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Floor Debate  
February 01, 2019

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SCHEER: (RECORDER MALFUNCTION) Thank you, Senator DeBoer. I call to order the seventeenth day of the One Hundred Sixth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

SCHEER: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections.

SCHEER: Thank you. And are there any messages, reports, or announcements?

CLERK: There are, Mr. President. Appointment letters from the Governor making appointments to the following entities, the Nebraska Department of Health and Human Services, the Liquor Control Commission, the Board of Educational Lands and Funds, the State Emergency Response Commission, and the Natural Resources Commission. Those will all be referred to standing committee for confirmation hearing. Committee reports. Education reports LB122 to General File with amendments. The Judiciary Committee reports the following bills, LR1CA, LB71, LB146, LB154, LB264 to General File, and LB755-- LB7 and LB55 to General File with amendments, and LB47 indefinitely postponed. Health Committee reports LB22, and LB60, LB74, and LB200 to General File with amendments. Those reports all signed by their respective committee chairs. Amendments to be printed. Senator Wayne, an amendment to LB85, to LB193, and (Senator Walz) to LB468. Announcements. Transportation Committee will meet in Executive Session at 9:30 in Room 2022. That's Transportation at 9:30. Government will meet at 10:30 in Room 2022, Government at 10:30. And Revenue will meet today in Exec Session upon adjournment in Room 1524. The Revenue Committee upon adjournment in Room 1524. That's all that I have, Mr. President.

SCHEER: Thank you, Mr. Clerk. We'll now proceed to the first item on the agenda.

CLERK: Mr. President, the Government Committee reports favorably upon the appointment of Jason Jackson as Director of the Department of Administrative Services.

SCHEER: Senator Brewer, as Chairman of the Government Committee, you're welcome to make presentation.

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BREWER: Thank you, Mr. President. The Government, Military and Veterans Affairs Committee met on January 23 to hear from Mr. Jason Jackson, Governor Ricketts' selection to be the Director of DAS. The committee heard from Mr. Jackson about his education at the United States Military Academy, Naval Academy, and his service as a United States Navy Officer. We also were informed of his time working in the private sector in Silicon Valley. In addition to that, we also reviewed his service in Nebraska as the Governor's human resources officer. Senator Hilgers took that opportunity to ask Mr. Jackson several questions, along with Senator Kolowski, asking about examples of cost savings that had been achieved while working in his position at the state of Nebraska. Members of the committee who were present included myself, Senators La Grone, Lowe, Hilgers, Kolowski, Hunt, and Senator Matt Hansen. Additionally, Senator Blood was introducing a bill in Judiciary Committee. In our Exec Session after the public hearing, the members who were present voted unanimously to recommend Mr. Jason Jackson. Senator Blood informed me of her support later in the day, making the vote 8-0 to recommend that we confirm Mr. Jackson as the DAS Director. He has extensive experience in the world of human resources and administration and he is a proven leader. I agree with Senator Kolowski's comments in our Exec Session that we are fortunate to have such a well-qualified individual for public service. Thank you, Mr. President.

SCHEER: Is there any discussion on the report? Seeing none, Senator Brewer, you're welcome to close on the report. Senator Brewer waives closing. The question before us is the adoption of the Government Committee. All those in favor please vote aye; all those opposed please vote nay. Have all voted that wish to? Please record.

CLERK: 42 ayes, 0 nays on adoption of the confirmation report.

SCHEER: The report is approved.

CLERK: Second report, Mr. President, by the Government Committee involves the appointment of Christopher Cantrell as the State Fire Marshal.

SCHEER: Senator Brewer, you're recognized to open on the confirmation report.

BREWER: Thank you, Mr. President. Our second confirmation was Christopher Cantrell to the position of State Fire Marshal. The Government, Military and Veterans Affairs Committee heard in that first hearing on January 23 from Mr. Cantrell who is the selection by Governor Ricketts for the appointment of State Fire Marshal. The committee heard from Mr. Cantrell about his career experience as a veteran. He has also spent his entire career working to protect human life from fire and mechanical hazards. Most recently has served as Nebraska's chief boiler inspector. Besides myself, Senators present were La Grone, Lowe, Hilgers, Kolowski, Hunt, and Senator

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Matt Hansen. Again, Senator Blood was presenting in Judiciary Committee. In response to questions from Senator Hunt, Mr. Cantrell talked about his plan to grow our volunteer ranks for emergency services in rural regions. In our Exec Session after the hearing, the members who were present voted unanimously to recommend that we confirm Mr. Cantrell, and later Senator Blood confirmed that. Thank you, Mr. President.

SCHEER: Thank you, Senator Brewer. Is there any discussion on the report? Seeing none, Senator Brewer, you're welcome to close on your report. Senator Brewer waives closing. The question before us is the adoption of the report offered by the Government Committee. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on adoption of the confirmation report.

SCHEER: The report is adopted.

CLERK: Mr. President, a report from the State Retirement Systems Committee involves the appointment of Gail Werner-Robertson to the Investment Council.

SCHEER: Senator Kolterman, as Chairman of the Retirement Committee, you're recognized to open on the confirmation report.

KOLTERMAN: Good morning, Mr. Speaker, and fellow colleagues. The Nebraska Retirement Systems Committee held a confirmation hearing on January 29 for Gail Werner-Robertson. Mrs. Werner-Robertson has been reappointed by the Governor to serve a fourth term on the Nebraska Investment Council. She has served as council chairwoman since 2009. Nebraska Investment Council manages the investments of 30 different entities for the state, including our pension funds and our endowment funds. She received her juris doctorate from Creighton Law School with a tax and finance major in 1984, and has worked in the field of investments for over 30 years. Mrs. Werner-Robertson is currently the owner and CEO of an investment company. She will bring serious real-world business and investment experience to the Nebraska Investment Council. She has proven leadership skills in leading the council and is well-qualified to make decisions regarding the investment of public funds. The Retirement Committee unanimously voted to move Mrs. Werner-Robertson's appointment to the Legislature for confirmation. I would ask for your support in confirming this appointment to the Nebraska Investment Council.

SCHEER: Thank you, Senator Kolterman. Is there any discussion on the report? Seeing none, Senator Kolterman waives closing on the report. The question before us is the adoption of the

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report offered by the Retirement Committee. All those in favor please vote aye; all opposed vote nay. Have all voted that wish to? Please record.

CLERK: 42 ayes, 0 nays on adoption of the report.

SCHEER: The report is adopted.

CLERK: Mr. President, the fourth and final report this morning is offered by the Retirement Systems Committee. It involves the appointment of Allen Simpson to the Public Employees Retirement Board.

SCHEER: Senator Kolterman, you're welcome to open on your report.

KOLTERMAN: Thank you again, Mr. Speaker. Good morning. The Nebraska Retirement Systems Committee held a confirmation hearing on January 29 for Allen Simpson. Mr. Simpson was appointed by the Governor to serve as at-large member representing the public on the Public Employees Retirement Board. This is a five-year term. He graduated from Northwest Missouri State University with a bachelor's in office administration in secondary education. He's currently employed as comptroller commander of the Nebraska Air National Guard where he has worked from 1995 until his retirement in 2017. He formally served as a budget analyst with the Nebraska Air National Guard for three years as an accounting technician for the Missouri Air National Guard. He received the certified defense financial manager-level, three certification, from the Department of Defense, which is the highest financial certification from the DOD. He was recognized by the Air National Guard headquarters in 1998, 2000, 2001, and 2008, and also recognized for outstanding support and contributions to the Air National Guard. His background will make him a valuable member of the Nebraska Public Employees Retirement Board which oversees all the state retirement plans. The Retirement Committee unanimously voted to move Allen Simpson's appointment to the Legislature for confirmation. I ask for your support in confirming this appointment to the Public Employees Retirement Board.

SCHEER: Thank you, Senator Kolterman. Is there any discussion on the report? Seeing none, Senator Kolterman, you're welcome to close. He waives closing. The question before us is the adoption of the report offered by the Retirement Committee. All those in favor please vote aye; all opposed vote nay. Have all voted that wish to? Please record.

CLERK: 45 ayes, 0 nays, Mr. President, on the adoption of the report.

SCHEER: The report is adopted. Next item, Mr. Clerk.

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CLERK: Mr. President, if I might, some items for the record before we proceed. Senator Kolterman offers a new resolution, LR18. That will be laid over at this time. An A bill: Senator Kolterman offers LB33A. (Read LB33A by title for the first time.) Natural Resources Committee chaired by Senator Hughes reports LB302 and LB307 to General File. And Enrollment and Review reports LB1, LB2, LB3, LB12 and LB26 as correctly engrossed. Mr. President, General File, first bill this morning, LB42 offered by Senator Hilkemann. (Read title.) Introduced on January 10, referred to the Banking, Commerce and Insurance Committee, advanced to General File. There are committee amendments pending, Mr. President.

SCHEER: Thank you, Mr. Clerk. Senator Hilkemann, you're welcome to open.

HILKEMANN: Thank you, Mr. President, and good morning to you all. I'm offering for your consideration LB42, a bill that applies to condominiums and would require an annual registration of the condominium board, or other administrative body, to be filed with the register of deeds office in the county where the condominium is located. Now currently if an entity, such as a city, needs to serve notice following complaints such as weeds growing in the yard or litter in the common areas, it is almost impossible for the cities to determine the appropriate responsible party for HMR to serve notice. The only process that exists similarly to this are those for condominiums which choose to incorporate, but not all condominium complexes are incorporated. For those that do incorporate, there is the initial filing with the Nebraska state-- or the Secretary of State with an update required every two years. And during that time if there's any changes in who's responsible for that property, no notice is actually required. So what LB42 would do would be to clarify who should receive legal notices involving the common elements for all condominiums with this registration. As you can see on the committee statement, LB42 received no opposition at the public hearing. It was advanced unanimously by the Banking, Commerce and Insurance Committees. I am in support of the committee amendment that you will see shortly, and I urge its adoption and advancement of the bill to Select File. Thank you.

SCHEER: Thank you, Senator Hilkemann. Senator Williams, as Chairman of the Banking, Commerce Committee, you're welcome to open on your amendments.

WILLIAMS: Thank you, Mr. President, and good morning, everyone, and we are introducing a committee amendment, AM67. As introduced, the bill requires a Condominium Board of Administrators or Unit Owners Association to file the names and addresses of its officers with the county clerk. Upon further review, county officials have suggested it would be more appropriate to have the filing be made with the register of deeds rather than the county clerk, so the amendment takes care of that. Also with the amendment, it removes the \$25 fee that was in this because if it is being filed with the register of deeds, there is already a fee structure in place

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for that. Those are the changes that the amendment requires, and I would encourage your advancement of this amendment to the bill. Thank you, Mr. President.

SCHEER: Thank you, Senator Williams. Senator Clements, you're recognized.

CLEMENTS: Thank you, Mr. President. And the amendment is acceptable to me, but I'm speaking on the basic bill itself. I have some problems with parts of this bill. I'm a member of North Lake Condominium, LLC, a lake community in South Bend, Nebraska, in my district. Here are my thoughts regarding some problems that I have with it. This bill requires every condominium to file annual reports in the county. Incorporated condominiums, like the one I'm in, file biennial reports with the Secretary of State. The name and address of our officers, registered agent, and board members is easy to find online at the Secretary of State Web site. I looked up my condominium record. I have the printout. It has the registered agent, the president, secretary, treasurer and directors, their names and all their addresses. So I think it is a bother and an expense to file another report and to do it every year. I think many would not be filed. The Secretary of State sends a reminder to corporations every two years to file their biennial report. Is the county register of deeds going to send reminders every year? If not, I would expect many would not be filed. If so, it will be an added county expense. To solve this I would accept the register of deeds filing requirement if it were amended to apply only to unincorporated associations. There is a problem-- the second issue I have is, there is a problem with notice when there is no filing on record. The bill says a notice is to be posted at the entrance to every building for an association that did not file. North Lake Condominium has 116 separate residential lots. My unit has three buildings, a cabin, a garage, and a storage shed. The requirement to post a notice at the entrance to each building at North Lake would require many duplicate notices. LB42 would require many, many notices in this type of condominium. To solve this, I suggest the notice wording be, the entrance to each residential building, not every building. That would cut out two-thirds of the buildings on my property. The third item I have is, I understand that unincorporated associations do create issues with giving notice, but this bill requires duplication and extra fees for incorporated associations. One other question I have is about the filing procedure with the register of deeds. In my condominium we have several legal descriptions which would require several filings annually. The lake is a legal description. The road around the lake is a separate parcel. A boat-storage area is a parcel. Where the mailboxes are is a parcel. There's a picnic shelter is another parcel. I think there are two other parcels which could be about seven filings every year to get them on the correct legal description to cover all the properties. I hope an amendment can be drafted to clear up these issues. I think it's possible. I'm going to support the bill now with the understanding that amendments will be added at Select File.

SCHEER: One minute.

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CLEMENTS: Thank you, Mr. President.

SCHEER: Thank you, Senator Clements. Senator Williams, you're recognized.

WILLIAMS: Thank you, Mr. President, and first of all I would thank Senator Clements for his thoughtful response to LB42 and the experience that he brings to this matter. He has raised some issues that were not raised at the hearing. I would also like to thank him for bringing this to the attention of the bill introducer before it showed up on the floor. That's protocol, and thank you for doing that so that Senator Hilkemann had an opportunity to look at these things. I have had the opportunity to visit with Senator Hilkemann and Senator Clements, and I think it is clear that there is a path forward to find a solution with an amendment that I think would be agreeable to all parties. And if I understood Senator Clements correctly, he's going to stand today in supporting AM67 and the underlying bill on General File. And we can move it forward then and then fix those things on Select. So with that, I would encourage the body to adopt AM67 and support the underlying bill with the commitment that with the assistance of the Banking Committee, the senators will get together and we will have a solution. Thank you, Mr. President.

