to have sustainable tax relief is to control spending. Any opportunity for tax relief is fundamentally the difference between spending restraint and revenue growth.

Controlling spending must come first.

Detractors of this tax relief will point to states that reduced taxes before reducing spending and then struggled to catch up. That's not how we do things here. We are controlling spending first. That is responsible budgeting and responsible tax relief—it's the Nebraska way.

Join me in helping middle class working families. Let's spur economic growth and make Nebraska more attractive to businesses and families looking to relocate. Let's do it the Nebraska way. The reductions we make to the budget to balance it, and continued attention to controlling spending will allow us to cut taxes and grow Nebraska.

This isn't easy. It will require Nebraska grit.

Speaking of grit, there is one other thing I didn't tell you about Don Stratton. After several months of surgeries and rehabilitation at Naval Hospitals, he was sent home to his parents in Red Cloud. Then after several more months of recuperating, Stratton reenlisted. That's right. He reenlisted.

He had to convince the draft board in Omaha to take him back in the service. They made him go through boot camp again to make sure he was physically up to it. He made it and went back to the Pacific Theater.

He was assigned to a destroyer where he protected U.S. Marines in the invasion of Okinawa. After 82 days of brutal combat, the U.S. forces took Okinawa. Don Stratton, nearly fatally injured in the first American battle of World War II played an important role in one of the last battles of the war.

Don Stratton finished the war. Now, it is our job to finish the work in front of us. With determination, we can address our challenges and position our state for future long-term growth. We can balance the budget, set spending priorities, deliver essential services, all without raising taxes on Nebraska families. And by controlling spending, we can set ourselves up for future tax relief.

That's the Nebraska way.

Folks, this is our opportunity to demonstrate what a little Nebraska grit and a free economy have to offer. The sky is the limit. I look forward to working with each of you to keep Nebraska the best place in the world to live, work, and raise a family.

God bless you all for your work, God bless America, and God bless the great state of Nebraska. Thank you.

The committee escorted Governor Pete Ricketts from the Chamber.

BILLS ON FIRST READING

The following bills were read for the first time by title:

LEGISLATIVE BILL 327. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to state intent; to define terms; to make appropriations for the expenses of Nebraska State Government for the biennium ending June 30, 2019; to transfer funds; to provide duties; to provide an operative date; and to declare an emergency.

LEGISLATIVE BILL 328. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to appropriate funds for the payment of salaries of members of the Nebraska Legislature and payments to be made as provided by Chapter 68, article 6, for FY2017-18 and FY2018-19; to provide an operative date; and to declare an emergency.

LEGISLATIVE BILL 329. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to appropriate funds for the payment of the salaries and benefits of certain state officers for FY2017-18 and FY2018-19; to define terms; to provide an operative date; and to declare an emergency.

LEGISLATIVE BILL 330. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to define terms; to appropriate funds for capital construction and property acquisition as prescribed; to state intent; to require program statements and a request for funding; to provide an operative date; and to declare an emergency.

LEGISLATIVE BILL 331. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to funds; to amend sections 24-231, 29-4115.01, 71-1001, and 81-15,175, Reissue Revised Statutes of Nebraska, and sections 7-209, 47-632, 61-218, 66-1519, 72-1001, and 72-2211, Revised Statutes Cumulative Supplement, 2016; to provide for transfers; to create funds; to harmonize provisions; to change provisions governing funds; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 332. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to the Cash Reserve Fund; to amend section 84-612, Revised Statutes Cumulative Supplement, 2016; to change and provide for transfers; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 333. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to public assistance; to amend section 68-1005, Reissue Revised Statutes of Nebraska; to eliminate an independent review of denial of aid to the disabled; and to repeal the original section.

LEGISLATIVE BILL 334. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to children; to amend sections 43-2201, 43-2203, 43-2205, and 43-2209, Reissue Revised Statutes of Nebraska; to change provisions relating to family finding; to eliminate a pilot project and provisions relating to appropriations; to harmonize provisions; to repeal the original sections; and to outright repeal sections 43-2204, 43-2206, and 43-2208, Reissue Revised Statutes of Nebraska.

