

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Floor Debate  
May 09, 2019

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SCHEER: Good morning, ladies and gentlemen. Welcome to George W. Norris Legislative Chamber for the seventy-third day of the One Hundred Six Legislature, First Session. Our chaplain today is Pastor Jeremy Wissink from the Community Bible Church in Omaha, Nebraska, in Senator Arch's district. Would you please rise.

PASTOR WISSINK: (Prayer offered.)

SCHEER: Thank you, Pastor Wissink. I call to order the seventy-third day of the One Hundred Six Legislature, First Session. Senators, please record your presence. Roll call. Record, Mr. Clerk.

ASSISTANT CLERK: There is a quorum present, Mr. President.

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

ASSISTANT CLERK: No corrections this morning.

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

ASSISTANT CLERK: Not at this time, Mr. President.

SCHEER: While the Legislature is in session and capable of transacting business, I propose to sign and here do sign LR101 and LR102. Mr. Clerk.

ASSISTANT CLERK: Mr. President, first bill this morning is LB492; legislation was introduced by Senator Wayne. (Read title.) Bill was introduced on January 22 of this year; referred to the Urban Affairs Committee. That committee reported the bill to General File with committee amendments. The bill has been considered previously on April 30; and those committee amendments are pending, Mr. President.

SCHEER: Colleagues, please keep your conversations to a lower amount. Senator Wayne, you are welcome to refresh us on LB492.

WAYNE: Thank you, I would like to place the house under call. OK, I guess not. (Laugh) Thank you, Mr. President and members of the Legislature. As we discussed last week, LB492, as

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amended, is designed to address the structural issues with our transit authority statutes and the state's only transit authority in Omaha, which is Metro Area Transit. Since our current transit statutes were last amended in 2003, the Urban Affairs Committee has conducted three separate interim studies on those statutes and each time those studies found significant flaws in our current statute. LB492 would adopt a Regional Metropolitan Transit Authority Act which provides a mechanism for a transition of the metro transit to a regional transit authority-- (GAVEL), we could place the house under call, I mean, it's-- I'm really okay with that. OK, maybe not yet, OK. With the committee amendment, the municipality within the same metro statistical area as RMTA, may elect to join an authority upon two-thirds of super majority vote of their governing body. Importantly, LB492 does not mandate the creation of a regional transit authority, it's up to local officials in Omaha area whether transit is their priority or whether they want it to exist. Under LB492, the Regional Metro Transit Authority would govern a seven-member elected board. The current transit authority is governed by a five-member appointed board by the mayor of Omaha that requires confirmation of both the city council and Douglas County Board of Commissioners. Moving to an elected board ensures that all residents have adequate representation in the governing structure. LB492 would also correct the issue that was created in 1997 when the Legislature consolidated metro transit's tax authority levy inside the city of Omaha's levy and Douglas County's levy. Instead of setting the levy, transit authorities must ask for a tax request to the municipalities or counties in the authority; and if those requests are granted, the county and city will properly levy that tax. Metro transit maximum tax request under current law is 10 cents. Their maximum levy under LB492 would be 10 cents. It's identical. Finally, the vast majority of the language looks like new language in LB492 actually is duplicating existing language in current transit statutes. Literally we copied and paste most of those changes. Because of LB492 does not require metro transit to transition to a regional authority, we had duplicated their existing powers to make sure that if they decide to they can move. Colleagues, this is simple bill, and this bill will create and give local communities the option to create a regional transit authority. And with that, thank you, Mr. President.

SCHEER: Thank you, Senator Wayne. Doughnuts being handed out this morning are in honor of Senator Hunt's and her daughter's birthday. (Doctor of the day introduced.) Mr. Clerk for a motion.

ASSISTANT CLERK: Mr. President, Senator Wayne would move to amend the committee amendments with AM1657.

WILLIAMS: Senator Wayne, you're recognized to open on your amendment.

WAYNE: Thank you, Mr. President and members of the Legislature. AM1657 is an amendment that makes two changes to the bill based off of the discussions we had last week regarding this

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bill. One, Senator Arch had brought a couple issues up that I think makes sense, and that is, one, if a person or a city-- I'm sorry, if a city joins the regional transit authority, there was concerns raised are they stuck there forever? And this amendment would allow them to get out of that agreement by the same super majority vote to remove themselves from the regional transit, so it mirrors provisions for municipalities to join, also they can remove. The second one is a concern that was brought by Senator Walz around Fremont and being able to participate. And after we went back and looked at it, we've changed the language to say "metropolitan statistical area or a combined statistical area," and that would allow the Fremont area to join in, particularly for bus lines, as they are building a major plant there and they are looking for more employees. It would make it easier for them to join and we can create bus lines to get people to and from the Costco plant and other plants that are up there like Hormel. With that, thank you, Mr. President. I would ask for a green vote.

WILLIAMS: Thank you, Senator Wayne. Debate is now open. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. I rise again in strong opposition to this bill. I'm not going to-- Senator Wayne will get a vote on this today, this will be the only time I speak. And I do-- he has accurately identified a real problem, and that is getting workers-- we have a work force shortage in Sarpy County. That is a real problem. And I'd be happy to work with him on solutions to that problem over the interim. However, this is not a solution to that problem. This is a learning community of transit. It adds a new 10 cent tax on Sarpy County residents, outside of an existing levy, to pay for a bus system that's going to be primarily used by Douglas County residents. So again, I rise in strong opposition to this bill. While it does identify a problem, it is not a solution. It adds a tax that is outside of current levying authority, it raises property taxes on Sarpy County residents, and I cannot support it. Thank you, Mr. President.

WILLIAMS: Thank you, Senator La Grone. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President; good morning, colleagues. Wondering if Senator Wayne would yield to a few questions.

WILLIAMS: Senator Wayne, would you yield?

WAYNE: Yes.

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McCOLLISTER: You're aware, Senator Wayne, that there are a number of other transportation services throughout Douglas County that also provide transportation, in addition to metro-area transit, correct?

WAYNE: Yes, there are private sector transportation, yes.

McCOLLISTER: I think a number of those would be in MOBY, the various school districts have school bus service, the county provides transportation, I think via ENCOR for those people going to medical appointments. So there are a number of governmental units that provide those services, correct?

WAYNE: MOBY is a part of MAT, but, yes, there are a number of governmental services that provide specialty services, such as medical transportation.

McCOLLISTER: Would you believe that the work that you're intending to do on this bill would include all forms of transportation that are provided in the areas around Omaha?

WAYNE: Yes, I think the conversation, if this bill passes, would start because we would have an elected board that represents all parts of the community to have those conversations, absolutely.

McCOLLISTER: You're aware that Metro Area Transit receives money from property taxes. They also receive money from the federal government, in addition to fares, correct?

WAYNE: They receive property taxes through the city and county; and, yes, federal dollars and fares.

McCOLLISTER: In a study that was done here five or six years ago, I think that we determined that of a typical fare, a metro-area transit fare, only a third is actually paid for by that person riding the bus. Would that surprise you?

WAYNE: No, that would not.

McCOLLISTER: OK. Well, thank you, Senator Wayne. Thank you, Mr. President.

WILLIAMS: Thank you, Senator McCollister and Senator Wayne. Senator Chambers, you're recognized.

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CHAMBERS: Thank you. Mr. President, members of the Legislature, I have circulated every day what is called an Ernie gram, and I don't read them on the floor. But I'm going to read this one because it's going to demonstrate that in-- I'd like ask Senator La Grone a question, if he would yield before I proceed.

WILLIAMS: Senator La Grone, would you yield?

La GRONE: Absolutely.

CHAMBERS: Senator La Grone, would you agree that there is a political divide that's observable in this country?

La GRONE: Yes.

CHAMBERS: And is that something which is helpful or detrimental, generally speaking?

La GRONE: Generally detrimental.

CHAMBERS: Would you speak in the mike, because I can't even hear you.

La GRONE: Sorry. Generally detrimental.

CHAMBERS: If there could be found a way to lessen that divide, would that be a good step to be taken?

La GRONE: It would depend on the means of doing that, but assuming the means were fine, yes.

CHAMBERS: And if the means did not-- OK, that's all I will ask, thank you. Members of the Legislature, this that I'm going to read is a demonstration of how something like a bus line and things that happen associated with the existence of that line can go a long way toward erasing; well, not erasing, at least blurring the line of separation between the better classes and the riffraff. This is called The Gentlemen. Wind-swept dismal, the frigid corner; no other soul in sight. Snow was swirling. Air was biting. Oh, how terribly cold. Salty, sand-laced slushy tire trenches beside the icy curb, this was the bus stop. He'd missed his bus. Nose frozen, toes numbed, aching teeth were all a chatter. Slowly, noiselessly, and elegant heated limousine approached; slowing, slowing, slowing, slowing. Then it stopped, directly in front of him without splashing ice cold gray slush. Smoothly, noiselessly, a tinted window slid halfway down. Into the

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aperture appeared or moved a plump, warmly-smiling rose-cheeked face. My friend, it appears your bus you have missed, on such a day as this. Such sour fortune one might curse. Despair not, be assured, my friend, another will be along. The warmly-smiling face disappeared. The window noiselessly closed. Just as it had come, the elegant, heated luxurious limo departed without splashing ice cold gray slush. Moved almost to tears, his misery all but forgotten, to think such a high-place person had cared enough to offer compassionate words of encouragement and hope to a common man who missed his bus. Though desolate the day, a precious moment was had, in the company of a true gentleman. And indeed, another bus would be along. Under what other circumstances would such a high-place personage stop, interrupt the important things that he's doing to have these words with a common man who had missed his bus. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Chambers and Senator La Grone. Senator Crawford, you're recognized.

CRAWFORD: Thank you, Mr. President; good morning, colleagues. I stand in support of LB492 and the amendments. I represent Sarpy County, and especially my district is eastern Sarpy County, and we have a lot of residents, low-income residents in my district, who are in need of transportation. Right now, the current structure really hamstring collaboration between the Omaha and the Sarpy County cities in terms of trying to provide better transportation for residents throughout the metro area. And so I think this LB492 is a great example of a bill that allows us to really open up the opportunity for collaboration. There's nothing that requires any of the Sarpy cities to come on board. We simply are creating a structure that allows them to have that conversation and to have a way to collaborate if that's what they choose to do. I think that's very important. It is not raising anyone's property tax to provide this framework. The framework is a framework to allow them to have that conversation and decide whether or not this is something that is worthwhile to their citizens to do. I think it's very important, again, another reason why this is an important step forward is a lot of the work through the greater Omaha Chamber, they've been working on what will allow us to attract and retain workers. And that's a key work force issue that we have, a key economic development issue we have in our state, and one of those factors that they have found is important is having a metro area transportation system as one of those keys. And so that's another reason why this is an important step forward if work force development, work force retention is a key priority for us, then LB492 is a good step in the right direction to help us to achieve that priority. Also, really in my district, again, I have low-income residents who need transportation to jobs, who need transportation to the courthouse, other places where they need to go, and that's really not available to them now. And we have businesses in Sarpy County who are desperately in need of workers. And so right now we really have residents who need a ride, and we have businesses that need workers. And this opens up, again, opens up the framework to have the conversation of whether or not joining into this regional metro transit for a Sarpy County city is something that makes sense to them and to

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their voters. And this is an important step that we have as a state. One of our fundamental responsibilities as a state is to create the framework that allow local officials and local citizens to make the choices that are best for them, and this is a great example of that. It's creating a framework. It's giving local bodies the authority to have this conversation and make this decision if that's what they see is fit and is good for their district, good for their city, and good for their county, and allows them to have that conversation and make that choice. But we're giving them the authority to have that conversation and make that choice. Whereas, the current structure is very much hamstrings the ability of Omaha to collaborate-- Bellevue to collaborate with Omaha and have that conversation about the best way to have efficiencies of working together. And this, again, opens the door for better collaboration and allows for discussion at the local level of what's the best way to move forward to improve public transportation in our area. I think it could be a great asset to my district in Sarpy County. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Crawford. Senator Arch, you're recognized.

ARCH: Thank you, Mr. President. Senator Wayne, if you would yield to a question or two.

WILLIAMS: Senator Wayne, would you yield?

WAYNE: Yes.

ARCH: Thank you. You and I have had a number of discussions briefly, and then in committee as well about this bill. And I'm still processing-- I'm still processing the bill itself and the need for this. I've got a question about the existing structure right now for MAT. Is there currently a demand for more bus lines in the city of Omaha right now? Has there been a study that has identified if we had more buses running in the streets in Omaha they would be used? Do we know?

WAYNE: Yes. So actually that's what the Rapid Transit Lines that are being developed-- currently being developed, and, yes, there are need for more bus lines. As we continue to infill downtown, younger people are moving downtown, and they want busing, they want to be able to use public transportation. So, yes, there have been multiple studies done, and the need for it is great.

ARCH: And I'm assuming that when we say the need for it, we're also talking about there's an interest in the passengers. I mean, we can identify that there's a need for it, but their passengers are saying, if they were there I would use them.

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WAYNE: Yes.