SCHEER: Thank you, Senator Williams. Senator Hilkemann, you're recognized.

HILKEMANN: Thank you, Mr. Speaker. I, too, would like to thank Senator Clements for bringing these issues to us. He and I had a conversation before the session began, and as Senator Williams has said, I don't see anything here that cannot be rectified with some additional wording or an amendment to that, and so I am in support of AM67 recommended by the Banking Committee, and thank you, Mr. Speaker.

SCHEER: Thank you, Senator Hilkemann. Seeing no one else wishing to speak, Senator Williams, you're welcome to close on the committee amendment.

WILLIAMS: Mr. President. Thank you, Mr. President. Again, this amendment just simply clarifies that the filing is with the register of deeds office, and it removes the provision concerning the fee because there's already a fee structure at the register of deeds office. With that, I encourage your green vote on AM67. Thank you, Mr. President.

SCHEER: Thank you, Senator Williams. The question before us is, shall the committee amendments to LB42 be adopted? All those in favor please vote aye; all those opposed vote nay. Has everyone voted that wishes to? Please record.

CLERK: 40 ayes, 0 nays on adoption of committee amendments.

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SCHEER: The amendments are adopted.

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

SCHEER: Seeing no one wishing to speak, Senator Hilkemann, you're welcome to close on LB42.

HILKEMANN: Much for the conversation we had this morning, it certainly emphasizes the importance of floor debate when we have our own experiences that help us in reaching good legislation. And I look forward to working with Senator Clements and with Senator Williams between General and Select File to get this bill amended so that it could-- and bring it back to the committee on Select File. Thank you.

SCHEER: Thank you, Senator Hilkemann. The question before us is the adoption of LB42 to E&R Initial. All those in favor please vote aye; all those opposed vote nay. Have all those voted that wish to? Please record.

CLERK: 41 ayes, 0 nays on the advancement of LB42.

SCHEER: The bill advances. Next item, Mr. Clerk.

CLERK: Mr. President, just a reminder, the Transportation Committee will meet now in Room 2022; Transportation Committee in Room 2022 now. Mr. President, your Education Committee reports on LB115, a bill offered by Senator Blood. (Read title.) Introduced on January 10, referred to the Education Committee, advanced to General File. There are Education Committee amendments pending, Mr. President.

SCHEER: Thank you, Mr. Clerk. Senator Blood, you're welcome to open.

BLOOD: Thank you, Mr. President. Fellow Senators, friends all, I rise today to bring you LB115, which allows military children with documentation of a pending military relocation to the state access to preliminary registration, enrollment, or application to a school district at the time the process is open to the general student population. Proof of residency requirements are temporarily waived until a student begins school. At that time, the student has a certain number of days to provide proof of residency in the school district. Military families transferring on official military permanent change of station orders are not eligible to register in courses, enroll in specialized academic programs, or submit their children's names for consideration in random lotteries for charter or magnet school until they are physically located within the district



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boundaries. Military service members are routinely reassigned to new duty stations every year--excuse me, every few years. This most often happens in the summer due to mission and training requirements. Families moving during this time frame will receive military orders that detail their next destination and a window of time for arrival in mid-spring. This often creates a disadvantage for the children of military families because it results in missed deadlines for course and program enrollment and registration, which commonly happens in the spring. We can easily provide a sense of comfort and relieve one of the many stresses these families already have from these constant moves by ensuring that these students know which school they will be attending and their class schedules in advance of their arriving to a particular school here in Nebraska. I'd like to be very clear that remote enrollment is intended to help ease some of the challenges faced by military pupils, not to offer an advantage or priority over other students. Also no new online systems are required, and there's added benefits to school districts by reducing the need for districts to make projections regarding their student population. Here's the reality. About 185,000 military kids move between schools annually. In Nebraska, the military transfers are at least 1,100 members to our state each year. Out of that 1,100, at least 40 percent have two or more children, and 80 percent of those children are under age 15. It's not unusual for these children to be forced to graduate later than their peers, or change their planned course of study, and that's not acceptable. It's a fact that the families also serve amongst the ranks. There's a strong belief that when you protect our military families, you are also protecting the mission. These families again have enough stress, and we need to continue to work hard to make sure that we do everything we possibly can to embrace and welcome these families, especially when the military member is in harm's way. This is a simple bill with no fiscal note that is one of two asked from the Department of Defense State Liaison Office for military and family policy. It is my hope that Education will also soon kick out the other bill as well. LB115 and LB6 come from a priority list of ten shared with the each state's governor. As of today, California, Arizona have passed similar legislation; Washington State, South Dakota, Missouri, Virginia, and South Carolina all have pending legislation. Let's add Nebraska to that list. As always, military family legislation is a great way for us to join together in a bipartisan fashion and show support for our military and their families. With that, I thank you for listening, and ask you to please vote green to move this bill forward.

SCHEER: Thank you, Senator Blood. Senator Groene, as Chairman of the Education Committee, you're welcome to introduce the amendments to the bill.

GROENE: Thank you, President. This is just a simple amendment that committee staff noticed to clear up the language. AM39 is-- there was a provision on page 6 of the bill that cleans up language regarding how the State Department of Education obtains information on student enrollment and admissions to school districts. The bill's original language is missing a verb. The amendment adds the word "collecting" to the provision, and will state now the State Department of Education shall establish procedures and criteria for "collecting" enrollment admission and

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related information needed for any student to attend a school district. This is a very good example of how one word can make a big difference in the meaning of a statute. And I appreciate the hard work of our committee staff to catch this and I believe Senator Blood is in full agreement to it, so I would like a green light on it. Thank you.

SCHEER: Thank you, Senator Groene. Is there any discussion on the amendment? Seeing none, Senator Groene, you're welcome to close. He waives closing. The question before us is adoption of committee amendments to LB115. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

CLERK: 34 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SCHEER: Thank you, Mr. Clerk. The committee amendments are adopted. Senator Crawford, you're recognized.

CRAWFORD: Thank you, Mr. President, and good morning, colleagues. I rise in support of LB115 and want to thank Senator Blood for her hard work on this issue. Easing the transition for military families with all of their moves is an important priority and making sure that when they come to Nebraska they have a positive educational experience, is important for all of us. And so I thank Senator Blood for her work on LB115 and urge your support. Thank you.

FOLEY: Thank you, Senator Crawford. Senator Blood, you're recognized to close on LB115.

BLOOD: Please support our military and their families and vote green on LB115.

FOLEY: Members, you heard the discussion on LB115. The question for the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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

FOLEY: LB115 advances. Speaker Scheer, you're recognized.

SCHEER: Thank you, Mr. President. Colleagues, it's Friday morning, and so I wanted to share some information, but before I share what I have, I'd like Senator Stinner to give us an update of where we are in relationship to our revenue stream.

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FOLEY: Senator Stinner, you're recognized.

STINNER: Thank you, Speaker Scheer. In an effort to try to inform and to try to be as transparent as we possibly can, I'd like to update the body and give them a little bit of color and understanding behind what numbers have been reported, where we're at as it relates to revenue. So if you recall even back at sine die, we had a balanced budget. We moved forward. We actually added about \$37 million to the rainy day fund by virtue of the fact that our revenue actually showed up above what the certified forecast was. So as a matter of law, after adjustments, any excess would be put into the rainy day fund. Interestingly, August and September were pretty robust months that looked pretty favorable for us. So Forecasting Board met in October, and they were reflective on those numbers, so then we got the up forecast, which is not a certified forecast. You have to be careful when it's reported in the press. They're reflecting on what revenue's done relative to that certification. I look at what has been done relative to what the new forecast is. The new forecast was rosy to the point of putting \$69 million into the rainy day fund. And that's really what the Governor is counting on and is using to support his request for the 384 beds as it relates to the maximum security beds. Also in the Governor's budget, you noticed that there was \$13 million of money he's actually bringing to the floor, but there's a \$17 million request that he's making, which will be an adjustment to the budget or that excess as it relates to the military and veterans request. That's an exemption on wages. So you're really dealing with about a minus 4 or 5 at that time. But an interesting thing happened in October, November, December, January. We've missed, and this economy's turned around. The receipts have turned around. November was off 13 million, December off 43. It looks like we're going to be somewhere close to 30 million. So that 69 is gone. That 69 that we're going to put into the rainy day fund to support the request is gone. So that is the debate we need to have, and we will have as we move forward, as we get the new forecast about where that rainy day fund needs to be. So that will be certainly debated in Appropriations, debated on the floor, and debated with the leadership of this body. How the February forecast based on these numbers, there's really a good chance that we're going to lower those, that forecast, and lower it fairly substantially. So how that-- what you're going to see come out of Appropriations as a preliminary budget, it's based on that 3.1 percent increase. That 3.1 percent increase is probably going to go down and have to go down rather substantially based on the numbers that we're seeing today. So I guess trying to convey a message to you that preliminarily, and the Governor's budget is based on a forecast that I think will be revised down, we will have to make adjustments accordingly. The probability that we're going to come to the floor with any kind of money for new bills, once again is pretty remote. And I think if you have fiscal notes, if you're looking at a priority bill that has a large fiscal note, I'd ask you to reconsider, so. I hate being Dr. Doom, but that's where we're at today. Forecasting Board is at the end of February. All the adjustments will be made forward and interestingly after we bring our budget to the floor, we'll get an April forecast so there may be some more adjustments and hopefully those will be up instead of down. So, just wanted to bring you up-to-date on revenue and what's happening there. Thank you.

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FOLEY: Thank you, Senator Stinner. Back to Senator Scheer.

SCHEER: Thank you, Senator Stinner. Thank you, Mr. President. Colleagues, before going too much farther into the session, I wanted to reaffirm how I would be handling certain procedural motions under our current rules. With respect to cloture motions, it's my intention to rule on the cloture motion in order after six hours of debate on General File, three hours of debate on Select, and one and a half on Final Reading unless I discern that a full and fair debate has occurred sooner, in which case I would entertain a motion for cloture earlier than the six, three, or one and a half thresholds. I will make that determination and consultation with the principal introducers and members of the Legislature in opposition to the bill and based on the quality of debate and the number participating in that debate. If a motion for cloture fails, I intend to consider the bill finished for the year unless the bill is subsequently designated as a priority bill following that failed motion. Additionally, I intend to follow the practice of what has been termed the three-hour rule. As Speaker, I will be limiting debate to three hours, which the path required to cloture motion, to cease debate. When debate will likely continue after the three hours of debate on General File, or one and a half on Select, I will be placing a Speaker's hold on the bill and I will not reschedule until the principal introducer provides me with a vote count indicating a cloture motion is likely to pass. Additionally, I intend to continue my general practice of our recent Speakers to not reschedule any bill that fails to advance from General File, or from Select File, unless the bill is again subsequently designated as a priority bill. The same general rule of not scheduling a bill will apply to any bill bracketed during the debate to a date certain or without a specified date. And bills to which the principal introducer chooses to lay over his or her bill following a motion to indefinitely postpone pursuant to Rule 7, Section 3(a) and Section 6. In other words, if a principal introducer chooses to lay over their bill during the midst of debate due to filing of a motion to indefinitely postpone the bill, I will not reschedule the bill on the agenda without subsequent designation of the bill as a priority bill. A bracketed bill may be also rescheduled if subsequently designed, designated as a priority bill. And finally, I want to encourage the members to consider carefully your 2019 priority bill designation in light of our financial situation. Tax receipts for the months of November and December were 56 million below the revenue forecast, and January appears to be significantly below projections as well. Whether or not there will be money for substantive legislation that carries a General Fund cost, or a net loss to the General Fund revenue, will not be known until a later date in the session. Please note that all bills with a General Fund impact must be held on Final Reading until after the budget bills have been approved. If there's not sufficient General Funds available for the A bills, a bill with the General Fund impact other than a mainline budget bills, a bill sitting on Final Reading after the Legislature adopts its budget, may not be read this year due to its physical impact. If you are interested in having a priority bill that passes this session and becomes law, I would suggest that you designate a bill which does not carry a General Fund impact. Certainly, it is your prerogative to prioritize any bill you wish. I just wanted to bring to the members' attention that those with a financial impact may have a more difficult path to

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success than those that do not. As always, if you have any questions, please contact myself or my office, and we will be providing the copy of this to all of you later this morning. Thank you.

FOLEY: Thank you, Mr. Speaker. (Visitors introduced.) Proceeding now to the next bill on the agenda, LB188. Mr. Clerk.

CLERK: Mr. President, Education Committee is meeting now underneath the south balcony; Education Committee, south balcony, now. Mr. President, LB188 is a bill introduced by Senator Lindstrom. (Read title.) The bill was introduced on January 11 of this year. At that time, referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. I have no amendments pending at this time, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Lindstrom, you're recognized to open on LB188.