LEGISLATIVE BILL 335. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to child care; to amend section 43-536, Reissue Revised Statutes of Nebraska; to change provisions relating to a rates of reimbursement market survey; and to repeal the original section.

LEGISLATIVE BILL 336. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to the Child Protection and Family Safety Act; to amend section 28-718, Reissue Revised Statutes of Nebraska; to provide a fee for central registry record checks; and to repeal the original section.

LEGISLATIVE BILL 337. Introduced by Smith, 14; at the request of the Governor.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2715.01 and 77-2715.03, Revised Statutes Cumulative Supplement, 2016; to change income tax rates and provide for deferrals of such changes as prescribed; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 338. Introduced by Brasch, 16; at the request of the Governor.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 46-294.03, 77-103.01, 77-1507.01, 77-5023, and 79-1016, Reissue Revised Statutes of Nebraska, and sections 76-710.04, 77-201, 77-1327, 77-1359, 77-1363, 77-1371, 77-1502, 77-4212, 77-5007, 77-5022, and 79-1036, Revised Statutes Cumulative Supplement, 2016; to adopt the Agricultural Valuation Fairness Act; to change and eliminate provisions relating to the valuation of agricultural land and horticultural land and protests of such valuation; to change the Tax Equalization and Review Commission Act; to harmonize provisions; to provide an operative date; to repeal the original sections; and to outright repeal sections 77-1343, 77-1344, 77-1345, 77-1345.01, 77-1346, and 77-1347.01, Reissue Revised Statutes of Nebraska, and section 77-1347, Revised Statutes Cumulative Supplement, 2016.

LEGISLATIVE BILL 339. Introduced by Friesen, 34; at the request of the Governor.

A BILL FOR AN ACT relating to government; to amend sections 3-101, 3-102, 3-103, 3-104, 3-105, 3-107, 3-108, 3-109, 3-110, 3-111, 3-113, 3-114, 3-115, 3-116, 3-117, 3-118, 3-119, 3-120, 3-121, 3-123, 3-124, 3-125, 3-126, 3-127, 3-128, 3-131, 3-133, 3-134, 3-135, 3-137, 3-139, 3-140, 3-141, 3-142, 3-143, 3-144, 3-145, 3-146, 3-147, 3-148, 3-149, 3-152, 3-154, 3-155, 3-156, 3-157, 3-158, 3-201, 3-201.01, 3-215, 3-218, 3-222, 3-227, 3-228, 3-239, 3-332, 3-403, 3-404, 3-405, 3-407, 3-409, 12-1205, 13-912, 13-1203, 14-2113, 18-601, 18-613, 25-2501, 31-925, 39-102, 39-103, 39-202, 39-203, 39-204, 39-205, 39-206, 39-207, 39-208, 39-210, 39-211, 39-212, 39-213, 39-214, 39-216, 39-217, 39-218, 39-219, 39-220, 39-221, 39-222, 39-223, 39-224, 39-225, 39-308, 39-311, 39-312, 39-805, 39-822, 39-826.01, 39-826.02, 39-847, 39-847.01, 39-892, 39-1010, 39-1011, 39-1101, 39-1110, 39-1302, 39-1306.01, 39-1306.02, 39-1311,