ARCH: OK, all right. So under the present taxing authority right now, we've got, I think, there's a max of approximately 10 cents that they currently have, right now, under this authority.

WAYNE: Correct.

ARCH: And that is within the total of the property tax levy authority for the city of Omaha.

WAYNE: And Douglas County.

ARCH: And Douglas County. OK. So it's within that right now. And they're at about 5.- something.

WAYNE: 5.6, roughly, yes.

ARCH: 5.6. OK. So, I guess my question then is, if-- if-- and I would assume that with the density of population in the Omaha area, why wouldn't they exercise that levy authority now if the need is there now to increase the bus capacity and the transit within that population right now?

WAYNE: That is a conversation between the city of Omaha and Douglas County. My understanding there have been multiple conversations about increasing that need, and the city of Omaha and Douglas County have not increased their release of dollars.

ARCH: Oh, it's-- so they-- it's within that authority, they have the authority to OK that?

WAYNE: Yes. So it's actually a tax request, so MAT can say to both of them we need 10 cents. We don't care how you divide it up, 5 and 5 or 3 and 7, and they can come back, in which they have multiple times, and say, no, we'll give you 3 and we'll give you 3, or we'll give you 2.5, you get 2.5. They have, actually, no authority to do anything else.

ARCH: OK. And with this going to a regional, if this bill were to pass, then that 10 cents goes, actually, to the authority of the regional transit authority themselves.

WAYNE: Correct.



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ARCH: They would have the authority then to go to 10 cents or 5 cents or whatever, but it would be on top of the authority of the city, Douglas County. Would they drop their levy authority at that point as well?

WAYNE: If I was a wise mayor, I would drop mine by 3 cents and say I cut property taxes and run on that issue.

ARCH: But their choice.

WAYNE: But there's no mandate, and we couldn't write it in the mandate in the statute because then we would be curtailing the city's authority, and every year that they would raise or lower theirs then the city would have to match that, and I don't know what they might levy. They could levy 2 cents, they could levy 5 cents, they could levy 6 cents; so we couldn't put that in the statutes.

ARCH: Sure. And once out from under the authority of the city and Douglas County, they could go to 10 cents as well.

WAYNE: They could, or they could go to zero.

ARCH: Or they could go to zero.

WILLIAMS: One minute.

ARCH: OK, all right. OK, so, the other question that I have is, and of course in my district I've got La Vista and Papillion, and La Vista being closer to the Douglas County line than Papillion, so if-- and this is hypothetical, and you may not be able to answer this, but if Papillion were to say that they wanted to be part of this but La Vista didn't want to be part of it, which they have that authority with the city, would that cause this to not be functional if that were to happen?

WAYNE: Hypothetically possibly, or it could operate just like we do with Westside and OPS. They didn't want to be a part of OPS and it seems to work fine for everybody who represents Westside. So, I don't think one person opting in and opting out is going to make or break the idea of a regional transit authority, but it allows for them to have the structure. And this is just a tool in our toolbox, they can opt in or not.

ARCH: OK, thank you. I'll have questions on the second time. Thank you.

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WILLIAMS: Time, Senator. Thank you, Senator Arch and Senator Wayne. Senator Wayne, you're recognized.

WAYNE: OK. So I'm glad we're having this debate. This is a good debate, and we have to decide as a body here, is Omaha an urban place to be? I know many of us, Senator Erdman, said last time that most people in his district get in a truck and go, because usually they got to drive 30 minutes or more to get somewhere. But we have to decide in Nebraska, is Omaha an urban place. Because if it's urban, if we consider it to be a big city, there are some essentials that have to happen. And public transportation is one of them. That it isn't just the individuals who can't afford a car; it isn't the individuals who don't have a credit card to order an Uber or a Lyft, but it's also the generations after us. It's also people who are moving downtown to infill, and there's plenty of apartments and constructions and condos being built downtown where they don't want cars. They want to be able to hop on a bus and go to a local grocery store and come back, and all be within distance. That's what we have to decide as a body, is Omaha urban or not. And to Senator La Grone's comment about the Learning Community, luckily, I was on the Learning Community when it was started. There was no opt in and opt out. There was no local control. And the arguments that I heard from Sarpy County over and over and over was, this was a mandate from our body to put their property taxes into a pool to be distributed pretty much to the urban area. That's not what's happening here. There is no mandate. There is local control to say, do you think our community needs to be a part of a regional transportation system to provide public transportation in the next century, in the next two years, in the next five years. We are giving them the option. So, this isn't a property tax increase, it's an option for a local community to decide whether they want to be a part of an urban community. Everybody has flown to Pittsburgh or Kansas City or Chicago or other urban places and have seen public transit work and work well. If you go to Chicago, most of the time you get on the red line, hop over to the orange line to go to the game. I know, I've done it. I don't rent a car. We have to decide that. Because right now what we do is we have people get dropped off at hotels to catch a hotel to go to the airport. Or you read in the article that I handed out, it takes four hours to get to Bellevue if you live at 108th and Fort; 108th and Fort, to give you perspective is less than a mile away from I-680, where you get off on Fort. When you get off right there it's 96th Street, so you're talking about less than 10 blocks. From there to Bellevue takes four hours. We have to figure out work force development, but part of that solution is public transportation in Omaha, Nebraska. So while I know we have a lot of differences in this body, the question I'm asking is, is Omaha a urban city? If it's not, if you think we still have a main street and that we all just walk to the grocery store, I get it, don't vote for this bill. But if you think Omaha is urban and that we are a city and we are growing, then there has to be a public transportation component. And right now this is the only solution. There has been three interim studies on this since 2003. Prior to 2003, these statutes were created in 1970s and '80s. I was joking earlier, this bill is taking us back to what Omaha-- what made Omaha thrive.

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WILLIAMS: One minute.

WAYNE: If you go back to the '50s and '60s in Omaha, they had a flourishing trolley system; they had a huge public transportation system. And they were able to move people over to the meat packing plant in south Omaha and they could still live in north Omaha or west Omaha. People were able to get around. So this bill is about making Omaha great again. This bill is about taking us back to our roots; going back to public transportation to make Omaha great. And please vote green. Thank you.

WILLIAMS: Thank you, Senator Wayne. Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. I stand in opposition to LB492. I appreciate Senator Wayne's big-picture thinking, but this is a property tax increase. It is simple. It's a property-tax increase. Because right now that levy is only 5.5 cents for a reason, because Omaha is basically up against their levy limit of 47.— I think they're 47.922, and they have a levy limit of 50. So some of them other communities in that area are up against their levy limit. This is a tax increase. It could be up to 10 cents in some of these additional communities. And in Omaha, for those taxpayers, it would probably be a 4.5 cent tax increase, once you took this outside their levy limit. Property taxes. I'm standing here as a state senator thinking of my relatives that live in the Omaha, Douglas County area, this will be a tax increase. If Senator Wayne wants to leave it inside the levy limit, I would probably agree. But taking this outside the levy limit is a huge tax increase on the property owners of Douglas and Sarpy County and Dodge County where I also have relatives. We have got to start addressing the number one issue in Nebraska, property taxes. And we've already raised property taxes on those folks with the NRD bill. We seem to have a total disconnect on purposes for things and how we pay for them. On one side we say we're too highly taxed. On the other side, well, we need this. It's a great ideal, great plan. Let's find out if those people want that in Sarpy County. Let's find out if they want it in Dodge County and leave it inside the levy limit. If they want to throw a penny or two at it out of their levy limit, let them try it. But the first people who will get hit is Omaha. They will have a 10 cent tax within minutes on this once it comes outside the levy. Common sense. They could start with-- they could start already with a interlocal agreement. And I'm sure that other cities and the cities in Sarpy County could throw part of their levy limit in their budget towards this issue and-- because you can do public transportation within your budgets now for a municipality. We do it in North Platte. We have local and federal money and stuff, we got a little bus runs around, takes people to the hospital, to the doctors appointments, to the senior center for lunch. We don't have this tax. Big ideals, yes, makes sense to a point. Can't think of the company in Fremont right now, but the chicken slaughter house, Costco, free enterprise wants employees they can take buses into communities and have them create their own bus route, pick up employees at drop-off points. Doesn't need the taxpayer doesn't have to do it. Great ideal. I would love to have that opportunity for those people in highly unemployed areas, Omaha, to be able to reach Fremont to have those

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jobs, get into the middle class, slowly but surely. But a tax increase? Not necessary. Let's give an inch here and see if it works, see if there's a demand within the tax limit now, the property tax lid now, but to just throw a huge tax increase at folks is not a good start. So I stand against LB492. You vote for this, you vote for property tax increase.

WILLIAMS: One minute.

GROENE: You might say it's not yours in rural Nebraska or in Lancaster County, but as they say, you hang alone or you hang together. Those property taxpayers need our support too. This is a property tax increase. As I said, the ideal's good, got to change with the times. We could easily do this and get it started at a smaller project to see if there's even an interest in it, and if those local government entities are willing to use some of their present tax authority, if it's that good of a deal, let them use some of their present tax authority now to get involved. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Groene. Senator Kolowski, you're recognized.

KOLOWSKI: Thank you, Mr. Chairman. It's a pleasure to look at this topic, and I want to thank our Speaker, excuse me, our Senator Wayne for bringing this forward. This makes about 20 years that I've had this topic presented on different boards and different associations, including students at the high school where I served at Millard West. A modern problems class brought up and had on their docket almost every year the question of bus routes in the city of Omaha. Senator Wayne and Senator Chambers and I served together in the 2008 time period to 2012 working on the problem in the Omaha area when the issue of transportation was so important as far as the workers getting to different locations in the city. We found out how vacant the issue was in the Learning Community discussions that we had as far as bringing workers into town and then sending them to different locations. How could they get from A to B to get to work and get back home on a normal situation? We have and had terrible connections throughout the Omaha area. Now, if you want people to be desperate and not connected and not owning cars where they can't get to a job in a different situation, then keep what we have right now, because there's examples where those hours come up to haunt people because they can't get to a location. We hope that as we look at this topic, and I thank Senator Wayne for bringing this forward again, as I had students do the same at the high school level, it doesn't make the city open, connected, and fluid as far as workers, which we desire to have more and more people coming in to fill the jobs that we have open at the current time to make that available to all people that want to come to Omaha. Look around this room. Who doesn't have a car or multiple means of transportation? And when you look at the poverty situation with many families and their inability to get decent transportation to a workplace where they want to work, it's a real challenge in Omaha. The challenge existed not just in the smaller area of east Omaha, north Omaha, south Omaha, and

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west Omaha, when west Omaha was 72nd Street. It's no longer that. It's all the way out to the river, as we well know. And the opportunities and the jobs that exist for people are there. I hope that we will think beyond the small thinking of our own residence or neighborhood or section of town, whatever that might be, and think in terms of the larger picture where we could help our citizens--

WILLIAMS: One minute.

KOLOWSKI: --get to where they want to go on a daily basis because that's where they work. Again, I thank Senator Wayne for bringing this forward. It's a topic of very serious consideration throughout the city, and we need to do this and have this put together so we serve all Nebraskans that live and work here. Thank you.

WILLIAMS: Thank you, Senator Kolowski. Senator Blood, you're recognized.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I stand in full support of Senator Wayne's amendment, the Urban Affairs amendment, and the underlying bill. And to be really frank, I am stunned at the opposition on this bill, because I think there's a real disconnect on what's really happening here. We're hearing that this is a property tax increase, just plain and simple. But if you really read the bill, it's optional, they're giving them some extra room should they need it. It's not mandatory. And to assume that these people are going to go crazy and raise the levy, I think is very insulting to the people in eastern Nebraska. And people that are saying it, in general, are not from the areas that we're talking about. We always talk about the east and west divide, and it goes both ways. I think this is one of those times that this is happening. Senator Arch and Senator Crawford brought some really good information in reference to Sarpy County, and I don't want to be redundant, but one of the things I want to point out is that my friend Senator Groene talked about how North Platte got its own bus service. Well, North Platte has a door-to-door bus service, it's a shuttle service, that if you call the day before it's \$1.50 for the ride, \$3 the same day, it's door to door. They limit how many shopping bags you can have. It's not any different than a taxi or and an Uber or a Lyft, it's just a bus service. And you have to be ready 45 minutes before they come, so it doesn't come on a regular schedule, unlike what goes on in metropolitan Omaha. So you can't compare the two. It's apples to oranges. The one thing that we're really not touching down on that Senator Wayne touched down on a little bit is that for those of us that have participated over and over again with the multiple programs that pertain to bringing new people into Omaha, the number one issue, next to housing, is transportation. With that I would ask that Senator Wayne yield to a couple questions.

WILLIAMS: Senator Wayne, would you yield?

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WAYNE: Yes.

BLOOD: Senator Wayne, would you say that it's true that Gen Xers traditionally now as they move to big cities want to be close to transportation routes, such as bus routes; obviously, we don't have any trolleys or subways, but in Omaha's case, bus routes?

WAYNE: Yes.

BLOOD: And bike routes.

WAYNE: Yes.

BLOOD: Has nothing to do with this bill, but let's talk about Gen Xers. So, would you say that statistically that right now the bulk of the global economy is driven by Gen X?