LINDSTROM: Thank you, Mr. President, and good morning, colleagues. LB188 comes to us from a member of the small loans industry in Nebraska. The bill would amend the Nebraska Installment Loan Act. The act caps the amount of interest a lender may charge a borrower. The current act says that the rate may not exceed 24 percent per annum on the first \$1,000 of unpaid balance, and 21 percent per annum on the remainder of the unpaid balance. This would change the cap to a single rate of 29 percent per annum. The problem is that some parts of the industry are growing at the expense of other parts of the industry. State license and examining installment loan lenders with brick and mortar locations are disappearing in the face of growth and online, out-of-state and unlicensed installment loan lenders. I was approached this year by the district manager of OneMain Financial. OneMain Financial has eight locations across Nebraska. At the Banking Committee hearing on LB188 this week, OneMain told us that according to figures compiled by our Department of Banking in 2005 there were 39 licensed installment loan company locations in Nebraska. In 2016, only ten remained and eight of those were OneMain locations. OneMain has an annual payroll of about \$1.5 million and serves about 8,800 Nebraska residents. Online, out-of-state lenders can charge much higher interest rates than can be charged by Nebraska licensed installment lenders. Those online lenders can seek out business in Nebraska without having to cover overhead costs, which must be borne by the state licensed brick and mortar installment lenders. The installment loan interest rate caps have not been amended by the Legislature since 1984. While interest rates were significantly higher in 1984, there were no online options then. No online lender to pull customers away from the brick and mortar banks right here in Nebraska. The challenges created by online installment lenders are what the Legislature should focus on. This bill would help our state licensed installment loan lenders better compete. They're the source of credit we want Nebraskans to go through first for their installment loan needs. Although there is risk for online lenders, what we should be more concerned about is the risk posed for the consumer that seeks installment loans online. These

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sites aren't regulated by the Department of Banking, therefore, there's no protection to ensure that companies are conducting business correctly and fairly. Having local institutions that can offer a lower interest rate than those online lenders has several advantages. These installment loan lenders can sit down face to face with the individual, tell people understand what the loan you're getting is, and can offer assistance in improving credit and potentially qualifying for a lower rate in the future. The bill isn't just about making a business more competitive in an online world. It's really about giving Nebraskans opportunity. Not every Nebraskan can rely on a family member to borrow from or to co-sign a loan to help them establish a line of credit. Without installment loan companies they can assist these riskier credit customers, some people have no options to improve their situation. LB188 came out of the Banking Committee 6-0 with two not present within the vote. There were no opposition in the testimony at the hearing and I urge the advancement of LB188. Thank you, Mr. President.

FOLEY: Thank you, Senator Lindstrom. Discussion is now open on LB188. Senator Brandt.

BRANDT: Thank you, Mr. President. I would like to thank the Banking Committee for their work on LB188. I have concerns that LB188 raises the interest rate to 29 percent from 24 percent. This will cost borrowers an additional \$50 for \$1,000 borrowed on an annual basis. I would have to say 29 percent is excessive, except I believe that that line was already crossed at 24 percent. I do not believe this bill is in the best interest of Nebraskans, and as it stands will vote no on LB188, and I would ask other Senators to consider voting no. Thank you.

FOLEY: Thank you, Senator Brandt. Senator Williams.

WILLIAMS: Thank you, Mr. President, and good morning, colleagues. I want to add a little color to this bill. This bill came before the Banking Committee and again, as Senator Lindstrom mentioned, did not have any opposition. What we have seen happen in the availability of credit over the last years is the advent of online access. These companies that are doing the online access are charging up to 36 percent, and they are unregulated. I want to point out that the installment loan companies that are licensed in Nebraska are regulated by the State Department of Banking so that they have to comply not just with our laws, but all the safety and soundness issues that other financial institutions comply with. A few years ago, we had 30 to 35 of these types of companies in our state. We are now down to ten or 11. The reason is it has become much more difficult for them to, at the end of the day, make money. And even though the rate of 29 percent may seem very high, in reality to the lost potential and the underwriting risk on these types of loans, that is not an excessive rate. The other thing that we have seen happen during this period of time is many of our banks have gotten out of the business of making what I will call small-dollar loans. In essence, for many banks they do not make loans under \$5,000. So we have this gap in availability of credit, yet you have that person or that family that their furnace goes

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out and they need to replace that furnace, and where are they going to go. As Senator Lindstrom said, when they've exhausted friends and family, the installment loan companies are a viable option. I've had the opportunity to visit the OneMain locations. They run a first-class operation of the industrial, or excuse me, installment loan companies in Nebraska. They have eight of them. They have one in Kearney, Grand Island, and certainly other places across the state. So I would argue strongly that there is a need to do this. There is a need to keep this industry economically viable because if we lose more of them, the alternatives become other sources of credit, either the online access issues that we talked about, or potentially forcing these people to the payday lenders, which is a higher rate yet. So with that, I would encourage your green vote and support of advancing LB188. Thank you, Mr. President.

FOLEY: Thank you, Senator Williams. I see no further discussion. Senator Lindstrom, you're recognized to close on LB188.

LINDSTROM: Thank you, Mr. President. I appreciate the comments from both Senators here today. I got the question, is this payday lending? Of course, that's always a contentious issue. This is not. I want to reiterate, this is not payday lending. This fills a gap in-between traditional loans and the payday lending gap. These are folks that need to build up credit, whether it's home improvements, consolidation of debt, these loans can be anywhere from a thousand to 30,000, and the OneMain and other companies like that are taking risks. It doesn't automatically mean that somebody charges 29 percent. They'll go through the process of meeting with the clients, customers, talk about what their income is, and then structure that debt-- structure that credit accordingly. They're in the business of repeat customers, and they want to make sure those folks can pay off their loan and come back again for another loan. So I urge the body to vote green on LB188. Thank you, Mr. President.

FOLEY: Thank you, Senator Lindstrom. Members, you heard the debate on LB188. The question for the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please, Mr. Clerk.

CLERK: 28 ayes, 1 nay on the advancement of LB188.

FOLEY: LB188 advances. Our next bill is LB258. Mr. Clerk.

CLERK: LB258 is a bill by Senator Williams relating to finance. (Read title.) Introduced on January 15, referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. I have no amendments to the bill at this time, Mr. President.

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FOLEY: Thank you, Mr. Clerk. Senator Williams, you're recognized to open on LB258.

WILLIAMS: Thank you, Mr. President, and good morning again, colleagues. LB258 was introduced at the request of the Department of Banking and Finance. It is a housekeeping measure to update and clean up various sections of statute involving financial institutions. First, the bill would amend what we call the wild card sections to provide that state chartered banks, state chartered savings and loans associations, and state chartered credit unions shall have all the rights, powers, privileges, benefits, and immunities which may be exercised by their federal counterparts as of January 2019. That is changed from January 1, 2018. The Legislature may adopt by reference existing law of another jurisdiction such as the federal government, but under state constitution, the adoption by reference cannot be of a federal law not yet in existence. Due to this restriction on legislative authority, the wild card sections are updated annually. In this way, we uphold the notion that our state chartered financial institutions shall not find themselves in a disadvantaged position in relation to their federally regulated counterparts. The wild cards are in three separate sections. The savings and loan wild card section has been around since 1971. The credit union wild card section since 1977, and the bank wild card section since 1999. In addition, the bill would eliminate the \$15 annual renewal fee for state chartered banks and state chartered credit unions for their executive officers and loan officer licenses. The department has indicated that the processing of these license renewal fees ends up actually costing the department more than they are actually bringing in. Finally, the bill would amend sections all throughout the banking statutes to eliminate reference to the Office of Thrift Supervision and insert, where needed, references to the Consumer Financial Protection Bureau. In 2011, following the passage of the Dodd-Frank Act, the Consumer Financial Protection Bureau came into being, and the Office of Thrift Supervision went out of existence. This fully describes the housekeeping changes within LB258, introduced again on behalf of the Department of Banking Finance. There was no opposition testimony and this was voted out of committee with no dissenting votes, and I would encourage your green vote to advance LB258. Thank you, Mr. President.

FOLEY: Thank you, Senator Williams. Is there any discussion on LB258? I see none, Senator Williams, you're recognized to close. He waives closing. The question for the body is the advance of LB258 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 33 ayes, 0 nays on the advancement of LB258.

FOLEY: LB258 advances. Proceeding to LB259. Mr. Clerk.



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CLERK: LB259 is a bill introduced by Senator Lindstrom. (Read title.) Introduced on January 15, referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. I have no amendments to the bill at this time, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Lindstrom, you're recognized to open on LB259.

LINDSTROM: Thank you, Mr. President, and good morning, colleagues. LB259 came to me from Director Mark Quandahl from the Department of Banking, a bill to update the Securities Act of Nebraska, the Nebraska Commodity Code and the Consumer Rental Purchase Agreement Act. In 2018, I introduced LB813 on behalf of the department to update the Securities Act of Nebraska. The bill, however, remained on General File upon adjournment. Sections 1, 2, 3, and 5 of LB259 contain the provisions of LB813. Section 1 of the bill corrects a discrepancy in the Securities Act between the definition of federal covered adviser an exclusion in the definition of an investment adviser. Included in the definition of a federal covered adviser in subsection 4 of Section 8-1101 is a person who is excluded from the definition of investment adviser under the Section 202 of the Investment Advisers Act of 1940. The proposed amendment would move the exclusion to the definition of investment adviser in subsection 7 of Section 8-1101 so that persons who are excluded from the definition of investment adviser under Section 202 of the Investment Advisers Act of 1940 are also excluded from the definition of investment adviser under the Securities Act. A person who is excluded from the federal definition of investment adviser makes no filing with the federal Securities and Exchange Commission, also known as the SEC. Under current Nebraska law, this person is within the definition of federal cover adviser and is required by Section 8-1103 of the Securities Act to file with the department a copy of all documents that he or she files with relying upon Rule 506 are not required to utilize a broker-dealer to sell the securities as long as those selling securities do not receive commission or other compensation. By contrast, current law requires issuers rely upon regulation A, tier two, to utilize a broker-dealer to sell the securities. LB259 would amend this section to eliminate the broker-dealer requirement for issuers relying upon regulation A, tier two, provided that no commissions or other remuneration are paid in connection with the sales of such securities. This amendment would make it easier for companies relying upon regulation A, tier two, to conduct offerings in Nebraska without negatively affecting investor protection. Further, a large majority of states do not require the use of broker-dealer in connection with regulation A, tier two, offerings. Thus, this amendment would promote uniformity with other states as provided in Section 8-1122 of the Securities Act. The remaining changes proposed in LB259 are within Section 2 to remove obsolete language related to the two federal rules within Section 4 to update a citation to the Securities Act of 1933 in accordance with a recent change in numbering the federal statute within Section 8 and 12 to clarify language regarding the distribution of fines and within Section 14 to provide an emergency clause. LB259 came out of Banking, Commerce and Insurance Committee 8-0. The bill received no opposition and I ask for your green vote to advance the bill. Thank you, Mr. President.

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FOLEY: Thank you, Senator Lindstrom. Debate is now open on LB259. Seeing no members wishing to speak, Senator Lindstrom, you're recognized to close. He waives closing. The question for the body is the advance of LB259 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 40 ayes, 0 nays on the motion to advance.

FOLEY: LB259 advances. Proceeding to the next bill, which is LB355.

ASSISTANT CLERK: Mr. President, LB355 introduced by Senator La Grone is a bill for an act relating to finance. (Read title.) The bill was read for the first time on January 16 of this year. It was referred to the Banking, Commerce and Insurance Committee, and that committee placed it on General File.

FOLEY: Thank you, Mr. Clerk. Senator La Grone, you're recognized to open on LB355.

La GRONE: Thank you, Mr. President. LB355 is a bill I introduced at the request of the Department of Banking. The bill updates language in three acts, the Nebraska Money Transmitters Act, the Nebraska Installment Sales Act, and the Residential Mortgage Licensing Act. First, the bill updates the department's authority relating to examination by licensees and their authorized delegates under the Nebraska Money Transmitters Act by providing for off-site examinations and joint examinations of federal agencies. Second, it amends the Nebraska Installment Sales Act to allow licensees to establish branch offices rather than having to attain a full license for each physical location as currently required. In doing so, the bill defines branch office, sets licensing renewal fees for branch offices, requires applicants dismiss specific information, set standards for licensing notifications to the department, and updates terminology. Finally, the bill amends the Residential Mortgage Licensing Act to provide requirements for the submission of fingerprints for specified principles of an applicant or mortgage banker license, adopts transitional licensing process to allow certain federal registered mortgage loan originators and mortgage loan originator license by in other states temporarily conduct business in Nebraska and limits the term of inactive mortgage loan originator licensees and changes the time period for record retention. I would note while you might see that it does have a fiscal note, the Department of Banking is entirely cash funded agencies. There is no General Fund impact. And with that, I would encourage your green vote on the bill. Thank you, Mr. President.

FOLEY: Thank you, Senator La Grone. Debate is now open on LB355. Seeing no members wishing to speak, Senator La Grone, you're recognized to close. He waives closing. The question for the body is the advance of LB355 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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ASSISTANT CLERK: 39 ayes, 0 nays on the motion to advance, Mr. President.

FOLEY: LB355 advances. Next bill is LB56. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB56 introduced by Senator Lowe. (Read title.) The bill was read for the first time on January 10 of this year. It was referred to the Committee on General Affairs. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Lowe, you're recognized to open on LB56.

LOWE: Thank you, Mr. President. LB56 is a bill I brought after some conversations with some of my constituents. The bill makes two changes. First, it allows local governing body the ability to create an expiated process approving an application for special designated licenses, or SDLs, that comes from a person with a catering license. Current state law requires a caterer to apply for a SDL at least 21 days before the event. This bill allows local governing body to change that deadline to 12 days before the event. This bill is not a mandate. It just gives more options to the local governing bodies. The only other change this bill is to allow the Liquor Control Commission to send the SDLs electronically. LB56 is supported in committee by the Liquor Control Commission, the League of Municipalities, and a local craft brewer. There was no opposition. I might also add that if you look at the fiscal note, it actually saves the state and the Liquor Commission almost \$2,700. This bill made it out of committee with an 8-0 vote. I urge you to vote yes and to advance this bill to Select File. Thank you, Mr. President.

FOLEY: Thanks, Senator Lowe. Debate is now open on LB56. Senator Hunt.