39-1320, 39-1323.01, 39-1328.01, 39-1328.02, 39-1345.01, 39-1350, 39-1353, 39-1359.01, 39-1363, 39-1364, 39-1365.01, 39-1365.02, 39-1390, 39-1392, 39-1407, 39-1503, 39-1703, 39-1713, 39-1901, 39-2001, 39-2002, 39-2105, 39-2106, 39-2107, 39-2110, 39-2111, 39-2112, 39-2113, 39-2115, 39-2116, 39-2118, 39-2120, 39-2121, 39-2124, 39-2215, 39-2224, 39-2305, 39-2310, 39-2504, 39-2505, 39-2507, 39-2508, 39-2514, 39-2515, 39-2517, 39-2518, 39-2602, 39-2702, 39-2802, 39-2806, 46-251, 49-506, 55-181, 57-1102, 60-631, 60-658.01, 60-680, 60-695, 60-699, 60-6,101, 60-6,102, 60-6,103, 60-6,106, 60-6,107, 60-6,115, 60-6,118, 60-6,120, 60-6,126.01, 60-6,129, 60-6,130, 60-6,137, 60-6,138, 60-6,139, 60-6,145, 60-6,159, 60-6,164, 60-6,166, 60-6,167, 60-6,171, 60-6,176, 60-6,177, 60-6,186, 60-6,188, 60-6,189, 60-6,190, 60-6,193, 60-6,250, 60-6,292, 60-6,301, 60-6,311, 60-6,314, 60-6,335, 60-6,376, 60-1301, 60-1302, 60-1303, 66-6,109.02, 66-821, 66-822, 69-1701, 70-309, 72-108, 72-221, 72-221.01, 72-817, 74-1310, 74-1314, 74-1318, 74-1319, 74-1331, 74-1332, 74-1333, 74-1334, 74-1335, 74-1336, 74-1338, 74-1340, 74-1341, 74-1342, 74-1343, 75-713, 75-716, 76-1224, 79-604, 81-101, 81-102, 81-161.04, 81-188.01, 81-701.01, 81-701.02, 81-701.03, 81-701.04, 81-701.05, 81-710, 81-916, 81-917, 81-1108.22, 81-1114, 81-1711, 81-2801, 82-120, 82-505, 83-137, 85-1008, 86-707, 90-238, and 90-260, Reissue Revised Statutes of Nebraska, and sections 3-106, 3-159, 3-303, 3-407.01, 3-408, 13-520, 13-1210, 13-1212, 49-617, 57-1407, 60-507, 60-6,144, 60-6,153, 60-6,154, 60-6,230, 60-6,267, 60-6,288, 60-6,294, 60-6,297, 60-6,298, 60-6,299, 60-6,378, 60-6,380, 60-3101, 66-489.02, 66-4,100, 66-4,144, 66-738, 73-507, 77-3442, 77-3443, 81-8,310, 81-1108.15, 81-1108.43, and 81-3711.01, Revised Statutes Cumulative Supplement, 2016; to merge the Department of Aeronautics into the Department of Roads; to create the Division of Aeronautics; to rename the Department of Roads as the Department of Transportation; to provide for transfer of powers, duties, personnel, funds, rights, and property as prescribed; to rename a fund; to eliminate the Department of Aeronautics; to harmonize provisions; to provide an operative date; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 340. Introduced by Murante, 49; at the request of the Governor.

A BILL FOR AN ACT relating to veterans homes; to amend sections 80-314, 80-315, 80-316, 80-317, 80-319, 80-320, 80-321, 80-322, 81-1316, 81-3113, 81-3116, 83-107.01, and 83-108, Reissue Revised Statutes of Nebraska; to name the Nebraska Veterans Services Act; to transfer powers and duties from the Division of Veterans' Homes of the Department of Health and Human Services to the Department of Veterans' Affairs; to provide for transfer of personnel, property, funds, rights, and duties as prescribed; to create a fund; to eliminate the division; to harmonize provisions; to provide an operative date; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 341. Introduced by Lindstrom, 18; at the request of the Governor.

A BILL FOR AN ACT relating to banks and banking; to amend section 8-139, Reissue Revised Statutes of Nebraska; to change provisions relating to executive officer license revocation and suspension; to provide a civil penalty; to provide powers and duties for the Department of Banking and Finance and the Director of Banking and Finance; to provide for an exemption from the license requirement as prescribed; to define a term; and to repeal the original section.

LEGISLATIVE BILL 342. Introduced by Erdman, 47; at the request of the Governor.

A BILL FOR AN ACT relating to nurses; to amend sections 38-2201, 38-2202, 38-2223, and 38-2225, Reissue Revised Statutes of Nebraska; to define a term; to provide for licensure by reciprocity for military spouses as prescribed; to provide for temporary licenses; to adopt the Nurse Licensure Compact; to provide for termination of and withdrawal from the prior Nurse Licensure Compact; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 343. Introduced by Riepe, 12; at the request of the Governor.