WAYNE: Yes.

BLOOD: OK. So as we look to employ more people in the Omaha metro area, transportation is in the top three things.

WAYNE: Correct.

BLOOD: OK. So, would you say that it's fair that organizations like the Omaha-- I'm sorry, can I get the gavel, I can't hear myself think.

WILLIAMS: Members, would you hold your conversation down, please.

BLOOD: Thank you. Senator Wayne, would you say that it's fair that organizations such as Omaha Chamber of Commerce, MAPPA, the city of Bellevue, the city of Omaha, the city of Papillion, La Vista, those that are heavily dependent on transportation have frequently come to the table and said, what are we going to do to make this better?

WAYNE: Yes.

BLOOD: Not once but multiple times.

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WAYNE: Multiple times.

BLOOD: In multiple venues.

WAYNE: Correct.

BLOOD: And so your bill is a direct response in lifting them up and giving them a stronger foundation so they can accomplish this task.

WAYNE: Yes.

BLOOD: All right. Thank you, Senator Wayne.

WAYNE: Thank you.

BLOOD: We have got to be sure that we support the bills that support our communities. And we frequently support what goes on in North Platte, what goes on in Kearney, because we know that it helps those communities.

WILLIAMS: One minute.

BLOOD: But sometimes I feel that when it comes to our part of the state, there seems to be a demeanor they know what's best for us, and it's not being reciprocated on that side. So I ask you please support this bill. It is a needed bill. To say that they're going to raise the tax levy and not give them the benefit of the doubt is just outright insulting. Thank you, Mr. Speaker.

WILLIAMS: Thank you, Senator Blood and Senator Wayne. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. I continue to rise in opposition to this bill. I do represent Sarpy County, and I still oppose it because-- and I say again, Senator Wayne has correctly identified a problem. Transportation within the Omaha community is a huge problem. We have a worker shortage in Sarpy County, that is a huge problem. But I don't think that adopting a learning community of transit is the best way to do this. I think that it raises property taxes on Sarpy County residents. And while, yeah, the cities have an option, the voters don't, the voters don't have an option. And this notion that we are either stuck with the status quo or we have to adopt this bill and the organization it creates and the taxes it brings, I reject that notion. We can

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continue working to find a solution to this problem. We are not left simply with this solution. Again, this will cause a property tax increase on Sarpy County residents because it will bring this 10 cent-- add a new 10 cent levy, outside of that levy authority, that can and most likely will be adopted for services primarily for the benefit of Omaha and Douglas County, which is why I continue to stand in opposition of this bill. And I'd yield the remainder of my time to Senator Clements.

WILLIAMS: Senator Clements, you're yielded 3:40.

CLEMENTS: Thank you, Mr. President. Thank you, Senator La Grone. I also represent Sarpy County, the southern part of Sarpy County. And last year, I went door to door in most of Sarpy County and I didn't have anyone ask me when are we going to get mass transit in Sarpy County. I did have them ask me when are we going to get rid of the Learning Community tax that we have and they were thankful that most of the common levy was reduced, but there's still Learning Community tax being paid by the people in Sarpy County that's going out of their area to Douglas County. And until that is removed, definitely don't think we should do this. People also told me their taxes are very high. One man in Sarpy County told me his tax levy was 2.9 percent, that was in an SID, and he was talking about, pondering whether he should just move to Iowa where the property taxes are lower. And I don't like-- we don't really want to see more people move out of Nebraska over to Iowa, that's already happening some. And this will just be another increment that would force more people out of being able to have affordable housing in Sarpy County. And so I stand against this bill. In my area, I haven't seen an expressed need asking for it, so I ask for your red vote. Thank you, Mr. President; thank you, Senator La Grone.

WILLIAMS: Thank you, Senator Clements and Senator La Grone. Senator Arch, you're recognized.

ARCH: Thank you, Mr. President. Senator Wayne, I have a couple more questions if you would yield.

WILLIAMS: Senator Wayne, would you yield?

WAYNE: Yes.

ARCH: Thank you. I'm still processing the property tax issue here. And so I've just a couple of other questions on it. Is-- will it-- would it be possible, now, so the regional-- the regional board then has the 10 cent authority-- up to 10 cent authority for then all of the area that would opt in,



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that would by super majority of their board, decide to participate, would it be possible or would it violate regulations to have different levies for different parts of that regional authority?

WAYNE: Yes, it would be unconstitutional because of the uniform proportionality clause.

ARCH: OK. So a levy in Papillion would be the levy in Omaha.

WAYNE: Correct.

ARCH: Depending upon what that board decides. And while representation would be available to those that would opt in from other cities, I would assume proportionality of board representation as well. So, it could be possible that the board would decide that we're going to have a levy across all of this area for this regional, but not necessarily increase to the same proportionality of the services in an area, but for whatever is best, as the board decides, for that regional transit authority. You could have more buses on Dodge, but still not, really, pick up that. And that, of course, would be a discussion of the board, but that's the authority that they would have, correct?

WAYNE: Yes. But that would be the discussion the city council or their local village board would have with the transit authorities saying if we opt in, what are you going to provide? I don't think it will be a blanket, I'm just going to opt in and take my money and continue to have more buses up and down Dodge. I think there'll be a condition of services that would be provided when we opt in or there's no point of opting in.

ARCH: OK. And my last question, and that is to something Senator Groene raised about the increase in property taxes and that 10 cent addition, the potential of a 10 cent addition there, does that, by taking that out of the-- is it the Omaha-Douglas County authority right now to levy that?

WAYNE: Correct.

ARCH: OK. By taking that out of there, will that reduce their authority at all?

WAYNE: No, because you can't write it that way, because I don't know how much their initial ask is going to be, so I don't know how to put it into the statute-- I can't put XX. So whatever they reduce it, you have to reduce proportionately; that's too hard to figure out. So, no, it's not in statute, but, again, practically speaking, if 3 cents is removed from the city of Omaha, that is the easiest way for Mayor Stothert to say I've lowered your taxes by reducing it to 3 cents, because they no longer have that there. If she chooses not to, then that's going to be a campaign issue that

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she probably won't win on, because she didn't reduce property taxes when she had the opportunity.

ARCH: I just reflect back on the discussion that we had a couple days ago regarding property tax relief and the issue of local control and the issue of how do we help that local control in being very, very, very careful, and it sound as though there really is nothing that we could do in this particular case. As you say, you can't be written that way to take that 10 cents out and so, again, we're left with that possibility. But that's where I land on this. I think that the property tax authority of this regional verses the property tax authority of the Omaha and Douglas County, I think that that has some issues and I wish there was better language in the bill, and maybe it can't be written any better, but I wish there were. So, thank you, Senator Wayne, for your answers.

WILLIAMS: Thank you, Senator Arch and Senator Wayne. Senator Wayne, you're recognized.

WAYNE: Thank you, colleagues. Thank you, Mr. President. I just want to talk a little bit about this misnomer on a property tax increase. And then I also want to respond to Senator Groene's comments about putting things within what North Platte does and what Omaha should do and those kind of things. Senator Groene, will you yield to a question?

WILLIAMS: Senator Groene, would you yield?

GROENE: Yes.

WAYNE: Do you think the cost of operating a small school district with less than 100 people is different than operating a school district with 55,000?

GROENE: Yes, but the 55,000 person doesn't get-- the little school district doesn't get dictated on their levy-- or tax levy by the one with 55,000 which you're trying to do to these other communities.

WAYNE: Would you agree that in that authority that that local school board should be able to levy the needs to cover their school district's needs?

GROENE: Yes, and we give them a limit of how much they can levy.

WAYNE: Thank you.

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GROENE: And we give them a lid.

WAYNE: Thank you. And the lid on this is 10 cents. That is their current authority. We are taking their current authority and keeping it the same. There is a fundamental difference between a Papillion and the city of Omaha, and we are not forcing Papillion to join anything. We are saying Omaha needs this. And this is what's interesting to me about what's kind of happening with this debate. You have a urban senator with the Omaha Chamber, the current regional-- the current metro transit authority and businesses all supporting this bill from Omaha, but yet senators who don't live there are saying they know what's best for Omaha when there were no opposition from Omaha at all. There were no oppositions or people writing letters saying, we don't want a public transportation system in Omaha. But we in this body knows what's best when we have not visited the district and seen what really goes on. Now, I've sat here and watched this body say we need property tax relief for our farmers; they're going out of business. That's not an Omaha issue. Property taxes are, but the connotation of how it's being framed is our farmers are going out of business. That's your guy's, your community needs, and I'm all in support, because I can't pretend to know what goes on in your district. But if your district and everybody in your district and the businesses in your district come in and say we need your help with this structurally, it can't happen the way our current statutes are written, we want to support this, and they all support this, I don't understand how we come back and say we know what's best for the district. That just boggles my mind. When Senator Vargas brought up a bill to lower taxes for cell phones, half of this body was against it because our municipality somehow needed that money to do whatever they have to do. I am telling you that Omaha, the Chamber is telling you that Omaha, the transit authority is telling you that Omaha needs a new structure for its public transit to be functional and to work. That's what this bill is about. Will Senator La Grone yield to a question?

WILLIAMS: Senator La Grone, would you yield?

La GRONE: Absolutely.

WAYNE: So I just wanted to know why you think this is a Learning Community regional transit?

La GRONE: Because it provides a new tax on Sarpy County residents that will primarily pay for a service in Douglas County and Omaha.

WAYNE: So will primary pay in Omaha?

La GRONE: Sorry.

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WAYNE: So, you said it will primarily be used in Omaha.

La GRONE: Correct.

WILLIAMS: One minute.

WAYNE: So do you think it's important for the local businesses in your district, such as PayPal, who have struggled to get employees and then try to come up with ways to get employees out there if a public transportation system was used to help them. Do you think that would benefit your district?

La GRONE: I have said, I completely agree you've identified a public transportation issue that I think is a real issue. I just disagree with how you're solving it.

WAYNE: Thank you. So, we know there's an issue. Thank you, Senator La Grone. We're just not sure on how to solve it. Well, colleagues, this has been studied three times since 2003, and every time it came back to this fundamental issue. We need an elected board, so if Sarpy County wants to be a part of the regional transit they have representation. It's that simple. This has been studied over and over and over. And with that, I would ask you to support AM1657 and the underlying bill with the green vote. Thank you, Mr. Speaker.

WILLIAMS: Thank you, Senator Wayne, Senator La Grone and Senator Groene. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. I think the dialogue between Senator La Grone and Senator Wayne is very important, so I'd like to yield my time to Senator La Grone and keep that going.

WILLIAMS: Senator La Grone, you're yielded 4:45.

La GRONE: Thank you, Mr. President; thank you, Senator Slama. I do want to address this notion that it is western Nebraska senators opposing this. I represent Sarpy County, I represent northern Sarpy County, the vast majority of my constituents work in Omaha. This is in my district. And I oppose this bill because it allows for property tax increase on my district. That is why I'm in opposition to this bill. It is learning community of transit; it is, just like we saw with the Learning Community, it primarily taxes Sarpy County residents to pay for services in Omaha. And Senator-- I say again, Senator Wayne has correctly identified a problem. We have a transit problem. We also have a work force problem in Sarpy County, but we don't need to create a new entity of government that has taxing authority in order to do that. I think in this state, a lot

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of times we create elected boards that have one issue that they look at. And a lot of times that can force property taxes up because they view the issue in isolation. They don't view it in relation to everything else, which is why I think it's better generally when you have entities like a county board or city council try to do this kind of thing. Because what it does is it forces them to look at the whole breadth of issues. When we create these little areas where they look at one issue, that generally leads to more issues because they view it in isolation. So I strongly oppose this bill. I just wanted to respond to the notion that it was western Nebraska senators opposing this bill. I represent Sarpy County and I oppose this bill. It is a new tax on Sarpy County residents. I know that Senator Wayne will obviously want to respond to that, which is totally fine. He has every right to do so, and so-- I guess Senator Slama yielded me this time so I can't yield to him. But I would ask Senator Wayne to yield to a question if he would.

WILLIAMS: Senator Wayne, would you yield?

WAYNE: Yes.

La GRONE: Senator Wayne, I can't yield you my time since I was yielded this time. So I will ask you a question. Do you have a response to what I just said?

WAYNE: That would have required me to have heard what you said. (LAUGHTER)

La GRONE: That's fine. I just wanted to give you the opportunity to respond. I'll quickly repeat it and then give you the opportunity.

WAYNE: You don't have to. It's already on the record. [LAUGHTER]

La GRONE: OK. Well, essentially then, thank you, Senator Wayne. I continue standing in opposition to this bill because it is-- it takes taxing authority outside of levy authority and allows for a new 10 cent tax on Sarpy County residents that will primarily be used to pay for services inside Douglas County. Again, I entirely agree with Senator Wayne, that these are-- that the work force issue in Sarpy County and the transit issue in Douglas County are issues that we need to look at and solve. And I'm committed to working with him to find a solution to that. But this is not the solution. I reject the notion that our only options are the status quo or taxing Sarpy County residents through the learning community of transit. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Slama, La Grone, and Wayne. Senator Stinner, you're recognized.