HUNT: Thank you, Mr. Lieutenant Governor, and thank you, Senator Lowe, for bringing this bill. As somebody who has been involved in planning a lot of events in Omaha for different nonprofits, for different organizations, this bill, I can say from experience, is really in need in Nebraska. It's time for us to do something like this for the caterers, for the people who support organizations that do great things in our communities. It's going to make it easier for them to do these events, it's going to save them a lot of time and money, and it's going to save other event planners a lot of stress when they have a little bit more leeway to make their plans. So, I want to urge your green vote on LB56 and thank you again to Senator Lowe for bringing this.

FOLEY: Thank you, Senator Hunt. Senator Bostelman.

BOSTELMAN: Thank you, Mr. President. I wonder if Senator Lowe would yield to a question.

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FOLEY: Senator Lowe, would you yield, please?

LOWE: Yes, I would.

BOSTELMAN: Thank you, Senator Lowe. The question I have with this, does this change any of the licenses that they're able to have for events? In other words, if they're allowed-- I believe they're only allowed a certain amount of licenses every year or every time. Does this change that at all?

LOWE: This is for somebody with a catering license and a catering license, it does not change the number of those.

BOSTELMAN: For their liquor-- for having a liquor event it doesn't change that?

LOWE: Yes. It does not change that at all.

BOSTELMAN: Okay, thank you. Thank you, Mr. President.

FOLEY: Thank you, Senators Bostelman and Lowe. I see no further discussion. Senator Lowe, you're recognized to close on your bill. He waives closing. The question for the body is the advance of LB56 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 37 ayes, 0 nays on the motion to advance, Mr. President.

FOLEY: LB56 advances. Next bill is LB75. Mr. Clerk.

ASSISTANT CLERK: LB75 introduced by Senator Williams. (Read title.) The bill was read for the first time on January 10 of this year. It was referred to the Committee on General Affairs. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Williams, you're recognized to open on LB75.

WILLIAMS: Thank you, Mr. President. LB75 was heard at a hearing on January 28 and was voted out unanimously and there was no opposition testimony. LB75 was introduced at the request of the Nebraska Grape and Winery Board. Currently, Section 53-302 prescribes that the membership terms for members of the Grape and Winery Board all expire at the same time with

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the option of reappointment by the Governor. The board has recognized this as problematic because if all members do not serve a new appointment term, there will be no institutional knowledge left on the board for the newly appointed members. LB75 would amend Section 53-302 to stagger the terms of the board members after the expiration of their current term in 2021. Members will still serve for three years at the appointment of the Governor, and the Governor will still have the discretion to reappoint members to the board. However, under sections, LB75 when new members are appointed, there will be existing members still serving on the board and thus the lack of knowledge on the board's activities by the members as a whole will not be an issue. I encourage your green vote. Again, there was no opposition testimony and this was voted out of the General Affairs Committee unanimously. Thank you, Mr. President.

FOLEY: Thank you, Senator Williams. Debate is now open on LB75. Senator Bostelman.

BOSTELMAN: Thank you, Mr. President. Good morning, everyone. And I just want to take a couple of minutes. I used to be in this industry. I was a grape grower. I had a vineyard for a lot of years, about 15 years. A lot of people don't know that. So I've had the opportunity to be a part of these meetings in these boards, and the institutional knowledge and that that we're talking about here that Senator Williams what this bill represents and what that brings is very important. Because when we lose-- when we lost all of our board members at one time, that was problematic in carrying on that corporate knowledge, if you will, that institutional knowledge that we had. So, this is a good bill. I just wanted to make mention to that. I support it completely and I would urge your green vote. Thank you.

FOLEY: Thank you, Senator Bostelman. Seeing no other members wishing to speak, Senator Williams, you're recognized to close on LB75. He waives closing. The question for the body is the advance of LB75 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 35 ayes, 0 nays on the motion to advance.

FOLEY: LB75 advances. Proceeding now to LB11. Mr. Clerk.

CLERK: Mr. President, LB11 introduced by Senator Blood. (Read title.) The bill was read for the first time on January 10 of this year. It was referred to the Urban Affairs Committee. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Blood, you're recognized to open on LB11.

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BLOOD: Thank you, Mr. President. And good morning, fellow Senators, friends all. I rise again today, but this time to ask for your support of LB11. And for those of you that have had questions, I really strongly encourage that you to listen to the introduction because I believe most of those questions will be answered. So what LB11 does is utilizes the existing broad-based legislative authority of municipalities to regulate nuisances within the municipalities extraterritorial jurisdiction, or also known as ETJ, and it's so much easier to pronounce. LB11 creates a process by which a city or village can enter into an interlocal agreement with the county in which they are located to work together to address and prevent nuisances within the cities ETJ. This will enable the joining of resources by the city or village or county to better abate nuisances in ETJs and promoting timely resolutions of nuisances through LB11. We can then improve the quality of life for Nebraska citizens. While cities have broad-based legislative authority to address nuisances within their ETJ, counties do not because counties are creations of the state. All of their authority derives from the Legislature. Until 2009, counties lacked the authority to create and pass ordinances. Even when the Legislature granted this authority with the passage of LB532, this authority was extremely limited and specifically carved out county ordinance authority within the ETJ leaving any nuisance authority up to the municipality. I want to be very clear. This bill does not mandate the cities and counties to work together in this way. It will be up to the elected officials serving on the city and county boards to decide whether or not to use the tool created by LB11. While not requiring collaboration, providing this option allows the city and county the local power they need to see the rapid resolution of nuisances. As some of you may remember, in 2015 the Urban Affairs Committee heard testimony regarding LB266, a bill to clarify nuisance enforcement powers by municipalities within their ETJ. The bill, which the Legislature later passed, clarified that cities and villages have the authority to enforce nuisance ordinances within three miles of their ETJ. While cities and villages enjoy broad-based authority to enforce such nuisances, they are not required to do so. And so due to limited resources, cities may choose to prioritize enforcement within city or village limits rather than their own ETJ. In other cases, cities and villages may not know that they have the authority to exercise this power. In either case, the county lacks the jurisdiction supplement of response to the situation as it falls under the carve out I mentioned earlier. LB11 would allow for counties and cities to work together to address nuisances through an interlocal agreement. Nuisance enforcement within a municipality ETJ is extremely important in counties like Sarpy County with a large population that centers outside of cities and villages in unincorporated areas, such as Sanitary Improvement Districts, also known as SIDS. As most of you are aware, Sarpy County is one of the fastest growing counties in our state. While exciting for the county, it does come with its own challenges and growing pains. Approximately 55,580 Sarpy County residents, or a third of county residents live outside our five cities. On your desks, you're going to find a map prepared by the Legislative Research Office which shows the number and percentage of residents in each county that reside outside municipalities. A pressing issue for Sarpy County is nuisance enforcement within municipalities extraterritorial jurisdiction or ETJ. In Sarpy County, county commissioners and the county attorney's office have had numerous nuisances arise within the

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ETJ of one of its municipalities ranging from noise ordinance enforcement, manure runoff from a nearby horse farm, and abandoned vehicles on private property. As a former city council member, I know firsthand that cities and villages have limited resources at their disposal, particularly after the elimination of state aid to political subdivisions in the last decade. I also know that local elected officials just like those of us serving here in Lincoln are cost conscious and strive to be good stewards of taxpayer dollars. This is why cities or villages may choose-- may choose to limit nuisance enforcement within their corporate limits to conserve the limited resources at their disposal. We all know that shared services are about resolving problems in a cooperative manner. They can eliminate duplicated efforts, reduce cost, maximize resources would benefit to all involved. It creates yet another tool for cities and counties to stretch those resources further and ensure that the citizens who live in these areas receive equal protection under the law. For those reasons, I ask that you please vote green on LB11 to move this bill forward.

FOLEY: Thank you, Senator Blood. Debate is now open on LB11. Senator Clements.

CLEMENTS: Thank you, Mr. President. I have a circumstance that this bill would assist with. And first of all, I have been assured by Senator Blood that this does not give any entity additional taxing authority. It's not going to raise your property tax, or give an opportunity to do that. But in my situation, there is a burned-out house in my county that I had a call from the neighbors. It's been abandoned. It was burned down, partly burned down. It's been abandoned. It's got animals living in it and trash around the, you know, abandoned vehicles and the-- it's within the city of Plattsmouth jurisdiction and so the county can't do anything about it. And the city doesn't have funds to take care of this, to demolish it, and clean it up. It's in a little kind of a subdivision that is not an SID, and they don't even have a homeowners association. So the neighboring acreages have no authority to do anything to take care of this eyesore. And it's bothering their land values, and their children have some danger with falling into the basement that's sitting there. And so, I do support this as a way that gives the county and the city opportunity to work together and I hope they would. So far we haven't been able to find a solution, and I think this might be a good way for them to, if they care to. I'm glad to hear that it's not a mandate and I do support the bill and I ask you to vote green.

FOLEY: Thank you, Senator Clements. Senator Bostelman.

BOSTELMAN: Thank you, Mr. President. Senator Blood, would you yield to a question, please?

FOLEY: Senator Blood, would you yield, please?

BLOOD: Yes, sir, I will yield.

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BOSTELMAN: Thank you very much. I would like to explore a little bit more if you could explain to me the noise portion of this. What does that cover? What does that consider?

BLOOD: Well, most municipalities do have noise ordinances and so that would be more than likely the guideline that would be followed and it would depend on what the interlocal agreement was about. But I can give you an example of what happened outside the ETJ of Bellevue and one of the reasons that this bill was brought to light is we had a rodeo that had loud music and loud party sounds, lots of drunks. But it wasn't within the city limits. It was within our three-mile ETJ. And there seemed to be a lot of confusion about who could do what and how it would be handled. And so it was felt by our county by allowing this ability to contract, if both parties are in agreement, that they could resolve issues like that. So, I don't think they're going to be going around with sound meters. I don't think they're going to be looking for noises. As you know, almost all complaints, all things like that are complaint driven. So if you live on a farm and you're within the ETJ and you decide to have a live band that goes on until 2:00 a.m. in the morning, and that is something you decide you're going to do every weekend and somebody complains, that would probably be within the ETJ. And if indeed there was an agreement, law enforcement can come out and say, hey, knock it off.

BOSTELMAN: Sure. I guess a follow-up question, and you may or may not know this one would be for, I would assume if there's a commercial area within the city, or there is designated as commercial property for commercial businesses, does that affect that as well, do they-- ?

BLOOD: You know, again, pretty much every nuisance is complaint driven. And so I find it hard to believe, especially in Sarpy County as that's all I can talk to, that there's going to be any issues with that because when they're zoned, they're zoned for specific things. And so they're certainly not going to put something after I'm sure they'd have a public hearing that would be loud and noisy next to, say, a housing development, but yet not within the city limits. It's just not going to happen.

BOSTELMAN: Sure, sure.

BLOOD: So, I mean, we could probably stand here for hours and come up with incidence of noise, but the things that I say and I say this from my wearing my city council hat, all noise complaints are consumer driven, they're complaint driven.

BOSTELMAN: Okay.



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BLOOD: And law enforcement has a hard job to do. And they're not going to take something lightly and if it's a silly nuisance complaint, they're certainly not going to waste a lot of time on it. So, you know, I can't forecast what's going to happen but I think your concerns with a company or corporation in the ETJ will be zoned and there's specific things that the zoning board would ask them to meet. I mean, I know we have ten counties without zoning boards, I learned yesterday, but at least in our part of the state that would be addressed before it was even built.

BOSTELMAN: Yeah, and sometimes they're not because I think Lincoln has had the issue with the -- and it's more that the business site I think they had some, I'll say dirt bikes or something like that, that they're looking at. It was on the north side of town and so I just kind of curious.

BLOOD: Well, that's interesting and if indeed Lincoln thought it's a problem, they could contract with Lancaster County if they were both in agreement and chose that Lancaster County wanted the ability to help in that three-mile ETJ. But this is really nice for the cities to have tighter budgets because a lot of times they don't go outside their ETJs is because they just can't afford to go outside their ETJ.

FOLEY: One minute.

SENATOR BOSTELMAN: Okay. All right. Thank you very much. Thank you, Mr. President.

FOLEY: Thank you, Senators Bostelman and Blood. Senator Groene.

GROENE: Thank you, Mr. President. I have a couple of concerns and questions too. Senator Blood, would you take a question?

FOLEY: Senator Blood, would you yield, please?

BLOOD: Yes, sir, I will.

GROENE: On line 10 it says extraterritorial zoning jurisdiction. Is that the two-mile limit?

BLOOD: That would be three-mile limit.

GROENE: I thought it was two. But anyway, I think we have two. But anyway. So nuisance ordinance, that area is already covered by the nuisance ordinance of the city.

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BLOOD: Yes and no. I don't know if you actually listened to the introduction. I addressed that in the introduction.

GROENE: I did.

BLOOD: So the issue is that, say, we're Bellevue. I'll just use Bellevue as an example. Bellevue has extremely tight budget, so usually anything that goes beyond their city limits into their ETJ, they don't address and--

GROENE: Thank you for your answer. But the answer is yes, their ordinance can be enforced within that three miles. It's part of their zoning.

BLOOD: If they have the staff available and this allows them another tool--

GROENE: I'm not asking if they have staff, Senator Blood, I'm asking you if they have the authority.

BLOOD: They do have the authority.