A BILL FOR AN ACT relating to health and human services; to amend sections 38-1005, 38-1017, 38-1018, 38-1028, 38-1038, 38-1043, 38-1058, 38-1061, 38-1062, 38-1063, 38-1066, 38-1069, 38-1070, 38-1073, 38-1074, 38-1075, 38-1086, 38-1097, 38-1099, 38-10,100, 38-10,102, 38-10,103, 38-10,104, 38-10,105, 38-10,112, 38-10,120, 38-10,128, 38-10,129, 38-10,133, 38-10,135, 38-10,142, 38-10,147, 38-10,150, 38-10,152, 38-10,153, 38-10,171, 38-1509, 38-1512, and 38-1703, Reissue Revised Statutes of Nebraska, and section 71-208, Revised Statutes Cumulative Supplement, 2016; to change and eliminate definitions in the Cosmetology, Electrology, Esthetics, Nail Technology, and Body Art Practice Act; to eliminate provisions relating to cosmeticians, cosmetic establishments, electrology establishments, guest artists, guest body artists, students, and schools; to change licensure requirements for cosmetologists, nail technicians, instructors, audiologists, massage therapists, and barbers; to change and eliminate operating requirements for salons and schools; to eliminate liability of managers as prescribed; to harmonize provisions; to repeal the original sections; and to outright repeal sections 38-1013, 38-1014, 38-1022, 38-1029, 38-1030, 38-1071, 38-1072, 38-1091, 38-1092, 38-1093, 38-1094, 38-1095, 38-1096, 38-10,106, and 38-10,155, Reissue Revised Statutes of Nebraska.

LEGISLATIVE BILL 344. Introduced by Albrecht, 17; at the request of the Governor.

A BILL FOR AN ACT relating to public health and welfare; to amend sections 28-401, 38-319, 38-321, 38-2104, 38-2117, 38-2122, 38-2123, 38-2124, 38-2125, 38-2826.01, 44-772, 44-776, 44-777, 44-793, 71-423, and 71-430, Reissue Revised Statutes of Nebraska, and sections 68-1017.02, 71-401, 71-403, 71-413, 71-2411, 71-2445, and 77-2704.12, Revised Statutes Cumulative Supplement, 2016; to change credentialing provisions relating to mental health and substance use disorders under the Health Care Facility Licensure Act and the Uniform Credentialing Act; to provide for mental health substance abuse centers; to define and redefine terms; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 345. Introduced by Craighead, 6; at the request of the Governor.

A BILL FOR AN ACT relating to the Abstracters Act; to amend sections 76-542 and 76-546, Reissue Revised Statutes of Nebraska; to eliminate an experience requirement for registered abstracters and temporary certificates of registration; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 346. Introduced by Lowe, 37; at the request of the Governor.

A BILL FOR AN ACT relating to the Motor Vehicle Industry Regulation Act; to amend sections 60-1406, 60-1407, 60-1410, 60-1411, 60-1411.01, 60-1411.02, 60-1413, and 60-1416, Reissue Revised Statutes of Nebraska, and section 60-1403.01, Revised Statutes Cumulative Supplement, 2016; to eliminate the requirement for a motor vehicle, motorcycle, or trailer salesperson license; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 347. Introduced by Geist, 25; at the request of the Governor.

A BILL FOR AN ACT relating to school bus permits and qualifications; to amend section 79-608, Reissue Revised Statutes of Nebraska, and section 60-4,115, Revised Statutes Cumulative Supplement, 2016; to eliminate certain fees and requirements duplicated under federal law; to change powers and duties of the Department of Motor Vehicles and the State Department of Education; to provide an operative date; and to repeal the original sections.

LEGISLATIVE BILL 348. Introduced by Larson, 40; at the request of the Governor.