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STINNER: Thank you, Mr. President and members of the Legislature. I thought I'd rise today to do a mike check to make sure it's still working from yesterday. So it is. I want to make it abundantly clear, I live 455 miles away from Omaha. I am a western Nebraska senator and I do support this bill. I support it because we've defined the problem, it's a structural problem, it's a structural problem created by this Legislature in 1997. If Omaha is going to grow, if the greater Omaha area is going to grow, it needs public transportation. And I will tell you, living out in Scottsbluff, we get Denver news, and what on the news is a lot about transportation. It's a lot about traffic control, traffic congestion. It's a lot about controlling pollution. It's a lot about parking problems that they have in their inner city. Now, Denver is a whole lot bigger than Omaha, but I think the greater Omaha area has aspirations. Certainly aspirations to move up from a AA club to a AAA club and maybe into the major leagues at some point in time. Omaha is not only a regional hub, but now it's attracted international attention, and it needs to have a robust system. If you look at Denver, they put in a light rail system to move people around, move them to the inner city, move them out to the suburbs, move them to the airport. It's an important aspect of that infrastructure that Denver has. Omaha needs to replicate some of those things. It's growing. It needs a structure. It needs the appropriate structure. Now, as far as property tax, let's give them the tools and it's up to local folks to decide if they want to impose it or not. Should it be 10 cents? Should it be 5 cents? Should it be 2 cents? Should it be zero? But don't restrict and hold the hands of the local folks that know that they have a problem, they want to address the problem. Omaha is growing. Let's give them a chance to continue to grow. On that I'd like to yield the rest of my time to Senator Wayne if he would like it.

WILLIAMS: Thank you, Senator Stinner. Senator Wayne, you're yielded 2:55.

WAYNE: Thank you, Mr. President; thank you, Senator Stinner. I almost called you Speaker Stinner, so you just know that. We have identified the problem, and I won't continue to beat the horn on it. I do think the underlying amendment, and I want to stress this again, came from two concerns that we had on the floor. Senator Arch's concern was if you opt in, can you opt out? And after we went back and reread it a couple of times, we thought there was a presumption you could opt out, but we made it more specific that you can now opt out. The other issue was brought by Senator Walz, because we continue to have dialogue with MAT since the beginning of the Costco being-- building their plant out there, about how to transport people for jobs. And we looked at the area and we looked at the combined statistical area which actually included the Fremont area, so we were able to change that definition to say this definition or this definition to provide access to Fremont, because in my district, let me just be clear how this works, there is a highway that runs strictly through my district that connects to Fremont that's only 20 minutes away. It's easier for me to get to Fremont than it is for me to get to south Sarpy. So if we can connect Fremont to this, I envision a parking lot in my district on Highway 36, I believe it is, and we can have multiple shifts running out to those major plants that are also struggling to get

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people there with bus lines. That's the kind of things we can do underneath this. This is not a tax increase for anyone unless Sarpy County municipalities choose to join in.

WILLIAMS: One minute.

WAYNE: In Douglas County, we are already paying this and, in fact, we have the same exact levy limit that we are putting here. It's up to 10 cents. There is no change. So, this is current law, we're creating an elected board because structurally Sarpy County historically has wanted to move in to this, but structurally we couldn't get it done. So again, Omaha, Omaha Chamber, the transit authority, Omaha businesses are all behind this bill because we see the need in Omaha to have a robust mass transit system and this allows for that structure to have those conversations and possibly have it. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne and Senator Stinner. (Visitors introduced.) Returning to debate. Senator Blood, you are recognized.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, and I hope that you are actually listening, especially if you are actually on the fence, or think that you no longer support this bill. But I still support both amendments and LB4-- I don't have my glasses on-- 62, the underlying bill. One of the things that really concerns me is that there still seems to be a disconnect. I'm hoping that Senator Wayne will go closer to his mike so I can eventually ask him to yield for a question. But before you get there, I'll start chatting a little bit. One of the things that we're not talking about, something called the Heartland 2050. So, for those of us in eastern Nebraska that have participated in these discussions, especially those who sat on city council, mayors of communities, county board members, the Heartland 2050 was a movement that was started in December of 2014 to create a vision for eastern Nebraska. And they believed that small actions would lead to a greater impact. And so it's really a blueprint for the future action, it's a shared vision framework. It's Harrison County, Washington County, Pottawatomie County, Mills County, Sarpy County, Cass County, Douglas County and Saunders County, all working together to make a better eastern Nebraska. I would ask that Senator Wayne yield to a question now that he's close to his mike.

WILLIAMS: Senator Wayne, would you yield?

WAYNE: Yes.

BLOOD: So would you say that it's correct that part of the Heartland 2050 vision, one of the concerns that was brought up was the social economic disparities in the Omaha metro area?

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WAYNE: Yes.

BLOOD: And so there are multiple areas of concentrated poverty and housing segregation that they were concerned about?

WAYNE: Yes.

BLOOD: And then, was one of the other concerns the demographic shift in those conversations?

WAYNE: Yes.

BLOOD: And so they're looking for ways to connect their more vulnerable communities to educational and economic opportunities?

WAYNE: Absolutely, yes.

BLOOD: And that's a long-term visionary goal?

WAYNE: Yes.

BLOOD: That one of the tools that could be utilized for that is this bill?

WAYNE: Correct. Public transportation is essential to the 2050 Heartland vision.

BLOOD: Thank you, Senator Wayne. I think it's really important that we understand that this is part of a long-term plan; that eastern Nebraska has worked very hard to connect these communities. One of the things we haven't talked about, we talk a lot about people of lower income using the best to get to and from work and to and from the doctors, one of the things we haven't discussed yet are that we have a lot of known food deserts in the Omaha metro area. And if we cannot better amend our bus schedules, there are people that don't have access to good food, that unfortunately, have to go places like the dollar store where they can't get good produce, that they can buy macaroni and cheese for a buck, and they can buy a can of tuna for a buck. But they can't really get anything fresh and healthy from a dollar store. And I think that those are really things we have to address when we talk about transportation and making transportation better. So what this bill is trying to do is we're trying to ensure that the region continues to thrive, which we need to make the Omaha metro area thrive because the vast majority of our population is in eastern Nebraska. We want it to be a place where people of all



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demographics, all walks of life have the opportunity to live and work and play and contribute back to the society. One of the things that Senator La Grone pointed out is that he does represent Sarpy County, and I sincerely agree with that. I'm not sure that metro buses go to Gretna. But he also represents La Vista. And one of the things I think is really interesting is that it is a La Vista mayor that sits on the Heartland 2050 committee--

WILLIAMS: One minute.

BLOOD: --and the La Vista mayor, it's my understanding, is in support of this bill and has continually worked with the League of Municipalities, worked with entities throughout eastern Nebraska to make sure that La Vista is at the table and is part of the connectivity plan. And I think that's very telling. And so as we stand up and say what our personal likes and dislikes are, we have to remember who we truly represent. And I represent eastern Nebraska and its continued growth and continued success, and following the long-term plan that they've made. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Blood and Senator Wayne. (Visitors introduced.) Returning to debate, Senator La Grone, you're recognized and this is your third time.

La GRONE: Thank you, Mr. President. Again, I oppose this bill because it does allow for a tax on Sarpy County residents, primarily for service in Douglas County. And I reiterate this transportation issue is real and I'm committed to finding a solution to it. I do not think taxing Sarpy County residents pay for services in Douglas County is the solution. We are not stuck with the status quo or this bill. We can continue to work to find a better solution. I think another thing we need to address within whatever it is that we do is affordable housing in Sarpy County. Now, whether or not that is something the government can do is a valid question. I think the answer to that is probably no, but we can try to create an environment in which that can come about. So I do stand in opposition to this bill because it is effectively learning community of transit-- while it is optional, it still has the hallmarks of the Learning Community, taxing one area, Sarpy County, primarily for the benefit of services in Douglas County. So I just wanted to say that one more time to-- that position is probably clear now. But I would urge your red vote on LB492. Thank you, Mr. President.

WILLIAMS: Thank you, Senator La Grone. (Visitors introduced.) Returning to debate, Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. To the comments that you represent your-- I guess I'm supposed to represent my local government entities and not the citizens. I have been told that the city of Omaha wants it, the county wants it, this authority wants it. I've been approached by my

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school districts and said they want this outside the levy, early childhood, they want this done this way. I've had my city call me and say they wanted-- didn't like the small cell bill because they wanted to charge more, and I said no, because I represent individuals. I won my reelection being outspent 3 to 1 by 34 points. Some simple democratic reason I think I represent people not government entities. 'Cause I look at local elections and I see only 30 percent of the people vote and people that are elected with 15 or 17 or 18 percent of the registered voters. I don't call that really good democratic representation. So I have this old-fashioned ideal that I represent individuals not government entities. And I also have this ideal that I'm a state senator. This is a property tax increase to the citizens of Nebraska. Senator Wayne is a little bit playing lawyer when he says no, we're not changing the levy limit, they have 10 cents. Yeah, that little-- for that issue the city has 10 cents authority, but it fits inside their entire levy limit. Omaha is at 47.3 cents, something like that. They've got 2.-some cents left and they levy 5.5 cents. For this very important issue, I'd like to know what they levy for the metro entertainment district and some other things they do. It's up for those local officials if this is that important to them, that important to the city to rearrange their taxing within their levy limit and spend what's most important. I've got a thing called N-CORPE in my area, one of these type of deals. Well, guess what? You're outvoted, and we're hung with it in my county that benefits other people. I don't like these interlocals. I don't like-- that is not representative government when somebody outside of your area dictates to you what you want. Now, you may say, I'm dictating Omaha and I'm out in western Nebraska. No, I'm not. Property tax issue is a statewide issue. There's people working in Sarpy County hard in Omaha and they are sitting there not paying attention to this debate, and then all of a sudden they get their property tax bill and it went up 40, 50, 60 bucks and they're struggling now. And they didn't even know this happened to them. And they won't know when they look at their tax bill why it went up. It went up because of this, because people represent government entities instead of them. I hear it over and over again. The city wants this. The county wants this. The NRD wants this. And you'll say, well, they're elected by the people. Senator La Grone sums it up pretty good, when that little board sits there and they have one issue in front of them, they seem to dictate-- that little issue dictates what they do instead of the big picture of taxation across the state. I am willing to say yes, let's look at this, as Senator La Grone did. But let's keep the taxing authority under the levy limit of the city. Make them make the decision, as Senator Blood said. Then they can decide, that city council, what is the most important issue to me, to this city? If it's public transportation, then rearrange your budget, cut your public safety, cut your entertainment district, cut your TIFs.

WILLIAMS: One minute.

GROENE: Tax Increment Financing that deteriorates your tax base, then it's a local issue. But those citizens need to be protected from over-taxation and property taxes in the state of Nebraska. And there is no east and west on that issue. Property taxes are too high in this state and we just keep slapping the taxpayer in the face by increasing property tax authority. We did it

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with the Papio NRD and now we're going to do it here. Keep it within the levy. Keep it within the levy limit and I'll vote for it. But I got to represent property taxpayers across the state. I'm a state senator. Thank you.

WILLIAMS: Thank you, Senator Groene. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President; good morning. Listening to the discussion this morning and trying to analyze exactly what it is they're trying to do, I think Senator Groene alluded to the fact-- or the point that I was going to try to make is that the city is probably up against its levy limit and they can't raise any more money to do what they need to do. So I was wondering if Senator Wayne would answer a question or two for me?

WILLIAMS: Senator Wayne, would you yield?

WAYNE: Yes.

ERDMAN: Thank you, Senator Wayne. Senator Wayne, currently the city mill levy is what, 47 something?

WAYNE: I don't know that off the top of my head. I think it's 47 something.

ERDMAN: So they don't have the authority to go to the full 10 cents because of the limit, right?

WAYNE: Because the city of Omaha and Douglas County have not allowed them to.

ERDMAN: OK. So they could only go to 50 total, right?

WAYNE: The city, yes. But this is a bridge between the city and Douglas County. It's unique. You got to have from both of them. So it isn't just the city, it's both.

ERDMAN: Oh, OK. Well, maybe what we should have a discussion is how to merge Douglas County and Omaha together because probably Omaha probably covers 80 percent or more of the county now, right?

WAYNE: I say we can do an interim study on that and we need to look at school systems being merged inside Douglas County too. I'm all in. Let's go.

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ERDMAN: OK. All right. So, help me understand, if we do this, then those counties that join will be the ones that will have a tax increase and not necessarily Douglas County or Omaha, is that correct?

WAYNE: It wouldn't be the counties, it would be the municipalities.

ERDMAN: OK. But they would see an increase in taxes?

WAYNE: Theoretically, yes.

ERDMAN: Because right now, Douglas County can't raise any more than they have because of the limit, and so the new people joining would then have an increase in taxes?

WAYNE: The new people joining, like so, if Papillion joined, they would have a small increase, but they would also get services.

ERDMAN: OK. I understand. So then the board that's elected or appointed or however that board is going to do their function would be the ones that would decide what that tax would be. Is that correct?