GROENE: So then I guess-- thank you. So I don't see the need for this bill. They already have the authority. I don't know why we're dragging the counties into it because we're trying to tap the counties budgets for fiscal help. I completely don't understand the necessity of this. So who-- all of a sudden somebody's got three junk cars. The sheriff pulls on and says, hey, we're going to help enforce this ordinance and then all of a sudden the city police shows up, or some kind of a zoning officer shows up. I just don't understand why the county needs to be drug into this. I just-- it's already enforceable. It's already set in law. It's within the city zoning authority. Anyway, I don't see the necessity for this. If the city wants to go out there and tell somebody to destroy the habitat for the raccoons and the rabbits, they can do that now. Unless I'm completely wrong, but it looks a little bit of redundancy and if the city wants to do it, then they should do it. Thank you.

FOLEY: Thank you, Senator Groene. Seeing no other members wishing to speak, Senator Blood, you're recognized to close on LB11.

BLOOD: Thank you, Mr. President. The whole point of this bill is because there is not redundancy because there are so many municipalities, villages, and cities that just don't have the budget to handle issues outside their ETJ. So it is not redundant. It is another tool for them to take care of what's around their municipalities, around their communities, because one day they hope to bring those people into their community as well in some of your bigger municipalities.

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And we're not going to have nuisance police driving around looking for nuisances. And that's just kind of a misnomer anyway because I say this over and over again, that complaints, when people drive around and look for things in Bellevue, excuse me, we don't have people driving around looking for concerns in Bellevue, it's complaint driven. They don't have the time to go around from yard to yard to see who is in violation. They wait for Aunt Betty to give them a call and talk to them about the barking dogs, talk to them about the piling garbage in their backyard. This is just another tool for people to help people. It's going to ultimately save taxpayer dollars for the betterment of the quality of life in those communities. It's not a mandate. There is no extra cost involved. It takes two parties to agree to it. It isn't going to hurt anybody. It's going to help people, so please vote green.

FOLEY: Thank you, Senator Blood. Members, you heard the debate on LB11. The question for the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. There has been a request to place the house under call. The question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, please.

CLERK: 23 ayes, 0 nays to place the house under call.

FOLEY: The house is under call. Members, please return to your desk, check in. The house is under call. All unexcused senators please leave the floor. The house is under call. Members, if you are at your desk, please check in. All unexcused members please return to the floor. The house is under call. Senator Blood, when we get the members checked in, would you accept call-in votes? You had 23 on the board. Thank you, Senator Blood. Senator Chambers, for what purpose do you rise? Just a second, Senator Chambers.

CHAMBERS: Okay.

FOLEY: Senator Blood, we're lacking three Senators, Senators Cavanaugh, Hilkemann, and Friesen. Can we proceed? Mr. Clerk, we can recognize call-in votes, please.

CLERK: Senator Chambers voting yes. Senator Bolz voting yes.

FOLEY: Record, please.

CLERK: 26 ayes, 0 nays on the advancement of the bill.

FOLEY: LB11 does advance. I raise the call. Proceeding to LB57. Mr. Clerk.

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CLERK: Mr. President, LB57 is a bill by Senator Morfeld relating to rental property. (Read title.) Bill was introduced on January 10, referred to the Urban Affairs Committee, advanced to General File. I have no amendments to the bill, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Morfeld, you're recognized to open on LB57.

MORFELD: Thank you, Mr. President, members of the Legislature. LB57 is a bill that applies to municipalities and prohibits ordinances and other regulations that would prohibit short-term rentals of residential property. The bill was heard before the Urban Affairs Committee on this past Tuesday and was voted out unanimously. The bill does allow ordinances and regulations that deal with public safety and health in the same way that we allow for such ordinances for long-term rentals. It does not affect the regulations of a private entity, including a homeowners' association organized under the Condominium Property Act or the Nebraska Condominium Act. First of all, I'd like to commend the work done last session by Senator Wayne and members of the committee who adopted our LB756 then to a committee priority bill in order to make sure that it was debated. The bill did not pass because of the overall bill package, but the Governor did support it and indicate that there-- he supported the a-- the a-- the bill despite vetoing the underlying bill. This is a growing business and an opportunity for citizens to rent a room, an apartment, or their entire residence out for a short-term rental, which is defined as not more than 30 consecutive days. In Nebraska last year they were 46,000 guest arrivals, to the tune of approximately \$4.3 million, money that stayed in Nebraska and benefited our citizens and taxpayers. The way it works is like this. Airbnb or a similar service is an on-line marketplace that allows people to list and book accommodations around the world, from a spare bedroom to an entire house, apartment, or even a castle. It allows individuals to safely and securely locate each other, communicate, and make financial transactions in over 65,000 cities and 191 countries. Hosts can set guidelines for guests and even require government ID. Guests and hosts each publish reviews after checkout, keeping everyone accountable and respectful. This type of service is similar to ride-sharing services such as Uber or Lyft. Guests and hosts use Airbnb to confirm travel dates, expectations, and pay. Airbnb holds on to the payment for 24 hours after the reservation begins and the host gets to keep up to 97 percent of the booking fees. In the rare event that there is damage to that property, every Airbnb host is covered up to \$1 million. Airbnb also works proactively with cities and states to collect taxes and remit them directly to governments, which is provided for in this bill. Airbnb is a service that I've personally used numerous times and found it to be safe, efficient, affordable, and a fun way to travel and meet people. It is also an important addition to our efforts to expand and promote tourism in Nebraska and a service that many people, both young and old, have come to expect, whether they're in-- a Nebraskan or coming to visit from another state. For those of you not familiar with this bill, it was introduced last year and added on to an Urban Affairs Committee bill, which I alluded to earlier, which ultimately passed but was vetoed by Governor Ricketts. It was not vetoed for this

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reason, though, and the Governor noted in his veto letter that he supported this legislation. I urge your favorable consideration of LB57 and would be happy to answer any questions.

FOLEY: Thank you, Senator Morfeld. Debate is now open on LB57. Senator Chambers.

CHAMBERS: Thank you, Mr. President. When this bill came up last session, I had some opposition to it. I didn't expect that we would get to it this morning. But at any rate, if I have any difficulties, I will have a chance to talk to Senator Morfeld about that. But I've been seeing reports where some of these upstanding people that Senator Morfeld is trying to help have installed spy cameras over beds, in bedrooms to secretly spy on and film the people who come into these places. So who is going to pass legislation or regulations for that? Oh, I am asking Senator Morfeld a question.

FOLEY: Senator Morfeld, would you yield, please?

MORFELD: Thank you, Senator Chambers. I was actually not aware of that. I know that that happens currently in hotels and other short-term rentals and even long-term rentals as well. I believe there's all-- already a criminal-- there's a criminal statute that addresses things like that when people's privacy are being-- is being invaded.

CHAMBERS: There have been, Senator Morfeld, instances where these upstanding people have refused to rent to black people. So I don't see them with the same positive attitude you and others seem to have, but those are some of the matters I'll talk to you about between now and Select File. I do want the record to point out or show that I raised the issues on General File but chose not to pursue them because we might can work them out without taking floor time. Who is prevented from enacting regulations under your bill?

MORFELD: So the city-- the city and municipalities, so towns and municipalities would be prevented from banning, outright banning. They would still be able to enact regulations on short-term rentals, just like they would be able to enact regulations on long-term rentals. So they still have that ability and that authority.

CHAMBERS: And that's all that I will ask at this point. Thank you, Mr. President. Thank you, Senator Morfeld.

FOLEY: Thank you, Senators Chambers and Senator Morfeld. Senator Friesen.

FRIESEN: Thank you, Mr. President. Would Senator Morfeld yield to a question?

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FOLEY: Senator Morfeld, would you yield, please?

MORFELD: Yes.

FRIESEN: Senator, I've-- I've-- I've heard in certain communities now you have investors buying homes in residential areas and just strictly turning them to-- to Airbnbs and it's causing problems with neighbors. Is there any way of addressing some of that or is that-- is that a-- is that a problem, I guess? Have you-- I've just read a few articles on it in different towns. You get-- you get investors now that are looking for-- for homes that are-- are sold in nice, quiet neighborhoods. They're turning them into rental properties by using this method. And I wondered if there the neighbors were starting to complain with who was there. Are there any restrictions on where and how these units of housing are-- are used?

MORFELD: Thank you, Senator, for the question. So first off, you are still able to enact zoning and ordinances and regulations within that city, but you're not able to outright ban them in the city, just like you're not able to outright ban long-term rentals in cities right now. So you still have that ability and you still have that ability to go after nuisance properties as well, which is explicitly stated in the bill. In some cities, tourist destinations primarily, such as New York City, San Francisco, Washington, D.C., they have had some issues with people buying up entire apartment buildings and turning them into short-term rental buildings. But those are in tourist destinations. And there's-- there's actual-- a profit model that is-- that is viable in those types of tourist destinations. I would love for Nebraska to become a tourist destination and have that problem, and perhaps one day if that does happen, we may have to address that. That being said, I also know that I've heard from a lot of rural Airbnb folks that have said, listen, there's not a lot of options when an event comes to our town and our community, and this allows for us to be able to provide lodging, where there otherwise would not be lodging in our community in a really accessible and public way and easily, you know, take in that income. So to answer your question, long story short, cities and municipalities would be able to regulate short-term rentals the same way that they're able to regulate long-term rentals. And not only that, they will be able to enter into agreements with the Tax Commissioner to actually stand in the place of that host and be able to collect those taxes and remit them efficiently to the communities and state.

FRIESEN: OK. So that you would say also that there's a process where if neighbors start to object, they have a method or a process to where that they can address their concerns?

MORFELD: Absolutely. That's allowed for in-- in this and it's explicitly put on the same par and the same level as long-term rentals if there's a nuisance.

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FRIESEN: OK. I don't-- and again, I don't think rural communities have a problem because those municipalities know better than to overtax certain individuals. It is very unique to the communities. So thank you, Senator Morfeld. Thank you, Mr. President.

FOLEY: Thank you, Senators Friesen and Morfeld. I see no other members wishing to speak. Senator Morfeld, you're recognized to close on the advance of LB57.

MORFELD: Thank you, Mr. President. Colleagues, thank you for the questions. This is an emerging market and I'm happy to work with anybody in-between General and Select File, including Senator Chamber [SIC], to address his concerns. And I would urge your green light on LB57.

FOLEY: Thank you, Senator Morfeld. Members, you've heard the debate on LB57. The question for the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 29 ayes, 1 nay on the motion to advance.

FOLEY: LB57 advances. LB11, Mr. Clerk. I apologize, I misstated. The next bill is LB121. Mr. Clerk.

ASSISTANT CLERK: LB121, Mr. President, is a bill introduced by Senator Crawford. (Read title.) The bill was read for the first time on January 10 of this year. It was referenced to the Urban Affairs Committee. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Crawford, you're recognized to open on LB121.

CRAWFORD: Thank you, Mr. President. And good morning, colleagues. LB121 clarifies provisions relating to direct borrowing from financial institutions by cities and villages. In 2015, LB152 was introduced by the Urban Affairs Committee and its passage clarified the authority of municipalities to borrow directly from financial institutions in certain circumstances. Under these provisions, it was also made clear that loans taken out by municipalities are not restricted to a single year but instead can be repaid in installment payments. However, the ability of municipalities to borrow directly from financial institutions was capped with a total amount of indebtedness from direct borrowing limited to 10 percent of the municipal budget for most cities and 20 percent for the municipal budget for the village. During implementation of the-- this municipal borrowing mechanism, the language outlining how bar-- how the borrowing cap was

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to be calculated was interpreted to mean that the cap was based on one year of a municipality's budget, even if it was a multiyear loan. LB121 changes this language to clarify that the amount of the loan attributable to any one year to the limitation on the total amount of outstanding indebtedness from direct borrowing is the total amount of the outstanding loan balance divided by the number of years over which the debt is to be repaid. LB121 also limits municipal loans to a repayment period not to exceed seven years. The current statute has no limit on the length of time for these installment loans. LB121 clarifies also that municipalities cannot exceed the cap on indebtedness in a single year. So if they have more than one multiyear loan, the sum of the debt load of those loans in a given year cannot exceed the 10 percent limit for cities or the 20 percent limit for villages. LB121 also extends the limitation on the total amount of indebtedness from direct borrowing by a city of the second class from 10 percent, which is the current cap, to 20 percent of the municipal budget of the city, which mirrors the current cap for villages. With rather small budgets, cities of the second class argue that they should be treated more like a village than a first-class city. We've heard stories of cities of the second class having a much more difficult time staying inside the 10 percent cap than our larger cities, and banks have not been able to meet the financing needs of these smallest cities. It's important to note that LB121 does not change or eliminate any of the criteria a municipality must meet in order to be able to access a direct borrowing loan. These restrictions were put in place in 2015 to ensure that municipalities were not turning to direct borrowing installment loans for purposes when they should, instead, be securing bonds. Finally, LB121 clarifies that the measurement or determination of the amount of any direct borrowing loan to be attributed to any one year is to be tied to the date of the ordinance approving the direct borrowing. This will ensure that once the loan is qualified, reductions in the village budget or city budget in a subsequent year will not invalidate the loan or affect the village's ability to refinance their existing indebtedness in the future. Colleagues, LB121 will provide greater flexibility to cities and villages to finance projects. The bill reflects the original intent of the Legislature by removing restrictions on the financing of direct borrowing needs of cities and villages. The bill does not alter in any fashion the balancing test that exists for the city or-- or village to determine whether or not direct borrowing or bond financing should be utilized. LB121 advanced unanimously from the Urban Affairs Committee. I urge your green vote on LB121. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Proceeding to debate on LB121, Senator Friesen.