A BILL FOR AN ACT relating to the Nebraska Potato Development Act; to amend sections 2-1801 and 2-1809, Reissue Revised Statutes of Nebraska,

and section 2-1808, Revised Statutes Cumulative Supplement, 2016; to eliminate provisions relating to licenses, an excise tax, and enforcement; to terminate a fund; to eliminate definitions and a penalty; to harmonize provisions; to provide an operative date; to repeal the original sections; to outright repeal sections 2-1805, 2-1806, 2-1810, 2-1811, and 2-1812, Reissue Revised Statutes of Nebraska, and section 2-1807, Revised Statutes Cumulative Supplement, 2016; and to declare an emergency.

LEGISLATIVE BILL 349. Introduced by Hilkemann, 4.

A BILL FOR AN ACT relating to the Nebraska State Patrol; to amend section 29-4115.01, Reissue Revised Statutes of Nebraska; to change provisions relating to the maintenance and administration of the State DNA Sample and Data Base Fund; and to repeal the original section.

LEGISLATIVE BILL 350. Introduced by McCollister, 20.

A BILL FOR AN ACT relating to criminal procedure; to amend section 29-2264, Reissue Revised Statutes of Nebraska; to provide a procedure for setting aside convictions for misdemeanors and felonies as prescribed; to harmonize provisions; and to repeal the original section.

LEGISLATIVE BILL 351. Introduced by McCollister, 20; Brewer, 43; Crawford, 45; Kolowski, 31; Krist, 10; Lowe, 37; Smith, 14.

A BILL FOR AN ACT relating to motor vehicles; to amend section 80-414, Reissue Revised Statutes of Nebraska, and sections 60-484, 60-4,117, 60-4,144, and 60-4,189, Revised Statutes Cumulative Supplement, 2016; to change provisions relating to veteran designations on operators' licenses and state identification cards; to harmonize provisions; to provide an operative date; and to repeal the original sections.

LEGISLATIVE BILL 352. Introduced by Vargas, 7.

A BILL FOR AN ACT relating to electricity; to adopt the Wind, Solar, and Fuel Cell Business Financing Act.

LEGISLATIVE BILL 353. Introduced by Baker, 30.

A BILL FOR AN ACT relating to political subdivisions; to amend section 13-918, Reissue Revised Statutes of Nebraska; to change provisions relating to the payment of claims, awards, and judgments under the Political Subdivisions Tort Claims Act; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 354. Introduced by Kolowski, 31.

A BILL FOR AN ACT relating to labor; to adopt the Wage Disclosure Act.

NOTICE OF COMMITTEE HEARING(S)
Education

Room 1525

Tuesday, January 17, 2017 1:30 p.m.

LB14 (cancel)

(Signed) Mike Groene, Chairperson

Judiciary

Room 1113

Friday, January 20, 2017 2:00 p.m.

LB37

LB136

LB229

LB105

(Signed) Laura Ebke, Chairperson

RESOLUTION(S)**LEGISLATIVE RESOLUTION 12.** Introduced by Kuehn, 38.

WHEREAS, the Thomas Jefferson Award is the highest award given by the National Weather Service to volunteer cooperative weather observers; and

WHEREAS, the Thomas Jefferson Award honors outstanding achievement in the field of meteorological observation; and

WHEREAS, Michael Overturf has been an exceptional observer since July 1978, never missing a single observation despite two knee surgeries and a major heart surgery; and

WHEREAS, Michael Overturf is known for reporting precise weather information and providing critical information on hazardous weather events during extreme weather conditions; and

WHEREAS, Michael Overturf was presented the Thomas Jefferson Award for his superior service.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIFTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates Michael Overturf on receiving the Thomas Jefferson Award.

2. That a copy of this resolution be sent to Michael Overturf.

Laid over.

VISITOR(S)

The Doctor of the Day was Dr. Michael Keralis from Lincoln.

ADJOURNMENT

At 10:45 a.m., on a motion by Senator Schumacher, the Legislature adjourned until 10:00 a.m., Friday, January 13, 2017.

Patrick J. O'Donnell
Clerk of the Legislature