WAYNE: Correct.

ERDMAN: OK. That seems like-- that appears to me, as Senator Groene said, a tax increase, a property tax increase for those people. I understand that and you're getting something back for it.

WAYNE: But it is if they decide to do it.

ERDMAN: If they decide.

WAYNE: Right. So there is a couple of steps. One, this would have to pass. Two, there would have to be a super majority vote of the city council to opt in if they wanted to.

ERDMAN: OK. The current transportation system, bus system you're running now, is it economically feasible?

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WAYNE: The way it's currently running, it is economically feasible. It's currently running, it's just not running, I think, as broad and robust as it should be.

ERDMAN: So without tax support, we wouldn't have a bus system. Would that be a fair assumption?

WAYNE: No, we would still have the same one, but it would take us four hours to get places.

ERDMAN: OK. Well, you mentioned that it may take someone 30 minutes to get somewhere. Was that true? Is that what you said?

WAYNE: Well, yeah. So the article that you read last week, there was an individual who took buses everywhere for Lent, and his average bus ride was an hour to where he was going.

ERDMAN: Senator, you may not-- well, you may understand this 'cause you've been to western Nebraska, but there are people in my district that drive 30 minutes just to get to the highway and they're still 30 minutes from someplace. So my district has people that have to spend a lot of time traveling as well. But I understand your situation.

WILLIAMS: One minute.

ERDMAN: Thank you. I'm having a tough time getting my hands around this one, but I appreciate that you are fighting for your district and you do a good job of representing. Thank you.

WAYNE: Oh, oh, OK.

WILLIAMS: Thank you, Senator Erdman and Senator Wayne. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President; colleagues. Don't worry, Senator Wayne, I'm not trying to lengthen debate on this unnecessarily, but I want to say a couple more things for the record. I've been in Omaha for at least 65 years and I travel around the city and I see all these empty buses running around. That's a problem. We're misallocating resources sometimes when I see the buses traveling around Omaha without any passengers. I really wonder sometimes whether Omaha has the population density to really make a big city transportation system work. And that is why I'm supporting this bill. Those are the kinds of questions we need to deal with to

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figure out how to better rationalize our transportation system in the city. As I mentioned before, we have Metro Area Transit, the county has a transportation system, the schools have a transportation system. So we need to better understand how those pieces could fit together. And we also need to realize that Lyft and Uber are viable options, particularly when you see big buses driving around the city empty. And that would perhaps give passengers better service if we had some of those ride-hailing services rather than trying to wait 30, 40 minutes for a big city bus. So with that, I would urge your support of LB492. Thank you, Mr. President.

WILLIAMS: Thank you, Senator McCollister. Seeing no one in the queue, Senator Wayne, you are recognized to close on AM1657.

WAYNE: Thank you, Mr. President. Colleagues, even if you may not necessarily agree wholeheartedly with the bill, I would ask that you at least support the amendment 'cause the amendment is really-- came from the floor debate that-- and I truly believe Senator Arch raised a valid point that if you opt in, you should be able to opt out. I think that is really critical for local control to make sure they're not stuck with something that maybe isn't working the way they thought it would. So, I would ask that you support AM1657 and also the underlying bill, but please support the amendment because it does truly make this bill better and gives the option for people to opt out once they opt in. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne. Members, the question is, shall the amendment to the committee amendment to LB492 be adopted? All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 26 ayes, 0 nays on the adoption of the amendment to the committee amendments.

WILLIAMS: The amendment is adopted. Moving on to debate. Senator Scheer, you're recognized.

SCHEER: Thank you, Mr. President. I wasn't necessarily going to discuss anything, but I did want, after hearing some of the comments, I don't disagree with Senator McCollister that there are additional rides. But if you are in a position where you don't afford-- you cannot afford to own an automobile, you certainly cannot afford to pay Uber to drive you back and forth to work. And anyone that knows Uber, they're a great deal as long as it's good weather and there is not high demand, because if there is, you're going to pay two or three times the going rate of a taxicab to utilize an Uber or Lyft. And taxicabs are certain availability, but of course, it ends up eating up a great portion of the dollars. I'm not a big guy for raising taxes, but on the same hand, you have an area that is-- or metropolitan area within the confines of the state of Nebraska, you

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still have several municipalities, but they all feed off of Omaha. There is no gates. There is no bridges that you diminish the ability of people to go back and forth. And you have an increasing population and density within the Omaha metropolitan area that we have to start serving. We want Nebraska to grow and we want lower property taxes, if you want lower income taxes, and perhaps even maybe a lower sales tax, you have to have more people paying taxes. It's that simple. And the only way people are able to pay taxes is if they're employed and they're making a fair wage. And that gives them the opportunity to be more mobile than what they have right now. A bus service throughout the entire Omaha metropolitan area could potentially increase the employment level of that area with people that are looking, actively looking for jobs, have the skills to fill those jobs, but do not have the transportation available to them to get to a job in a timely manner. Think of yourself as living in Bellevue or north Omaha or perhaps over by Elkhorn or down in Millard and somebody offers you a raise and a better opportunity and better benefits, but it's on the other side of town. And in order to get there, either one, the bus doesn't go between your house and that location, or if it does, it's a three-hour ride one way. You can't take the job. And as much as we'd like to say that Nebraska still the rural area, Nebraska is not the rural area and downtown Omaha and the metropolitan area. People, not all people anymore own cars by choice, not that they can't afford it, but by choice. And there are still a number of people in those areas that cannot afford transportation because of the cost of owning that transportation. This is allowing those areas within the confines of this district to opt in, to provide better service to their citizens in order to make a better life for themselves and their families. It's not a bad deal. If we want to see Omaha and that area continue to grow, I'm envious, I'd love to be seeing Madison County and Norfolk grow at the rate that those have. But I can't hold it against them because they have those attractions and the population base to do that. This makes sense to me. We need to encourage growth wherever it is in the state.

WILLIAMS: One minute.

SCHEER: And I suspect that those folks in the area of the metropolitan that are supporting this, at some point in time will support what we need more in rural Nebraska as well. We're not here representing Madison County, I'm here representing the state of Nebraska. And the bulk of the population is in areas that could utilize this particular service. So I do support AM268 [SIC] and underlying bill, LB492. Thank you, Mr. President.

WILLIAMS: Thank you, Speaker Scheer. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President, members of the body. I am not disputing the need for transportation study in Omaha. I favor that. I favor this bill. I want it to succeed. We need to have questions answered. But some of the questions we need to have answered is convenience and cost. I don't think it's-- when we talk about a study of this kind we necessarily want to raise

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fares. Douglas County, I know has a transportation service and they charge nothing for that. All I am offering as an idea, you could perhaps use Uber and Lyft, subsidized or fully paid for by some governmental unit and offer more convenience and perhaps less cost. So I think this is a part of what we intend to do with this study. It's a good idea. I'm glad Senator Wayne has offered this bill and I hope it succeeds and I'd love to participate in the process when it comes about. Thank you, Mr. President.

WILLIAMS: Thank you, Senator McCollister. Seeing no one in the queue, Senator Wayne, you're recognized to close on the Urban Affairs Committee amendment, AM628.

WAYNE: Thank you, Mr. President. I just want to remind people what this amendment does-- this amendment. This amendment removes Grand Island and Lincoln; and we're starting in Omaha. We're going to look at how this works in Omaha and we are going to make sure that we can grow the Omaha area. The bill initially called for Grand Island and Lincoln, but the feedback from those communities were we're not ready for this yet, we don't think we can do it yet. So that was the reason why we removed it. And I would ask for a green vote on AM628. Thank you.

WILLIAMS: Thank you, Senator Wayne. The question is, shall the committee amendments to LB492 be adopted? All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 28 ayes, 0 nays on the adoption of the committee amendments.

WILLIAMS: The amendment is adopted. Seeing no one in the queue, Senator Wayne, you're recognized to close on LB492.

WAYNE: I appreciate everyone's debate. I think this is a huge issue and it's a heavy lift for this body and I think we've done a great job of having a constructive debate about transportation, public transportation in Omaha. There is a variety of different reasons why everybody came to the conclusion they came to, but I think this was one of the healthier debates that we've had in this body for three years on an issue that really affects roughly a million people in our state, 800-and-some thousand. So, I really do appreciate it. With the appreciation, I would appreciate it more if you vote green. So please vote green on the underlying bill. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Wayne. The question-- been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.



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ASSISTANT CLERK: 23 ayes, 9 nays to go under call, Mr. President.

WILLIAMS: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Quick, please check in. Everyone is here. Members, there has been a request for a roll call vote. Mr. Clerk.

ASSISTANT CLERK: (Roll call vote taken.) The vote is 26 ayes, 9 nays, Mr. President.

WILLIAMS: The bill advances. Mr. Clerk for items. Raise the call.

ASSISTANT CLERK: Mr. President, I have no items at this time.

WILLIAMS: Thank you, Mr. Clerk. Moving on to General File, LB690.

ASSISTANT CLERK: Mr. President, LB690 introduced by Senator Cavanaugh. (Read title.) The bill was introduced January 23 of this year. It was referred to the Judiciary Committee. That committee reported the bill to General File with committee amendments attached.

WILLIAMS: Thank you, Mr. Clerk. Senator Cavanaugh, you're recognized to open on LB690.

CAVANAUGH: Thank you, Mr. President; good morning, colleagues. I rise today to bring LB690, the Healthy Pregnancy for Incarcerated Women Act. I am grateful to Speaker Scheer for prioritizing my bill, and to the Judiciary Committee for advancing it to General File. LB690 will prohibit the shackling of incarcerated women known to be pregnant, especially during labor and delivery. Between 3 and 10 percent of women who enter prison or jail, do so while pregnant, with an average of 2,000 babies born to incarcerated women each year across the country. Pregnancy is difficult enough outside of prison. I've worked with local and state corrections to ensure the safety of correctional officers, medical staff, and the pregnant women. LB690 does allow for the administrator of a correctional facility to make individualized decisions that restraints are necessary due to extraordinary circumstances, but requires the use of documentation. Over the past two decades, 22 states have enacted similar laws protecting pregnant women in the judicial system. In December of 2018, President Donald Trump signed into law a ban on shackling of pregnant women in the federal correction system. Shackling of a pregnant woman is incredibly harmful to the mother and the baby. Leg and wrist restraints increase the likelihood that a pregnant woman could trip, and they compromise their ability to brace against a fall, risking miscarriage and injury. Heavy belly or waist restraints can bruise a pregnant woman's abdomen and impose a risk to fetal health. Shackling of pregnant women

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poses a significant risk to their mental health as well and is associated with an increased rate of postpartum stress disorder. When it comes to labor and postpartum, the danger becomes even more pronounced. The American College of Nurse Midwives states labor itself is a restraining condition. Impairment of movement should be avoided to prevent injury and to aid the medical staff in providing care and facilitating position changes necessary for labor and birth. Additional restraints are unnecessary, dangerous, and make labor something we all know is not exactly an easy process even more difficult for everyone involved. After giving birth, restraints on the mother places them at a high risk of Thromboembolic disease which can lead to a stroke or heart attack and postpartum hemorrhaging. The restraints can also injure the newborn while being handled by their parent and disrupt the bonding process that is so critical to newborn development. I would close by noting that the majority of incarcerated women are nonviolent offenders and there has never been a recorded incident of an unshackled woman ever attempting to escape labor and delivery. I ask for your yes vote on LB690.

WILLIAMS: Thank you, Senator Cavanaugh. As the Clerk stated, there are amendments from the Judiciary Committee. Senator Lathrop, as Chair of the committee, you are recognized to open on the amendment.

LATHROP: Thank you, Mr. President; colleagues, good morning. LB690 was heard by the Judiciary Committee on March 6 and both the bill and the committee amendment were advanced on a 7-0 vote with one member present but not voting. Committee amendment, AM1488, is a white copy amendment that removes language allowing for a civil action for violation of this act. The language is replaced by a section that allows an action under the Political Subdivision Tort Claims Act. I would urge you to vote and adopt the committee amendment, as well as advance LB690 to Select File. Thank you.

WILLIAMS: Thank you, Senator Lathrop. Debate is now open. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. As Senator Lathrop noted, this got out of committee 7-0 with one member present not voting. I was that member who was present not voting. I support LB690 during this round of debate. I know there is an amendment coming between General and Select File that addresses some of my concerns and the concerns of the Department of Corrections that would resolve my issues with the bill all together. I was hoping that Senator Cavanaugh would yield to a couple of questions.

WILLIAMS: Senator Cavanaugh, would you yield?

CAVANAUGH: Yes.

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SLAMA: Thank you, Senator Cavanaugh. When you brought this bill, I was highly alarmed at the concept of the unnecessary restraint of pregnant women in Nebraska prisons. What kind of documentation or reporting do we have of this happening in our prison system?

CAVANAUGH: We don't have documentation of this currently happening. This bill would account for that, so we would now begin to know when it's happening and what those situations would be that is happening in.

SLAMA: But we do have documentation of this happening in other states, correct?

CAVANAUGH: Oh, yes. There has been a lot of documentation nationally.