FRIESEN: Thank you, Mr. President. In general, I agree with this bill and do support it. There's a couple issues that I do have with it maybe, and that's the length of the terms of the bonds or the-- the loans. As being on a city council a number of years ago and we ran into a situation where we needed to purchase a new ambulance, and where this works really nice is if you have a local bank who wants to help you out. We obviously didn't have the funds to do it at the time. They made us a great deal on interest that was a lot cheaper than bonds even, because they kind of were helping out the community, so to speak. They made us a nice loan. We got it paid off in a



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couple years and the project was done without going through all the work of-- of bonding. And so I'm in favor of having this option out there. I think it works for a lot of communities to be able to do this. The concern I have is a little bit on the seven years versus maybe a five-year, but again, that doesn't give me a lot of heartburn. But when we start talking about bonded or indebtedness and bonded indebtedness and when you hear about the community participation bonds that are-- some larger cities are now using, they're accumulating a lot of debt that's kind of running under the radar. And so I want us to be careful when we talk about some of those issues, that we don't compound that with these types of loans and make sure that it's transparent, because it's not a vote of the people. And I-- it is limited on how much you can spend. So I, in general, I am very much in favor of where you're headed with this bill, and I appreciate it. And I will talk to Senator Crawford about maybe the length of the terms. But in general, I am in favor of the bill. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Senator Clements.

CLEMENTS: Thank you, Mr. President. I stand in support of this bill. And I live in the small town of Elmwood, Nebraska, with a budget of maybe only \$120,000 a year. And if I-- we do make loans to the city of small amounts if they're fixing a street or buying some equipment that to do a bond issue would take a bond attorney and underwriting cost that are excessive. And so we do like to be able to make these. And I understand that the current statute said they could only borrow, have a payment, that if we loaned them \$120,000, that would be 100 percent of their budget. But if we're able to just count the annual payment, the annual payment for seven years would be about \$20,000 which would be 18 percent of their budget. And so that would qualify. And a fair-- a relatively small amount of \$120,000 loan is not really efficient to go through a bonding process. So I support this bill as a way, especially for smaller communities like mine, to be able to borrow from their local lenders. And I urge your support for this. Thank you.

FOLEY: Thank you, Senator Clements. Seeing no other members to speak, Senator Crawford, you're recognized to close on LB121.

CRAWFORD: Thank you, Mr. President. And thank you, Senators Friesen and Senator Clements, for your comments. Again, this bill provides added flexibility for our small communities to engage in direct borrowing from the-- their community banks to address their needs in their communities. And I urge your support of LB121. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Members, you've heard the debate on LB121. The question before the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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ASSISTANT CLERK: 39 ayes, 0 nays on the motion to advance, Mr. President.

FOLEY: LB121 advances. (Visitors introduced.) Proceed now to the next bill, LB66. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB66, introduced by Senator Matt Hansen. (Read title.) The bill was read for the first time on January 10 of this year. It was referred to the Urban Affairs Committee. That committee placed the bill on General File with committee amendments.

FOLEY: Senator Matt Hansen, you're recognized to open on LB66.

M. HANSEN: Thank you, Mr. President. And good morning, colleagues. I rise today to introduce LB66. This bill would require cities to include in early childhood data and planning into their city master plans. It is identical to last year's 8-- LB880, with the committee amendment, which passed the body last year as part of the omnibus bill that was vetoed by the Governor because of issues with another bill in the package. We brought it back to try again this year with the committee amendments from last year already a part of the green copy of the bill. This is modeled after prior legislation in 2010 that added an energy element to comprehensive plans. The early childhood element would add a new section to the comprehensive plan that would utilize existing resources and data to assess the supply of quality, licensed, early childhood education programs for children under six, evaluate the availability and utilization of licensed child-care capacity and quality-- and quality for children under six, and promote early childhood health and education vendors that benefit the community. LB66 would become effective when a city develops a new comprehensive plan, undertakes a full update to an existing comprehensive plan or by a January 1, 2020, deadline. The collection and analysis of this information provides greater transparency to the public, including new businesses that may wish to relocate to the area, knowing they could attract and-- attract and retain new young talent who will raise their families in thriving communities. Gathering such information also arms decision makers with information to guide policies and target limited resources to wise investments like high-quality early childhood education. The child-care industry has had an undeniable effect on parents' participation in the labor force and a significant impact on the economy of local communities. However, childcare is not just a work support for parents but also critical to the healthy development of children to ensure that they start school ready to learn. Access to high-quality childcare ultimately leads to a more skilled work force. Families and employers depend on quality childcare for more stability for today's employees and to lay the foundation for tomorrow's work force. Investing and learning-- investing in early learning and development is the best foundation for human capital. However, this type of targeted investment can have both immediate and long-term benefits to the individual child and society at large, cannot take place without measured and thoughtful planning. LB66 is an opportunity for cities to evaluate and analyze the-- the access families have to quality early child-care programs and to make positive

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changes to promote children's health and early learning without costing the state additional funds. City comprehensive plans have evolved into essentially a vision or strategic document for the city, looking at the impact of everything from city services, like parks and roads, other public facilities like our K through 12 schools, to private enterprise and-- and-- such as business and housing. LB66 would confirm that childcare and early childhood education is an important element for our cities to give some level of attention towards as part of a thriving, vibrant community. I want to thank everyone who's worked on this bill with us over the past year, especially the League of Municipalities who, while they remain neutral on the bill, helped us by adding clarifying language at their request that would assist cities in completing the early childhood element. And, colleagues, I've had several members come up to me this morning and ask what this actually would be or what it would look like. I've handed out a page of the Lincoln city comprehensive plan that discussed community college, trade schools, and universities, and private and parochial schools. As you can see, this is a very kind of simple document that just lays out some foundational strategies that the city of Lincoln has chosen to work with both-- both public and private entities and other-- and other education things. We would expect and my goal is to just promote a similar discussion for early childhood education, seeing as most comprehensive city comprehensive plans now start at K through 12 and don't focus on early childhood education. I would ask the committee-- sorry. I would ask the body to give me their green vote on LB66 and show their commitment to promoting early childhood education. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. As the Clerk indicated, there are amendments from the Urban Affairs Committee. Senator Wayne, you're recognized to open on the amendments.

WAYNE: Thank you, Mr. President. The amendment is very simple and I'll ask everybody to support it. All it does is make sure that the date 2022 is a deadline and not a sunset. There was some confusion of where it was placed in the sentences that it was placed in, so we just want to make sure that it's a deadline, not a sunset, so there's no misinterpretation. So with that, I would urge you to go-- vote green on AM56.

FOLEY: Thank you, Senator Wayne. Members, you've heard the opening on the bill and the amendment. Debate is now open. Senator Arch.

ARCH: Thank you, Mr. President. If you are following votes in-- in the Urban Affairs Committee, you'll notice that in the-- in the committee vote I voted present but not voting, and it was because I-- I sat there and I listened to testimony and I was very conflicted and I needed some time to sort that out in my-- in my mind. The conflict-- the conflict that I experienced was, of course, my understanding of early child development, having worked at Boys Town and understanding the importance of those zero to five years in-- in preparing a child for school and--

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and-- and for adult life even after that, with the simple question of, should this be part of a comprehensive plan for a metropolitan city? And-- and having-- having had a chance to sit back and-- and think over those two things, I've-- I have decided myself that I am going to vote no on this, on this particular bill, because I-- I-- it is not a referendum on early child development nor the importance of early child development, but in my mind it is a simple question of should it be part of the comprehensive plan in a metropolitan city. I think we need to be very careful in continuing to add to that list of things that need to be included in that, in that comprehensive plan. I think that as I-- as I read those things that are there, I think that it is primarily that of an infrastructure plan. And-- and at the present time, I know from firsthand experience that there are agencies, there are not-for-profit organizations that are very much involved in this. And so I-- I just wanted to express where I was on this vote and why I voted present but not voting. And since that time I have decided to vote no on this bill. Thank you.

FOLEY: Thank you, Senator Arch. Senator Linehan.

LINEHAN: Good morning, Mr. President. Thank you, colleagues. I, too, rise with concerns regarding this. I-- I agree that the city should look at this, and this is very impressive what Senator Williams has-- excuse me, Senator Hansen has handed out. And I'm glad that Lincoln does this. I would assume that other large cities do this. But I don't really see it as the Legislature's job to tell the cities how to do this. It seems to me, you know, we have property tax debate, which is going to absorb tremendous amount of time this legislative session, most of the cities, counties, and schools, they come in and say the last thing they want is any more mandates from the Legislature. And this seems to me, and maybe I don't understand it, and I know that Senator Hansen is-- there's-- there's no doubt that this is a good cause. This isn't about whether this is a good thing to do or not. It's about why should we, the Legislature, be mandating that the cities do this? That-- I-- raises grave concerns with me. Thank you, Mr. President.

FOLEY: Thank you, Senator Linehan. Senator Groene.

GROENE: Thank you, Mr. President. I rise in opposition to LB66. Senator Arch touched on it. There are many, many places you can go on early childhood. Look up it in the statutes. We have the quality-- early childhood quality. We have provisions in our public schools of funding pre-Ks. We have social services. Quite frankly, folks, we have a-- talking about the city of Lincoln, they have a total budget appropriated tax dollars of \$208,643,000. They-- they spend over 5 mill, \$547 million with all of the other income coming in. And we've read in the news they can't even fix their potholes. And now we're going to let them dell-- delve into early childhood? Doesn't belong in city government, any aspect of it. Does not belong in city government. It belongs in the education statutes, belongs in the social services statutes, and those organizations that we have to handle those issues. What bothers me also is in this statute it says, an early childhood element

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which assesses the supply of quality, licensed early childhood edu-- who at-- works at the city has the ability to rate an early childhood program as quali-- as quality? I don't think they do. We do have a statute about early qual-- early childhood quality initiative, but that's only those facilities that accept tax dollars. There's an awful lot of them in our religious sector, private ones, who take no tax dollars and, therefore, are not-- the statute doesn't pertain to them about a rating. So who at the city's gonna label these if they're good or bad? This doesn't belong in a city's comprehensive plan. Let the public handle it themselves through their education establishments, private and public; through the social services. City of Lincoln ought to worry about potholes, which apparently they haven't in their budget over the years. They want to raise your taxes, citizens of Lincoln. They worry about bike paths, arts in the park, and now they're going to worry about if you as a citizen, as a parent are going to delve into your personal prop-- personal view of where you want to send your child and if it's-- if they delve it quality for you, believe it's quality where you decide to send your child for early childhood care. So thank you. I'm gonna vote against it, of course, and I would appreciate everybody to think twice why the city needs to get involved in where three- and four-year-olds and two-year-olds spend their time. Thank you.

FOLEY: Thank you, Senator Groene. Senator Matt Hansen.

M. HANSEN: Thank you, colleagues. I originally turned on my light to encourage you to adopt the Urban Affairs amendment, which I didn't address in my opening. A couple things I do want to address: This does not require cities or-- or even a-- to do anything financially, to invest or spend money, on early childhood education outside of any incidental expenses of updating their city comprehensive plan which multiple cities have said has no fiscal impact. As you can see, the city of Omaha said no fiscal impact. The city of Fremont said no fiscal impact. What we are asking is for the cities to have a conversation, much like they do with other situations, of how they want to incorporate early childhood education into their city plan, into their city land documents. One of the things, reason I passed out the community college's plan for Lincoln is you could see it is very much connected to land use and land planning because they're coordinating with site selection for community colleges and trade schools to make sure they're accessible to community open space and the bike trails. Maybe they, the city of Lincoln, chooses to do that with early childhood education, maybe not, but that's the type of conversation we're-- we're asking them to-- to take in account for. I mean we're talking very much in delivery of city services just one factor we would like to refer to, early childhood education as well as, you know, which is-- and child-care centers. I mean in my mind this is, you know, where are the day-care centers in the city and do the bus lines go near them, do the bike trails go near them, do the essential city services that people rely to in their day-to-day lines [SIC], just how does that interact with early childhood education. It's not requiring them to invest in early childhood education. It's not requiring them to fund early childhood education. It's not requiring them to do anything other than just, as an element of their city plan, acknowledge that it's a service that parents and children rely on. And related to the quality language, all the-- so when I first brought

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this bill two years ago, it was a very simple early childhood, you know, factor in early childhood in your city plan, like one sentence, one line. And the league had some-- some concerns, League of Municipalities had some concerns that it was not clear. And so this resulting language is what happens when you lock three lawyers in the room and tell them to come to a compromise. We then had multiple definitions of multiple things, including multiple sources of data, that I was all OK with because that seemed to get the-- settle some of the concerns league members have. In terms of defining quality education, this is borrowed from the state education statutes. We have a Step Up to Quality Child Care program and we actually directly reference the State Department of Education as a source for this education. So that's just the language we've been kind of borrowing. It's as-- as it's-- it's a bit philosophy, it's a bit terminology. But as this trend from referring to it as just childcare, day care, to early childhood education kind of as a broader concept, knowing that some of those preschools, you know, are doing more than just taking care of the children. They are instituting some educational programming. With that, I do fundamentally believe this is an appropriate element for Lincoln, for all cities but for Lincoln and others to include in their city comprehensive plans. If you look at the city comprehensive plans, I mean the city of Lincoln talks about golf courses; it talks about, you know, hospitals; it talks about other just land use requirements that-- that private and public entities have on the city. I mean so some of this is very much, you know, very kind of fundamental, nitty-gritty city services, and this was simply a request to include early childhood education in the same way that, say, the city of Lincoln accounts for public and private K through 12 and public and private higher education. So with that, I would ask the body to continue their support and vote for both the committee amendment and LB66. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Senator Hilkemann.

HILKEMANN: Thank you, Mr. Speaker. I'd like to-- would Senator Hansen take a question, please?

FOLEY: Senator Hansen, would you yield, please?