SLAMA: So what's the reasoning behind this happening nationally but not being documented in Nebraska, say for the fact that we don't have the documentation procedure? Is it reasonable to believe that this could still possibly be going on without this documentation procedure in place?

CAVANAUGH: It's absolutely possible and likely that it is happening in Nebraska, and there are numerous national stories. The reason that this has gotten attention in other states is that they have had such egregious stories that there has been national media around them and they have then enacted laws. The federal government is most recent in December of doing that.

SLAMA: Wonderful. Thank you, Senator Cavanaugh. Senator Cavanaugh also passed out a fact sheet on LB690, which I think is very helpful in explaining the need for this bill and I'd like to read through a few of those bullet points with my remaining time now. According to the Bureau of Justice Assistance, BJA, 4 percent of states and 3 percent of federal inmates said they were pregnant at the time of admission. Inmate pregnancy are already high risk due to any combination of a lack of prenatal care, poor nutrition, domestic violence, mental illness, and substance abuse. Restraints or shackling of pregnant inmates during pregnancy, childbirth, and the postpartum period presents health risks for the inmate and their fetus or newborn. Shackling an inmate during labor and childbirth increases the risk of injury to the pregnant inmate and their fetus or newborn and restricts medical professionals' ability to provide adequate care. Giving birth while restrained can have a devastating impact on the mental health of the pregnant inmate. During the postpartum period, restraining the inmate presents significant health risks, including postpartum hemorrhage and Thromboembolic Disease. To facilitate mother-infant bonding, a healthy baby should remain with the mother for as long as possible. The use of shackles restricts the ability for safe handling of an infant by the mother. No escape attempts of unshackled inmates during labor and delivery have ever been reported. Let me just note here, thank goodness for that. Using restraints during pregnancy and childbirth to prevent the inmate from harming themselves or others is largely unnecessary as the majority of incarcerated women are nonviolent

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offenders. In 2006, the United Nations stated that the use of restraints during labor and childbirth was a violation--

WILLIAMS: One minute.

SLAMA: Thank you, Mr. President. --was in violation of the United Nations Committee Against Torture. Rule 24 of the United Nation's Rules for the Treatment of Women Prisoners and Non-custodial Measures for Women Offenders, also known as the Bangkok Rules, states instruments of restraint shall never be used on women during labor, during birth, and immediately after birth. As affirmed in 1976 by the Supreme Court, correctional facilities that refuse access to or interfere with necessary medical care for inmates are in violation of the Eighth Amendment prohibition on cruel and unusual punishment. I'll get to the rest of this handout later. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Slama and Senator Cavanaugh. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. President. I wasn't going to speak on this bill. It's a great bill. I think that it's something that Nebraska needs to pass. But I was just thinking today, nine years ago right now, I was getting to know my baby for the first time after 60 hours of labor. I went in on Thursday with bleeding and contractions, and my baby was born on Sunday, which is my birthday as well today. But she was born at 10:07 a.m. And right now, nine years ago, I was recovering from that three days of no sleep and bringing this human into the world. And I rise to share that memory from nine years ago and remembering what labor and delivery was like. And to share with the body that the idea of shackling women in labor is so inhumane and so degrading for both her and her child. And that no matter someone's history, no matter what they've done, no matter what trouble they've gotten into, she's still a woman bringing forth life into the world and should be cared for with dignity and love and respect. And I think that's what we believe in in Nebraska. And so I'd urge your green vote on AM1488 and LB690. And happy birthday to my little girl, Alice.

WILLIAMS: Thank you, Senator Hunt, and happy birthday. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. And happy birthday to Senator Hunt and to her daughter. Wow, that's awesome. So just to note, I rise in support of LB690 and AM1488 during this round of debate, pending some coming amendments between General and Select File that address my concerns with some of the parts of this bill. Just to review, we figured out that there is no documented occurrences of unnecessary restraint of pregnant women happening either during labor and delivery or during pregnancy. It's my understanding that that's covered under

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department regs. But I do appreciate the need for this bill given its proliferation and the experiences of women nationwide. So, I'd like to bring light to one of those experiences with an article entitled: This Woman Was Shackled While Pregnant in Federal Prison. A new bill would make sure that never happens again. This article references the bipartisan Pregnant Women in Custody Act, which was introduced by Representatives Bass, Love, and Clark, and passed this year, was signed into law, as Senator Cavanaugh mentioned, in December 2018. This article was written by C.J. Ciaramella and began: Shortly after arriving at a federal prison in Georgia in the early 2000s, Pamela Winn discovered she was five to six weeks pregnant. No one told her the facility was designed for men, she says, and the staff hadn't been expecting any female inmates, much less a pregnant one. Inmates are often moved around in vans, and whenever Winn was transported, she was shackled by the ankles and wrists. The wrist cuffs were in turn shackled to a chain that was wrapped around her belly. It was during one of these transports that Winn, who was only 5' 1, fell trying to climb into a van. My wrists being secured to the belly chain on me, it was like a tree falling, Winn says. There was no way for me to break my fall. I couldn't move or do anything but fall. From that point is when I started bleeding. Winn says she sent numerous requests for medical treatment, but when the prison doctor finally examined her, she was told there was nothing they could do. The doctor said she could order some prenatal vitamins for me and I'm sitting there looking at her like, no, I need some help, Winn remembers. I'm bleeding, a prenatal vitamin is not going to fix what's going on right now. The prison had to get approval from the U.S. Marshal in order to transport Winn to a hospital. The turnaround time between request and approval was about four weeks. By the time Winn was sent to an emergency room, she says the hospital staff told her that because the incident occurred weeks ago, she would have to see an obstetrician. But of course, that required another request to the U.S. Marshals and another four-week turnaround. And then another request and four-week turnaround for an ultrasound. The fourth follow-up appointment never occurred because roughly around 20 weeks into her pregnancy, Winn miscarried. Today, and this article was published September 13, 2018, members of Congress introduced a bill that aims to make sure what happened to Winn never happens to anyone else, co-sponsored by a majority of Democratic and Republican women in the House. The bill would ban the shackling and solitary confinement of pregnant inmates in the federal system. The Pregnant Women in Custody Act introduced by Representative Karen Bass, Mia Love, and Catherine Clark would ban the use of restraints and restrictive housing on female inmates during pregnancy, during labor, and postpartum.

WILLIAMS: One minute.

SLAMA: Thank you, Mr. President. It would also set standards of care for pregnant female inmates. In the United States in 2018, the idea that we would actually shackle a pregnant woman to a gurney while she is delivering a baby is truly egregious, Bass says in an interview with Reason. Of course, there is no policy that says a pregnant woman should be shackled to a gurney. There is a difference between policy and practice and we know that this is a practice. This is

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referencing the federal prison system. As warriors of human dignity and human value, we have no higher responsibility than to care for a mother and her child, Representative Cathy McMorris Rodgers said in a press release. I would like to sincerely thank Congresswoman Mia Love for leading on this bill that will ensure pregnant women who are incarcerated are treated with compassion and care. The Federal Bureau of Prisons' current policy bans the shackling of federal female inmates in most instances--

WILLIAMS: Time, Senator.

SLAMA: Thank you, Mr. President.

WILLIAMS: Thank you, Senator Slama. Senator Lathrop, you are recognized to close on your committee amendment. Senator Lathrop waives closing. The question is, shall the committee amendment to LB690 be adopted? All those in favor please vote aye; those opposed nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 35 ayes, 0 nays on the adoption of committee amendments.

WILLIAMS: The amendment is adopted. Discussion on the advancement of LB690. Seeing no one wanting to speak, excuse me, Senator Chambers, you're recognized.

CHAMBERS: That commentary by the Chair is not unusual for me to encounter: seeing no one. I am what in old-time literature was referred to as every man. So when you see me, you don't see anybody, just anybody, and you see no man, you see every man. Mr. President, members of the Legislature, in all seriousness, historians, psychologists, others who are interested in the human condition will do something that many people are unaware of. They will look at the laws enacted by a society and gauge the level of humaneness, civilization, and just common decency found in that society. The fact that it's necessary for a legislature to even consider a bill to prohibit the shackling of a pregnant woman is outrageous. But it is necessary because at bottom, this is a very cruel, heartless society. Clemenceau said that America is the only nation that passed from barbarism to decadence without passing through civilization. America did not just go to decadence, America went from barbarism to cruelty, to inhumanity, and other kinds of things which somebody in my position will notice, because they're often directed at black people. And the tools of oppression are sharpened against black people. What happens to black people would not be tolerated if it were practiced across the board. I listen and read about how white people are complaining and crying now if they're in the wrong-- on the wrong side of the fence. Some are losing their jobs. Some are losing their farms. And they want everybody to be sympathetic that when people in the city, especially black people, encountered worse things, they were some of the first ones to pile on. This idea of shackling a pregnant woman, a version of it was

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practiced by the Nazis on Jewish women who had the misfortune of being pregnant when they were put in one of the concentration camps or the death camps. If a woman were pregnant, the Nazis would tie her ankles together, then induce labor. They didn't untie her ankles. The Nazis would take twins and conduct experiments; and having twins, it was like a controlled experiment. You had basically two individuals who can be considered the same, so you would do certain things to one and see how it would affect and do things to the other one and treat these people in the cruel way that lab animals are mistreated.

WILLIAMS: One minute.

CHAMBERS: There are many surgical and medical procedures that had been developed by the Nazis, because they had living guinea pigs and they could conduct the experiment from beginning to end on as many subjects as they needed. Some countries will not utilize some of those discoveries that were made because of the source of them. In the winter, people were taken outside, a barrel would be filled almost to the brim with water, a person would be submerged in the water, and overnight the water would freeze. And what happened to the person? Nothing, because Jews were not persons, they were Untermenschen, they were subhuman.

WILLIAMS: Time, Senator.

CHAMBERS: Thank you, Mr. President.

WILLIAMS: Thank you, Senator Chambers. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. I think Senator Chambers is providing some great commentary, so I'd like to yield him my time if he'd take it.

WILLIAMS: Senator Chambers, you're yielded 4:50.

CHAMBERS: Thank you, Mr. President. And to pay my devoir to Senator Slama, the fact that she opened the door for this is why I decided to mention some things. And as she read to us, I visualized many of the things that I have read that the Nazis did. I read many, many types of literature. And the Nazis were put on trial for committing crimes against humanity. And what was used to convict many of those people who operated the death camps were the meticulous records that they kept. They were like technicians in a way. Every detail was written, and when time came for these people to go on trial, the excuse many of them made and tendered was, I was just following orders. There are some things which if a person does, will not be accepted on the basis of him or her saying I followed orders. There are some things a person ought not do even if

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ordered. In this country, it was at one time wrongful, and you could be punished if you're in the military, for disobeying any order; you were blindly supposed to obey. Perhaps what happened during the Nazi regime changed it because you are not mandated to obey an unlawful order. If there's anybody in the prison system in Nebraska, if there's anybody in the Governor's Office who would have a problem with this bill, knowing what its purpose is, would cause me to have serious concerns about the morality, the humanity, the fitness of such a person to hold any position in government, elected or appointed, and certainly not a position where he or she has control over what happens to another individual. People are not toys. People are not playthings. They have what I always refer to as an innate dignity, which even their own conduct cannot obliterate. They may have lost their way, but that spark always remains. Once a human, always a human, but sometimes inhumane. And there have to be protections and shields provided to restrain those who get into positions of power and then practice inhumane activities. This bill is something which ought to be passed, and I'm sure we will. I just regret that it's necessary. But I'm realistic and practical enough, and from my reading I understand, it is necessary.

WILLIAMS: One minute.

CHAMBERS: I applaud Senator Cavanaugh for bringing the bill. I'm pleased that Senator Slama has started down the path of removing any ideas that some people may have that such a bill as this is unnecessary. The possibility of its happening is enough for us to make sure that we don't leave it to the good intentions of individuals to not do these things. We have to guard against it. These types of things have been done. My final comment, for those who love the death penalty, lethal injection was invented by the Nazis. Thank you, Mr. President. But with this final caveat, lethal injection, having been invented by the Nazis, indicates, probably for the first time in you all's hearing--

WILLIAMS: Time, Senator.

CHAMBERS: --that the Nazis were not all bad after all.

WILLIAMS: Thank you, Senator Chambers and Senator Slama. Senator Cavanaugh, you are recognized.

CAVANAUGH: Thank you, Mr. President. Thank you, Senator Chambers, for your remarks on this bill. It is sad that we would have to put something like this in statute, but I think that it is of the utmost importance that we do everything we can to make sure that women have healthy pregnancies. And there is toxic stress that happens in a pregnancy that can really adversely affect a child and a mother. And so, obviously being incarcerated while pregnant is, in and of itself, a toxic stress. So anything we can do to alleviate that for these women I think is important. And



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making sure that it is documented when it does happen so that we can review the circumstances is equally important. Earlier this morning, Senator Albrecht had asked me some questions about this, and we both were discussing what happens with the babies. And so, I had my staff do looking into it, and the Nebraska Correctional Center for Women in southeast Nebraska has what is called the nursery program. Eligibility requirements: acceptance is determined by a committee on a case-by-case basis. The mother must never have committed a crime against children; must be screened by a parenting coordinator and prison substance abuse director; the woman cannot have used drugs during her pregnancy, and must have an excellent record as an inmate. The mother must be eligible for release within 24 months. The length of stay is 18-24 months. Other information: this program began in 1994; it has a recidivism rate of about 10 percent; the overall recidivism rate for the state is about 30 percent. The nursery's-- it said, according to the nursery's program coordinator, Mary Alley. Authorities have highlighted the prison nurseries in Nebraska, Washington State and Ohio as being at the forefront of the movement to build the bond of mother and infant. So, I just thought that was something interesting that I didn't know about and I wanted to share with the body that this is something that we do in Nebraska. And perhaps in the future we can look at ways to expand that program so that more babies are able to bond with their mothers after they are born. I wanted to ask Senator Chambers if he would yield to a question.

WILLIAMS: Senator Chambers, would you yield?

CHAMBERS: Yes.

CAVANAUGH: So, Senator Chambers, a little setup to this question, I have been thinking a lot about this bill obviously the last couple of days, I have been thinking about my own labor and delivery with my three children and that I would-- I might have been a flight risk in that I wanted to get out of there, but there was no way I could possibly move. So I came to realize that my son Barrett is going to be one this summer, his birthday is July 10. Does that sound familiar?

CHAMBERS: How familiar; so many great people have that as a birthday.

CAVANAUGH: I know. I was thrilled to see. I hope that he has a future of being an advocate for people the way that you have. So thank you so much.

CHAMBERS: And maybe on that day, he and I can get together.

CAVANAUGH: You sure-- we sure should make that happen.

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CHAMBERS: Thank you.

CAVANAUGH: I think you two would have a lot of fun. He's quite the chuckler these days; he's got a lot of teeth now, and he's trying to walk, but not successfully. So when Barrett was born, I had an epidural and I had to do what's called laboring down because they had-- he had his umbilical cord wrapped around his neck. And I just cannot imagine being shackled in that situation, it would have, first of all, resulted absolutely in a C-section which I, obviously, would have done, whatever I needed to for my child, but would prefer to avoid. But also--

WILLIAMS: One minute.

CAVANAUGH: Thank you. --it would have caused so many problems with my delivery and to him, as well, if I hadn't been able to position myself and be repositioned before I was in the place where I was to push, it would have caused a lot of damage to him. They actually had to keep repositioning me, physically repositioning me, and if I had been shackled, that wouldn't have been possible. And so in order to have that healthy delivery, you need to have the freedom to be-- well, in my case, repositioned by other people, but to be mobile as much as possible. And so, that's another reason that I think that this bill is so important and will help bring more healthy babies into Nebraska. Thank you.

WILLIAMS: Thank you, Senator Cavanaugh and Senator Chambers. Senator Slama, you are recognized.

SLAMA: Thank you, Mr. President. Before getting back to my article which I think sheds light upon the fact that this does happen in some of our facilities, even though thankfully there's no documentation that we've been able to find of this happening in Nebraska, I'd like to get into what this bill does, referencing Section 4 of AM1488, which was the committee amendment that was just adopted. So starting with Section 4(1): A detention facility shall not use restraints on a prisoner or detainee known to be pregnant, including during labor delivery or postpartum recovery or during transport to a medical facility or birthing center unless the administrator makes an individualized determination that there are extraordinary circumstances described in (2) of this section. Restraints for an extraordinary circumstance are only permitted if the administrator makes the individualized determination that there's a substantial flight risk or some other extraordinary medical or security circumstance that dictates restraints be used to ensure the safety and security of the prisoner or detainee known to be pregnant. The staff of the detention facility or medical facility, other prisoners or detainees, or the public, except that if the doctor, nurse, or other health professional treating the prisoner or detainee known to be pregnant requests restraints not be used, any detention facility employee accompanying the prisoner or detainee shall immediately remove all restraints. Under no circumstances shall leg or waist

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restraints be used on the prisoner or detainee known to be pregnant unless a prisoner or detainee presents an immediate and serious risk of harm or a substantial and immediate flight risk, and under no circumstances shall any restraints be used on any prisoner or detainee in labor or during childbirth unless the prisoner or detainee presents an immediate and serious risk of harm or a substantial and an immediate flight risk. So I think the big point of this section is that the administrators hands are not tied in restraining a pregnant inmate. It just needs to be a necessary restraint. There's nothing in this bill saying under no circumstances whatsoever that a woman who is pregnant who presents a substantial threat of harm to others or substantial flight risk cannot be restrained. This does not tie the hands of the department. So, I think that is a fantastic aspect of this bill, which I like. So continuing on with my article, this woman was shackled while pregnant in federal prison. A new bill would make sure that that never happens again by C.J. Ciaramella. The Federal Bureau of Prisons' current policy bans the shackling of female inmates in most instances, but there is no federal law against the practice. It's banned in all but six states now, but according to reports, the practice persists even where it's supposedly illegal. The experiences, Winn describes it, is horrific. During the miscarriage to hear people trying to figure out if they should call 911 or call the Marshals, that is reinforcement to me that there should be some sort of protocols in place, Winn says. At that point, I was concerned if I was going to live because I'm bleeding out and these people don't know even what to do with me, end quote. Once I got to the hospital, I'm shackled to the bed in excruciating pain, Winn continues. I've got two male officers down between my legs that I don't know anything about.

WILLIAMS: One minute.

SLAMA: Thank you, Mr. President. You're already experiencing a loss and then you have to be humiliated and embarrassed on top of that. The lowest part for me was when the nurse stated that I had already passed the baby and she needed all of the linen that I had bled on prior to me getting to the hospital, Winn says. The officers told her that they had thrown it in the trash. Just to hear that my baby was thrown in the trash in the tone of the officers like that was what they really felt about it, that it was trash, it's really hard. It's hard to come back from something like that. It was trash to them, but it was my child. It was a life, it was a part of me. My crime was about some money, and I'm sitting up there thinking to myself, there's no amount of money or nothing that I could have taken or did wrong to justify throwing my baby in the trash and treating me like I am trash, end quote. Women are the fastest growing segment of the U.S. prison population. The female prison population has grown by 700 percent since 1980, but most prisons and prison services are geared towards men. I'll continue with this article on my next turn.

WILLIAMS: Time, Senator.

SLAMA: Thank you, Mr. President.

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WILLIAMS: Thank you, Senator Slama. Senator Hilgers, you are recognized.

HILGERS: Thank you, Mr. President; good morning, colleagues. I appreciate Senator Cavanaugh's work on this. I will certainly be supporting LB690 and I'd yield the rest of my time to Senator Slama.

WILLIAMS: Thank you, Senator Hilgers. Senator Slama, you are yielded 4:45.

SLAMA: Thank you, Mr. President. To continue on with my article: In 2012, the ACLU estimated that about 12,000, or 6 percent of the 200,000 female inmates in U.S. prisons and jails are pregnant at the time they're incarcerated. Much of the growth in the female inmate population is happening in county jails, but research and public policy addressing the precipitous rise in the number of women in jail has lagged behind a 2016 study by the Vera Institute reported. Last year, a woman sued the Milwaukee County Jail for being subjected to repeated sexual assault by a guard. She also said that she was shackled while giving birth. The lawsuit alleged that at least 40 other women since 2011 had been forced to give birth while shackled to hospital beds. Again, there's no evidence of this-- there's no documented evidence of this happening in Nebraska, thank goodness. Back to the article: A jury awarded her \$6.7 million. Another woman sued the Milwaukee County Jail again this August for being forced to give birth while shackled. The bill also includes requirements for the federal government to collect data on the use of restraints and restrictive housing on any inmate while she is pregnant, in labor, or recovering from childbirth, much in the same vein as what is proposed in LB690. Quote: For too long our federal prison system has operated without a national standard of care for pregnant incarcerated women, Jessica Jackson Sloan, national director of #cut50 says in a statement to Reason. As the number of incarcerated women skyrocketed, it is past time that we develop policies and procedures to ensure that our country treats them with dignity. Winn says she was placed in solitary confinement, although the prison called it medical observation both prior to and after her miscarriage by herself for 23 hours a day with no counseling or contact with her family. There's no one else to talk to, nobody else to share your pain and feelings with, no counseling, no nothing, Winn says. Unless you're a very strong-minded person and can keep it together, you come out of there a lot worse than when you came in. Whatever sentence the judge gives you, that's not the sentence you serve. What you pay, you can never get back. You lose so much of yourself, your dignity, your spirit, just you, the essence of who you are is not even quantitative what you lose in there. When she was released, Winn said she wanted to take legal action against the prison but was told the statute of limitations had passed. She is now organizing and advocating for a bill in Georgia that would introduce similar state reforms for the treatment of female inmates. I think that's really what-- that's what's really driven me to do this work and to fight for these laws to be passed, Winn says. The fact that they tell you there's nothing you can do, that just didn't sit well with my soul to know that someone can treat a person like this. The new legislation, she says, is very necessary, very much needed. It addresses basically everything

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I experienced, as well as the things I have been fighting for since I returned home. So I would like to reiterate before the end of this turn on the mike, that I see this as a pro-life, pro-woman bill to ensure that our female inmates, while incarcerated, are not being unnecessarily restrained. This bill does not tie the department's hands unnecessarily if a woman presents a substantial risk of harm to herself or to others or a substantial flight risk.

WILLIAMS: One minute.

SLAMA: Thank you, Mr. President. Now just to get back to the LB690 fact sheet, to review, restraining a woman during labor, which again has not been documented in Nebraska, is covered under this bill, but has been documented in federal prisons and in state prisons across the United States is in violation against Rule 24 of United Nations Rules for the Treatment of Women, Prisoners, and Noncustodial Measures for Women Offenders, also known as the Bangkok Rules. As affirmed in 1976 by the Supreme Court, correctional facilities that refuse access to or interfere with necessary medical care for inmates are in violation of the Eighth Amendment's prohibition on cruel and unusual punishment. Since the passage of the Second Chance Act in 2008, all federal corrections facilities are required to document and report the use of physical restraints on pregnant female prisoners during pregnancy, labor, delivery, and post-delivery, and justify the use of restraints with documented security--

WILLIAMS: Time, Senator.

SLAMA: Thank you, Mr. President.

WILLIAMS: Thank you, Senator Slama. Senator Slama, you're recognized again and this is your third time.

SLAMA: Thank you, Mr. President. I would like to yield the remainder of my time to Senator Chambers if he would like to continue his commentary.

WILLIAMS: Senator Chambers, you are yielded 4:45.

CHAMBERS: Thank you. Mr. President, members of the Legislature, among the talents that I'm slowly coming to realize that Senator Slama possesses, mind reading now is one of them. Although, a person could be illiterate when it comes to mind reading and my thoughts are so powerful that they will intrude on other people's minds. But in all seriousness, I like what the bill is aiming at. I'm not going to try to do it at this stage, but I'm going to look at that Section 4, because some of things in it trouble me. I will not submit to people in corrections determining

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how prisoners are to be treated. If a woman is near enough to give birth, how is she going to be a flight risk? How is that likely to happen? I don't want to give all of these ways out to correctional people because they will misuse them and say, well, I thought that she was a danger to herself or to somebody else or she might be a flight risk. I'm going to look at Section 4 and consider it further. But I won't extend the debate even though there are many things I feel like saying, I won't. But thank you Senator Slama for the opportunity. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Slama and Senator Chambers. Senator Chambers, you are next in the queue. He waives his opportunity. Senator Howard, you are recognized.

HOWARD: Thank you, Mr. President. I actually wasn't intending to stand up on LB690, but I understand Senator Slama may need some help and I have a few things to say. So, just in regards to LB690 in particular, when we consider that in America, maternal mortality rates are actually at their lowest, we're actually declining for maternal mortality. When we think about LB690, this is one of those opportunities for us to make sure that not only are babies born healthy but that mothers also survive their births. So LB690 is a bill that I absolutely support. I am enthusiastic about its passage. The other thing I wanted to address today is that I won't be here tomorrow because I'll be at my father-in-law's funeral. And I have three colleagues who have very generously offered to introduce my three consent calendar bills for me tomorrow. One is a terminology change related to individuals who are hearing impaired. That was an unanimous vote, and Senator Blood has graciously offered to introduce that for me tomorrow. Another adds an STD to the list of STDs that may be treated with expedited partner therapy. So right now, expedited partner therapy is a method where if a person presents with a sexually transmitted disease and they indicate that their partner is unable or unwilling to come in, then the provider can give them an antibiotics to treat their STD and then also give them a prescription for their partner if they're unable or unwilling to come in to the doctor; that's LB62. Right now, we can only do this for chlamydia and gonorrhea, but we're adding trichomoniasis to the list because trich is actually an STD that is starting to become more prevalent in Nebraska. Finally, LB427, which Senator-- and Senator Williams is doing LB62, and then LB427, which Senator Lathrop has graciously offered to do. This is just a terminology change for birth certificates; it's very straightforward, it changes "husband and wife" to "either spouse," recognizing some changes there. I understand there were some concerns on an amendment that was put on to LB427, and those concerns are out in the lobby and they're looking for three people to remove LB427 from the agenda, also without speaking with me, understanding that I cannot be here tomorrow because I need to be with my family, and they have not spoken with me about this. Senator Lathrop has graciously agreed to remove the amendment on LB427 and it will stand as written and it was unanimously sent out to the floor by the Judiciary Committee. Colleagues, I would urge you to try to talk to bill sponsors when you have an issue. I don't think I've ever had a time where I haven't been willing to work with somebody, especially on a consent calendar bill that's very, very simple. But if you have issues, don't stand in the lobby and call my colleagues out; or,

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colleagues, if somebody has called you out with an issue on my bill, feel free to come talk to me. I try to make sure that you understand that you always can talk to me. It is unfortunate that this afternoon I won't be here to be able to vote for cloture for the land banks bill and I apologize for that. And I'm very grateful for my colleagues who have been willing to introduce these bills on my behalf. But frankly, I think it is downright sneaky and downright wrong that there was somebody in the lobby pulling people out about my consent calendar bill when I have to be at a funeral tomorrow with my family, and they never not once spoke to me. Yes, I'm having a terrible week, an awful week. And so maybe I'm not the best person to talk to today,--

WILLIAMS: One minute.