M. HANSEN: Yes. Of course.

HILKEMANN: When I'm asking this question, I certainly understand the importance of childhood ed-- early childhood education and so forth, but we're-- we're pointing it, we're-- we're-- we're specifying early child. What, are we going to then make the cities turn around and, you know, as a 71-year-old, are we going to have them make, are we going to have them make some adjustments for elder services as well?

M. HANSEN: We certainly could if that was where we wanted to go as a Legislature.

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HILKEMANN: I mean I just-- in other words, when you think about the city and their planning and what their need to do, I understand they need to take some of these. But-- but aren't they more-- aren't these city plans, and I'm not-- not a city planner at all, but aren't they more involved in the bricks and mortar and where we're going to be running roads, where we're going to be building our parks and things of this sort, to have them start dealing with-- with-- with where we're going to have early childhood education? That-- that-- it's a question, Senator.

M. HANSEN: Sure. Well, if you-- and I-- if you look at the earl-- the comprehensive plans that cities have, it talks about all sorts of different things, both public and private, and is kind of a grand vision document for what they want the city to look for. So there is some bricks and mortar, avenues of that. There's also some goals. For example, I keep referencing the handout that I talked about, but it was talking about making sure that community colleges, which are a different entity, are accessible to bike trail systems in the city of Lincoln. It can be things like that as well.

HILKEMANN: Yeah. I just-- thank you, Senator. I still have not decided how I'm going to vote on this one. But it's a-- a concern to me that I would think that the city's more interested in-- in-- in the infrastructure. And I understand that this-- I'm trying to put words just in the infrastructure plan of our cities. Thank you very much. Thank you, Mr. Speaker.

FOLEY: Thank you, Senators Hilkemann and Senators Hansen. Senator Linehan, to be followed by Senators Erdman, Pansing Brooks, Kolowski, Friesen, and Matt Hansen. Senator Linehan.

LINEHAN: I'd-- I just-- thank you, Mr. President. I-- maybe I'm confused. Would Senator Hansen yield for a question?

FOLEY: Senator Hansen, would you yield, please?

M. HANSEN: Yes.

LINEHAN: You used the term "asking." We're not really asking, are we? We're telling.

M. HANSEN: Yes.

LINEHAN: Is it a-- is it a "may" or "shall"?

M. HANSEN: It is a "shall."

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LINEHAN: So we're telling them they're going to do this. So have we even told them that they have to have a report? I mean is it in statute that they have to have this plan?

M. HANSEN: Yes.

LINEHAN: It is in statute they have to have the plan. Is it in statute, do we outline exactly what they have to do?

M. HANSEN: Yes.

LINEHAN: OK. Well, I just-- if we're going to tell them to do something, I think we should at least say that that's what we're actually doing. We're telling them to do this. And I-- there-- I'm not sure why the League of Municipalities came in neutral, but they clearly didn't come in support of. Would this affect every city and what-- what's the definition? How, if I'm a town, a town of 5,000, do I have to do this?

M. HANSEN: Yes. This is all incorporated municipalities except for villages, so primary, metro, first- and second-class cities.

LINEHAN: So I'm sorry I don't know this, but how-- how small would I have to be as a village before this would affect me?

M. HANSEN: You know, Senator, I apologize. I don't know the exact cutoff between village and first-class city, but it's over 1,000, I feel pretty comfortable saying that. It is 800, I've just been informed.

LINEHAN: That's OK. So, OK, so any town over 800 we're-- we're mandating they do this. I-- I--

M. HANSEN: Yes.

LINEHAN: OK. I do appreciate that this is a huge issue for Nebraska and for all of us, childcare and-- but I-- I just-- I'm not comfortable, again, when we are try-- struggling here to figure out how to reduce property taxes and then we have concerns raised by all those that use property taxes to pay the bill that the last thing they want is any more mandates, that we're sitting here starting off the session with a new mandate. So I will be opposing LB66. Thank you.



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FOLEY: Thank you, Senator Linehan. Senator Erdman.

ERDMAN: Thank you, Mr. Lieutenant Governor. Good morning. I see the amendment submitted by Senator Wayne, the committee Chairman. I won't ask Senator Wayne any questions, but I would ask if Senator Hansen would answer a question or two.

FOLEY: Senator Matt Hansen, would you yield, please?

M. HANSEN: Yes.

ERDMAN: Senator Hansen, you said this was voluntary. Is that correct?

M. HANSEN: No, I never-- I did not intend to say that if I did. It is a requirement.

ERDMAN: I thought-- oh, so it's required. So that's the purpose for having the deadline, right?

M. HANSEN: Yes.

ERDMAN: So what problem does this solve?

M. HANSEN: It solves the fact that city comprehensive plans don't take into account early childhood education.

ERDMAN: OK. The city of Omaha came in, in opposition. Do you remember what their opposition was?

M. HANSEN: Their opposition was they didn't want it included in their comprehensive plan.

ERDMAN: OK. So what happens if we don't do this bill? Who's harmed?

M. HANSEN: Families who rely on early childhood education.

ERDMAN: So you heard what Senator Groene shared on the mike, did you not?

M. HANSEN: I did.

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ERDMAN: Did you hear him state that he thought that education should be handled by the education sector, and cities should do what they do: fill potholes, build roads and bike paths or whatever else? Did you hear that?

M. HANSEN: I did.

ERDMAN: Yeah, and I happen to agree with Senator Groene. This bill has no place in the comprehensive plan for the cities. As a county commissioner, if they would have come to me as a county commissioner and said in your comprehensive plan you must include this, that would have been something that I would have fought tooth and nail. It's another, as Senator Linehan has rightfully stated, another unfunded mandate. And I don't know if the cities have been watching to see what's going on here, but if they had, I believe they would be against it too. We have plenty of things that we have to put in a comprehensive plan and we don't need to put this in there. Education can handle those issues. This bill, in my opinion, needs to go away and I'm voting red. Thank you.

FOLEY: Thank you, Senator Erdman. Senator Pansing Brooks.

PANSING BROOKS: Thank you, Mr. President. Well, I don't-- I really can't understand why people are standing up in-- in great opposition to the fact that the bill says to-- when a new comprehensive plan is created, basically, that-- that there be an existing-- that an early childhood element which assesses the supply of quality child-- early childhood education programs for children under six be included. I've been on a-- on a task force called Prosper Lincoln, and in Prosper Lincoln we found three priorities in Lincoln. One was access to quality early childhood education because, of course, colleagues, the state is charged with K through 12 education. That's our constitutional mandate, not early childhood education. Yes, we should continue to support that. All the studies show that investments in early childhood education help our citizens, help our children grow and thrive. And so to act as if this is some terrible mandate where it says assess what's going on in your city, does everybody in the poor area have to somehow travel by bus eight miles to get to the schools? As you're planning it, plan where future developments for child-care centers might be. Should they be closer to the schools that you're planning and that are going to be placed in the city? This is-- this is not something that's unusual. Prosper Lincoln has worked to-- they have three priorities: supporting early childhood education, supporting work force development and employment skills. Now should they be-- should the city be doing something like that? Well, if you believe in work force development, the number one issue for the State Chamber, then probably. And the third thing was innovation and entrepreneurship. So I-- I really don't understand the problem. In the Prosper Lincoln Web site, it says that by the year 2020 Prosper Lincoln will increase cross-sector initiatives to-- initiatives to advocate for and improve early childhood development; it shall increase community awareness about what quality

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early childhood development is and looks like; and third, increase resources to enrich childhood-- early childhood development at home, in care settings, and in the community. Our cities and our communities should be playing a role in helping our children thrive and that includes looking at the whole panorama of what's going on in city planning to determine what is in the best interest of the children and of the families. Where is there a great need? It's not saying they have to do something, that they have to buy land, that they have to support and-- and create preschools. All it's saying is look at your plan. When you're looking at bus routes and snow routes, also look at where the children are and look at where we are going to place the early childhood-- where there are needs regarding early childhood. And if early childhood and the growth and development of our youngest, youngest children is not an issue for the Legislature to encourage the cities to look at, I don't know what else is. Thank you, Mr. President.

FOLEY: Thank you, Senator Pansing Brooks. Senator Kolowski.

KOLOWSKI: Thank you, Mr. Chairman. I sit here in kind of disbelief of what I'm hearing when it comes to early childhood education after all the years and all the decades that we've had efforts in this state, as you've heard from Senator Hansen, Senator Pansing Brooks, thank you for your comments in the same way. It's-- it's rather disconcerting, to say the least. We're not demanding or pushing anything that has to be upon any location anywhere. It's about services that could be available and should be available in cities when they're doing their planning and doing their-- their movement throughout the growth of any location. And we've had that all over Omaha. Let me go back just a-- a little bit and give you an example. Here we are talking today, in 2019, about this placement of early childhood education potential in a city, and I'll give you an example. My wife was hired in 1968 after we moved here in 1967. She was hired in '68 as the-- as the director of the early childhood education program in the Westside Community Schools. It's still thriving today, that and the expansion in Millard that I lived through with my 37-38 years in the public schools. One of the main questions parents would have when they move into a community is what are the range of services, including early childhood education for those younger ones and their families. It's only asking about placement within the larger picture of the development of a community and it's made out to be a boogiemanager here this morning with the things that we're hearing. It's embarrassing! How long are we going to put something like early childhood education on the back burner, continually on the back burner or completely off the stove, like it doesn't matter? It matters. It's where parents are looking for help and the schools and the services they want to see in their communities. Thank you very much.

FOLEY: Thank you, Senator Kolowski. Senator Friesen.

FRIESEN: Thank you, Mr. President. I rise in opposition to LB66. As a city councilman and a mayor, we were required to do comprehensive plans in order to have access to certain cost-share

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funds, things like that. And what the idea behind a comprehensive plan is, is that they wanted you to look at how your city was going to grow. They didn't tell us to study how many restaurants we needed or how many movie theaters we needed. A city can have one of these studies anytime it wants. If a city wants to study the needs of day-care facilities, council can authorize one. But I don't think they should be required to have one just because they want to build some new roads and have access to some state cost-share on funds. But suddenly, you're required to have a comprehensive plan and all this is, is consultants and engineering firms. It's a-- it's a revenue source for them because you put this study out on bids. You don't do it yourself. And the more stuff you put in there that they have to do a study on, the more it's gonna cost ya-- they love these things-- and in the end it does. A comprehensive plan I think is a good thing because it gets you to organize your growth of your city, determine where you want that growth to happen, where you want residential, where you want commercial properties. But in the end, I think private enterprise and all those other things will take care of the day-care facilities and everything else. But again, if a city wants to do this, let them do it. I don't think there's any regulation stopping them. But I don't see why we should require it. If there's a community that is well covered with day-care services, now you're going to put it into the plan that they have to study it. The engineers are going to charge for it. The consulting firms are going to love it. And it just costs us more money. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Senator Matt Hansen.

M. HANSEN: Thank you, Mr. President. Colleagues, I kind of wanted to rise and-- and just kind of refocus the discussion a little bit on like what a comprehensive plan is. So a city comprehensive plan, and I'm going to read-- quote a couple of things into the record just so-- so we're coming to them. It is bigger than just a real technical, nitty-gritty how, you know, how wide our streets going to be kind of document. In fact, I'm going to quote the city of Omaha, this is a-- this is describing their own master plan and I quote: The master plan represents an overall vision of Omaha and has two fundamental purposes. The first provides an essential legal basis for land use regulation, such as zoning and subdivision control. Secondly, a modern master plan represents a unified and compelling vision for community, derived from the aspirations of its citizens, and establishes specific actions necessary to fulfill that vision. Omaha must be a community committed to promoting and maintaining a high-quality life for all of its people, end quote. And I bring that up because when we're talking about-- and we as-- and we, when-- when our political subdivisions talk about a document being the aspirate-- aspirations of its citizens and talking about a unified vision and we don't talk about childcare at all in those documents, that is where I'm coming from. That is where I'm stepping in. We've made it to the point in this body, we've made it to this point in the state where we recognize that education does not start in kindergarten. Education starts before. And we've passed legislation to that effect and we have priorities from our State Department of Education to that effect. And all this is saying is, in your city master plan, which is a compelling vision for what your citizens want, can we include

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childcare, can we include early childhood education? And those-- those, in my mind, are overlapping, are synonyms. This is a-- this is, in my mind, a nitty-gritty issue 'cause it's making sure the snowplows go in front of the day cares. It's making sure that the bike trails, when you're planning a new subdivision, you know, connect to a place you-- you assume is going to be a day care, an early childhood education center. It is making sure that those just kind of fundamental issues of-- of public-private partnerships when we have mixed unit use developments, as kind of the new trend, how are those citizens living in mixed-unit developments going to have access to-- to early childhood education. When we're renovating, like in my district, we're tearing down an old storefront to build mixed-use apartments on top of retail, you know, are those-- are those citizens riding the bus; are they driving; are they walking; is there enough childcare in the area, and can we just be aware of that as a city the same way we're aware of where our K through 12 institutions are, the same way we're aware of where our community college institutions are? In terms of also requirements, so cities do have to have comprehensive plans, and-- and Senator Friesen pointed out that there are some financial strings to incentivize and encourage that as well. I will point out, so this is-- this is current language in the statute of what we already as a state require. So we require a land-use element which designate proposed general distributions, general location, and extent of the uses of land for agriculture, housing, commerce, industry, recreation, education, public buildings and land, and other categories in private land use. And then we also require some discussion on the general location, type, capacity, and area served of present and projected need for community facilities, including recreation facilities, schools, libraries, and other public buildings, and other public utilities and services. This is, in a city like Lincoln that's growing by leaps and bounds, this is, hey, when we build a new subdivision, when we build a new middle school, where-- where is going to be the early childhood center for that neighborhood, because we know there will be one. Where is it going to be? You know, is it going to be near the middle school? Is it going to be accessible via bike? Is, you know, can we put it-- make sure--

FOLEY: One minute.

M. HANSEN: -- it's on the snowplow route? These are the fundamental issues that I just want to have in front of the city and the city planner. If we're going to talk about these comprehensive plans from the city in aspirational terms, talking about all the hopes and goals of the city, I think we've just reached a point as a society where childcare is so important that that has to be included. And that's why I'm-- which was why I'm telling cities that they have to consider it in their comprehensive plan. Thank you, Mr. President. And I encourage the body to vote for both the committee amendment and LB66.

FOLEY: Thank you, Senator Hansen. Senator Morfeld.

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MORFELD: Thank you, Mr. President. Colleagues, I rise in support of LB66 today for a few different reasons. First, early childhood education is very important for a few different reasons, not only just educationally but also to the economic well-being of our state. It's really tough to be able to grow your city and grow our state if you don't have some kind of early childhood care. Now, in an ideal world it would be great if it was comprehensive early childhood care instead of just our regular kind of day care that we traditionally look at. But in any case, this has to look at both elements. It has to assess whether or not there's adequate care and it's a part of the comprehensive plan. And that is one of the number one issues that I'm hearing in my district among working families is having adequate early childhood care. And it's not something that I think the cities and our state is taking seriously enough, which is exactly what the intent of this bill is, is to elevate this issue to a level that our communities are taking it seriously and integrating it into their overall comprehensive plan. We need to do that. We need cities to take this seriously because it's an economic issue just as much as it is an education issue. I know from some of my friends, who would probably be characterized mostly as middle to upper-middle income, they have a problem, and they have resources, getting quality early childhood care. And that's in the city of Lincoln. I can only imagine in other communities. I know I recently visited Red Cloud and at that time they were doing a public-private partnership to open an early childhood care center because they knew that it was such a barrier to work force in their community and attracting jobs and keeping jobs there by not having that. And one can say, yeah, Red Cloud realized that that was an issue; they took it on their own initiative. But the bottom line is, is I think that there's a lot of communities across the state that aren't addressing this that should be addressing it, and this will require that. In addition, this is not totally out of left field. If you look at page 5, line 23, it states, our current statute states: A land-use element which designates the proposed general distributions, general location, extent of uses of the land for agriculture, housing, commerce, industry, recreation, education, public buildings and lands, and other categories of public and private use of land. This isn't totally out of left field. It's already mentioned tangentially in statute, but we need more of a focus. We need more of a focus because it's important to the economic vitality of our state, of our communities, and also the well-being of our youth. I urge you to adopt LB66. Thank you, Mr. President.

FOLEY: Thank you, Senator Morfeld. Senator Cavanaugh.

CAVANAUGH: Thank you, Mr. President. I am going to ask Senator Murman if he would yield for a question.

FOLEY: Senator Murman, would you yield, please?

MURMAN: [MICROPHONE MALFUNCTION]

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CAVANAUGH: Thank you, Senator. You represent Red Cloud. Is that correct? Have you been to visit the child-care center there in Red Crown [SIC]?

MURMAN: [MICROPHONE MALFUNCTION]

CAVANAUGH: Go ahead.

MURMAN: Yes, I have.

CAVANAUGH: And are you aware of how that childcare came to be?

MURMAN: Yes, it's an excellent child-care facility, very new and a large investment and very good for the community of Red Cloud.

CAVANAUGH: And do you know why the community decided to build that childcare?

MURMAN: I'm sure I've been informed of that, but I don't remember exactly how it happened.

CAVANAUGH: The-- the community realized that there wasn't any childcare and they were having difficulty in recruiting work force to the community. And so they came together and decided that this was an investment they were going to make. [INAUDIBLE]. Thank you.

MURMAN: Yeah. Yeah. Sure.

CAVANAUGH: Thank you, Senator Murman. I stand today in support of Senator Hansen's bill. It's important for us to, as legislators, be thoughtful in what we're doing and what we're bringing forward. And sometimes you don't know what you don't know. And Red Cloud came to this conclusion that they didn't know why they were losing work force and so they investigated it and they learned that they were losing a work force 'cause people didn't have anywhere to put their children during the day. So they did something about it. And Senator Hansen's bill I think is-- is really thoughtful in that it creates an opportunity with a minimum investment from cities to investigate how they can retain and recruit a good work force. We have an economic development problem in Nebraska and we have a work force problem in Nebraska. And I commend Senator Hansen for taking a creative and fiscally low-impact way to address that problem. There are many of us in this Legislature with young children and I think we all know very well, especially when there's a snowstorm, how difficult it is to find adequate childcare. So having our communities come together, whether it's voluntarily or because we're telling them to,

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to talk about what they can do to make an impact on the-- the work force that will help them be more healthy and thrive in their community is an excellent thing. So thank you, Senator Hansen. And I yield the remainder of my time.

FOLEY: Thank you, Senator Cavanaugh. Senator Walz.

WALZ: Thank you, Mr. President. I rise in support of LB66. And I just want to say that I think that a lot of you may be looking at this in-- in the wrong way. As Senator Friesen said, comprehensive planning is a good thing. It really is. But sometimes if something is not required, it's not done. I am especially concerned about the rural communities. I had a really great opportunity last summer to get out of my little space in Nebraska and travel across Nebraska to many, many small communities. And I heard a lot a-- a lot of concerns about the disappearance or-- the disappearance of small rural communities. So providing and planning for early childhood education should be a priority in any city, regardless of the size. LB66 provides an important tool for the continual economic development of small rural communities. This is definitely an element that should be discussed. It is your future. And if you don't plan for the future, you are putting your community at risk. I think it is important for you to have the ability or for the ability to-- for the ability for a rural community to survive and plan for their future, and I think that LB66 does just that. Thank you, Mr. President.

FOLEY: Thank you, Senator Walz. Senator Hunt.

HUNT: Thank you, Mr. President. Early childhood education and high-quality childhood care, day care, is integral to building a foundation for a successful future for all children. And keeping our promises to fund these programs is something we need to do it as a state, but what LB66 allows us to do is give cities control to do that for themselves. We already ask cities to create comprehensive plans and this is just giving them some more guidance in how we can work together to-- to best impact our economic effects for kids in a positive way. I understand that it's really important to empower parents with affordable child-care options, because that helps break the cycle of poverty in our communities that harms our economy. And in the long run, that also diminishes the quality of life for everyone in Nebraska. There are a lot of policy changes that we can make to alleviate poverty, especially for children. There's short-term things; there's long-term things. And this is one of those solutions that is going to have a really long-term impact for people in Nebraska. It's a simple addition to the state requirements that already exist for comprehensive plans. And I would urge your green vote on this bill. I understand that when some people talk about investing in work force and economic development they think we're only talking about tax credits for new businesses or creating jobs or work force development type things, but we aren't going to make those workers successful unless they know those workers are going to have a place to send their kids to preschool. I asked people in my district, you know,



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what made you decide to live here, what's something that you love about living here? And almost everybody says the great schools that we have, the great childcare that we have. But there are places in Omaha and there are many places in rural Nebraska where those work force and job opportunities aren't as open to people because they don't have anywhere to send their kids. And we can see from research over decades the negative impacts that this has on kids and the long-term economic impacts this has for Nebraska. In my city of Omaha there are some serious gaps when it comes to addressing early childhood education, and that has a direct impact on everybody. So I would just ask, why is it that we know the connections between work force investment and economic outcomes, and that's why we ask cities to include that in their comprehensive plans. We also know the connections between early childhood education and economic success, but for some reason we don't see that as a worthy investment. So I would ask you to maybe question that if you're in opposition to this and say, why is it that we support work force development and other things that are in comprehensive plans, land use, but we don't consider education as part of our plan for economic success? I think the best investment we can make as a state is in education. We know that an educated student earns more money. We know that they attain higher, higher education outcomes. We know that they're more successful over a long period of time, that they pay more taxes. And this is just a very simple thing that we can do to-- to ensure the long-term success of our state from an economic development perspective. So I would urge your green vote on LB66. Thank you very much.

FOLEY: Thank you, Senator Hunt. Senator Moser.

MOSER: Thank you, Mr. President. Appreciate the opportunity to address our senators here. As the mayor of Columbus, we were involved in discussions of comprehensive plans quite often, and the process works. First, you identify a consultant and then they come in and then you give them their list of instructions. You tell them what things you want them to look at. Then they take those things and they work those into the plan. They have various citizen input opportunities for people to tell the comprehensive planners what the citizens want in the plan. And if the citizens of the city want early childhood education then they can tell the planners to put that in there. And one of the senators talked about this being something citizens want. I think the citizens should decide what they want, not the Legislature. I don't think we should be telling cities that they need to study early childhood education in every comprehensive plan because it's-- I don't think it's gonna be appropriate. If they want to include early childhood education, that's up to the-- the city to ask the comprehensive planners to do that. You know, the example of what happened in Red Cloud was given that the citizens in Red Cloud wanted early childhood education and so that-- that was the impetus to that getting done. Typically, in our comprehensive plan, we talked about roads, infrastructure, water treatment, water production. And one senator mentioned education as being mentioned in the comprehensive plan. But we're not-- to this point, we haven't been telling the schools what to teach. We just identified locations in our comprehensive plan where we felt school buildings would be correctly zoned. And so I think this

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crosses the line into telling cities what to do. I-- I'd encourage the senators to not approve this. I think it's another mandate from the Legislature. It's not what the citizens want; it's what the Legislature wants.

FOLEY: Thank you, Senator Moser. Senator Wayne.

WAYNE: Thank you, colleagues. I just want to distinguish that, and just remind folks, last year this bill came out of committee and it really wasn't discussed a whole lot on the floor. There wasn't pressing issues, as this year, and maybe people-- it was later in the season last year so maybe we were tired. But I do want to distinguish AM56. While you may have problems with the underlying bill, I'm asking you guys to think about if the votes are there to pass this, we have to make sure that it's clear on what the language says. So oftentimes committee amendments, you'll hear the Chairman say that it's substantial changes or it's technical changes. This is a combination of both because it's the same language but we moved it. We moved it to make sure that it's clear that it's a deadline. So we can continue to argue about the underlying bill, but I hope my colleagues understand that what we're trying to do is make sure on the amendment we're putting the best bill forward, the best bill forward to give this body a chance to vote on. So let's make sure that we distinguish those and what the amendment is trying to do. Now whether we have problems with overreach from the state helping or guiding or mandating, however you want to say it, for early childhood education, I would ask everybody first to go back and read your city's comprehensive plans. It's one thing to say that we're going to hire or people are going to hire consultants. It's another thing to actually read what they actually do currently in their plans. And what you'll find, at least in Omaha, of the factors listed, it's a paragraph or two or a page or two. There isn't consultants flying in from New York or California drafting up 45-page documents. It's a general guideline of here are some things that we need to keep in mind as the city moves forward. And I'd always know, and there will be more bills that come up, our job is to protect against the worst, the bad of the baddest, the thing that we think will go off the rail. But I also think it's important for us to keep in mind what is our current practice. And if they've been doing the same thing for 10-15-20 years, why do we think adding one more factor, they are mysteriously going to go out and hire a new consultant, they're mysteriously going to go out and do and spend more money when there already is a list of factor and that's not being done? So I would ask that we continue to talk and let's continue to talk till noon. We adjourn. And then go back and ask your local city or village or town and see what they actually do, before we get in this process of saying they're going to spend millions, this is an unfunded mandate. You might be surprised how many villages and cities kind of already mention elementary schools and early childhood. And if they already do it, then does it matter? Maybe; maybe not. But I would just make sure that we are educated on currently what they're doing and instead of being fear of the unknown. That's my only thing that I would ask from the body is somebody else push their light. Let's go till noon and then go back home and read what actually is going on instead of basing it off of what we think the worst of the worst can happen. Why that's important? Because I'm an

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attorney. We always have to go for the worst of the worst to make sure our clients are never caught off guard. That's not the situation in this body. Ask what they're currently doing and let's see what they're currently doing. And I'll yield the remainder of my time to Senator Hansen.

FOLEY: Senator Hansen, 1:25.

WAYNE: Matt Hansen.

M. HANSEN: Thank you, Senator Wayne. Thank you for your courtesy. I think Senator Wayne touched upon some kind of key points. Please do adopt this amendment, regardless of how you feel about the underlying bill. It is a clarifying technical amendment to make it clear, one, the date does apply. So regardless of how you feel about the underlying bill, I would just encourage you, as kind of a legislative courtesy, to make sure my final bill, when we get to a vote on that, is-- is the best quality as it can be and clarifying the dates by adopting AM56. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Items for the record, Mr. Clerk.

ASSISTANT CLERK: Mr. President, new resolution, LR19, by Senator Bolz and others congratulates and thanks Susanne Blue for 20 years of service to the community. Amendment to be printed, Senator Friesen to LB82. Report on confirmation of gubernatorial appointments from the Education Committee. Notice of committee hearing from the Retirement Systems Committee. Committee on Education reports LB256 placed on General File. Name adds: Senator Clements to LB12; Senator Pansing Brooks to LB55; Senator Bolz to LB66; Senator Hunt to LB115; Senator Lowe to LB172; Senator Erdman to LB198; Senator McDonnell to LB256; Senator Lowe to LB450. Executive Board will hold a-- an Executive Session upon adjournment in Room 1003.

And finally, a priority motion: Senator Hilkemann would move to adjourn until Monday, February 4, at 9:00 a.m.

FOLEY: Members, you heard the motion to adjourn. Those in favor say aye. Those opposed say nay. We are adjourned.