HOWARD: --but at the same time, a professional courtesy should have been shared with me if there was an issue on my bill. So colleagues, I would urge you to advance LB427. It's the bill as written tomorrow. It is a great bill. It does very little. It is a consent calendar bill, but it is very meaningful for the people that it impacts. And with that, thank you, Mr. President.

WILLIAMS: Thank you, Senator Howard; and our prayers and thoughts will be with you and Doug tomorrow. Continuing with debate. Senator Lowe, you are recognized.

LOWE: Thank you, Mr. President. I wasn't planning on speaking on this today, but Senator Slama said she needed a little more time, so I'm not sure how I support LB690, but I'd yield the rest of my time to Senator Slama.

WILLIAMS: Thank you, Senator Lowe. Senator Slama, you are yielded 4:30.

SLAMA: Thank you, Mr. President. And I'd just like to quickly reiterate that I stand in support of LB690 in this round of debate. There are amendments coming, it's my understanding that amendments are coming between General and Select File that address a couple of my concerns with the bill and would allow me to fully endorse the bill through all rounds of debate. So I'm looking forward to those coming on Select File and would encourage my colleagues to green light it through this round of debate so we can get those amendments on this bill. I was wondering if Senator McCollister was on the floor if he would yield to a question.

WILLIAMS: Senator McCollister, would you yield?

McCOLLISTER: Most certainly.

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SLAMA: Thank you, Senator McCollister. So, I see that you are a co-signer on this bill, is that correct?

McCOLLISTER: Absolutely.

SLAMA: Wonderful. What was your reasoning in doing that?

McCOLLISTER: I read some of the legislation and I was asked to do it. Then after hearing this debate this morning, I quite agree it's a good bill and I think it should proceed as well.

SLAMA: Wonderful. Thank you, Senator McCollister, I appreciate your candor. I would just like to reiterate, that at the very base of this, this is a pro-life, pro-woman bill to ensure that our female prisoners, though we have no documented evidence of this happening in Nebraska prisons, thank goodness, are not unnecessarily restrained, because it does compromise the health of both the mother and the unborn child. So I would like to thank Senator Cavanaugh for bringing it and thank Speaker Scheer for adding it as a Speaker priority. It's not a perfect bill, but, again, we can't let good get in the way of-- I mean, perfect get in the way of good in this body. And there's room for improvement and I look forward to seeing that improvement between General and Select File. But I would just like to reiterate another section of this bill, which is Section 2, as listed under AM1488, which was adopted by this body. The Legislature finds and declares restraining a pregnant woman can pose undue health risks to the woman in her pregnancy. The majority of female prisoners and detainees in Nebraska are non-violent offenders. Restraining prisoners and detainees increases their potential for physical harm from an accidental trip or fall. The impact of such harm to a pregnant woman can negatively impact her pregnancy. Freedom from physical restraints is especially critical during labor, delivery, and postpartum recovery after delivery. Women often need to move around during labor and recovery, which was noted by Senator Cavanaugh, including moving their legs as part of the birthing process. Restraints on a pregnant woman can interfere with medical staffs' ability to appropriately assist in childbirth or to conduct sudden emergency procedures. And the Federal Bureau of Prisons, the United States Marshal Service, the American Correctional Association, the American College of Obstetricians and Gynecologists, the American Medical Association, and the American Public Health Association all oppose--

WILLIAMS: One minute.

SLAMA: Thank you, Mr. President. --or severely limits the routine shackling of women during labor, delivery, and postpartum recovery because it is unnecessary and dangerous to a woman's health and well-being and creates an unnecessary risk to the baby during birth. Just like another bill we had come up during this week, all of these statements are backed by science and are true.



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So I appreciate Section 2 and its statement of the intent of the bill. And with that, I'll yield the rest of my time back to the Chair. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Slama and Senator Lowe. Senator Chambers, you are recognized.

CHAMBERS: Thank you. Mr. President, members of the Legislature, what I have to say is not on this bill. I think everything that needs to be said has been said. But I was troubled by what Senator Howard had mentioned. I think rather than have this kind of treachery that she described going on, we should do away entirely with the consent calendar. It gives the opportunity for underhandedness, for vindictiveness, and hiding one's hand. I would like to ask the Speaker a question if he's on the floor.

WILLIAMS: Speaker Scheer, would you yield?

SCHEER: Certainly.

CHAMBERS: Speaker Scheer, if those people who don't like a bill get together, are their names kept confidential?

SCHEER: You're going to have to be more specific, Senator. I'm not understanding the question.

CHAMBERS: OK. Will the names of the three people who might sign to get a bill taken off consent calendar be made available to the person whose bill is being removed?

SCHEER: Yes.

CHAMBERS: They will be.

SCHEER: Yes.

CHAMBERS: OK. Members of the Legislature, there are too many times when people out in that lobby-- and when I'm coming from my office where it is now, I come among them and pass through them, they should not have the kind of influence that they apparently wield in this place. It's not influence based on honor, knowledge, or anything else along that line. Some of them, those words might apply to. But it generally boils down to a lack of respect for the Legislature as an institution and legislators as individuals. What happens in this place would not happen in

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legislatures in other states. And believe it or not, although I don't do as much traveling now, I used to go around this country quite a bit and I would visit state houses. In other states, the State Patrol does not even give tickets to legislators. The State Patrol knows who signs the bill that deals with their budget. There are things that Governors do not attempt to do toward those legislatures because they fear the power of the legislature and the willingness of those legislators to make sure that the dignity to which that body is entitled will be recognized by the executive branch. If this kind of thing continues to go on, then I'm going to sabotage consent calendar. I objected when they passed the rule, and it was aimed at me, to say that at the expiration of 15 minutes, or should the introducer and debate be quiet before the 15 minutes elapsed, there will be a vote guarantee. No other bill in this Legislature has that guarantee; not the budget, not any bill. You don't even have to get a vote to overcome cloture. You just automatically get that vote. And I was opposed to it. But that was the then speaker and the people with him, that was his way of getting around me. If I didn't like a bill, I didn't go get two people to sign with me,--

WILLIAMS: One minute.

CHAMBERS: --I would just stop it. I want people to know where I stand. But that's not to say that we ought to maintain what we have now with this consent calendar. I'm opposed to guaranteeing a bill a vote. That doesn't make sense to me. It's demeaning to the process and it turns the consent calendar into something that is problematic. I'm not going to ask Senator Howard to tell me who these skullduggers are, that's what you have to call people who deal in skullduggery. But I may just decide that in order to hold up the integrity of the Legislature as I perceive it and the dignity--

WILLIAMS: Time, Senator.

CHAMBERS: --to which the Legislature is entitled-- thank you Mr. President.

WILLIAMS: Thank you, Senator Chambers. Senator Cavanaugh, you are recognized.

CAVANAUGH: Thank you, Mr. President. That we are on my bill, I am actually going to take this opportunity to also speak to the consent calendar. I agree with Senator Chambers and Senator Howard that this is not a game we should be playing with our consent calendar. And I'm looking at those of us that have bills on the consent calendar, and I have a bill on the consent calendar, and I would encourage everyone on this consent calendar to talk to our colleagues and remind them what the consent calendar is supposed to be. Because if Senator Howard's bill can be jeopardized like this, everyone's bill can be jeopardized like this. And there are bills on here that I have been looking up that do not have a hundred percent of support of their committees. So, be cautioned that if we're going to go down this road, this is a dangerous road to be going

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down. I don't want to go down this road. I want my bill to go through. I worked very hard to get it to the place that it is and to get it on the consent calendar, as did everyone else in here. But we shouldn't be listening to the lobby. We should be listening to ourselves, we should be listening to each other, and we should be taking this opportunity to do something that are almost entirely technical clean-up bills and not jeopardizing them because of something that some lobbyist out there is telling you to do. So, I hope that whoever in this body-- whichever two or three of you in this body think that you're going to do something to hurt Senator Howard's bill, I hope you look deep inside and you reconsider that. Because that is a terrible thing to do to a colleague and it is not a thing that will be forgotten. We need to work together. Please do not do this, because we all will know who you are. Everyone will know who the three people are who peeled off against the consent calendar and it will not be forgotten, it won't be forgotten for the rest of this session, and it certainly won't be forgotten next session. We need to build trust together. Senator Howard worked so hard on that bill. She's very passionate about that bill. And to do this to her at any point in time is egregious, but to do this to her when you know that she is dealing with a family-- sad situation is even more egregious. I have the utmost respect for Senator Howard, and I believe that this body does as well. And I hope that we see that when we vote on the consent calendar. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Cavanaugh. Senator Bolz, you are recognized.

BOLZ: Thank you, Mr. President. It sounds like we'll be having some time on the mike until lunch, and so this bill actually offers me an opportunity to talk about a similar bill. And since we're filling time, I thought I would do that. I do support LB690 and the good work that Senator Cavanaugh has done on it. But the opportunity this affords me is to talk about another piece of legislation, LB43, the Sexual Assault Survivors Bill of Rights. And similar to the bill that we're debating on the floor today, this bill talks about the interactions between law enforcement, protection officers, and women who have healthcare needs. LB43 is based on federal legislation, and it will have a great impact on survivors in Nebraska. Essentially what it does is creates a safe and supportive environment for survivors to come forward and seek care and justice following a sexual assault. The bill will ensure that the estimated 150,000 Nebraska women who will or have been sexually assaulted in their lifetimes will have the access to the basic rights they deserve as victims of violent crimes. Two in three transgender or non-binary individuals experience sexual assault; 1 in 33 men, and 1 in 6 women. And so, additional work needs to be done to make sure that after that experience they have the information and support they need to navigate our legal system and their interactions with law enforcement, much like what we're talking about today. The bill of rights enumerates several rights including, first, the right for medical care. The bill articulates that a survivor has a right to consult with and have present an advocate of the survivors choosing during a medical evidentiary or physical examination. Advocates are the first responders for sexual assault victims and they provide support in an ongoing basis to assist them navigating with complex and sometimes confusing processes. The bill also enumerates rights

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regarding their forensic evidence. A survivor has a right to prompt analysis of sexual assault forensic evidence. A survivor has the right to be informed of the results of their analysis, whether the analysis yielded a match and whether or not that will help them find the perpetrator. LB43 also enumerates the rights in court and the right in criminal and civil proceedings. It is reasonable that a survivor should have the right to be reasonably protected from the perpetrator and persons acting on their behalf. A survivor has the right to be free from intimidation, harassment, and abuse. A survivor has a right to be heard through a victim impact statement at sentencing or any other proceeding. Colleagues, I take this opportunity, since we're discussing LB690 and an issue related to women and women's healthcare and because it sounds like we'll be talking until lunch time, to raise LB43 to your attention. I would love to see you all join me as co-sponsors of this bill. I would hope that the Judiciary Committee would consider kicking this bill out this year. I'm bringing an amendment to your attention soon and would hope to have your support and also doing the work of protecting the rights, the access to information, and the support of survivors of sexual assault. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Bolz. Seeing no one in the queue, Senator Cavanaugh, you are recognized to close on LB690.

CAVANAUGH: Thank you, Mr. President. This has been a robust conversation about a very important issue, one that I-- I think is critical to be raising to the level of this discussion and to the attention of this body. I appreciate Senator Bolz's comments about her bill, because it is really important. I actually-- my staff and I worked on my remarks for my opening and I asked my legislative aide to go back through and change some words in here because he had inmate written down. And I wanted it to-- I wanted to make sure that we understand that these are people, these are women, these are mothers, and they deserve dignity. And there's been a lot of conversation in this body this week and prior weeks about women and about pregnant women. And every woman who is giving birth deserves to do that with dignity. This bill at least allows some shred of dignity for a woman who is about to give birth to a child. And I think we as a state and we as a body owe that to all women, all mothers. So, with that, I would encourage everyone in this body to vote green. And I would like a call of the house and a roll call vote in reverse order. Thank you.

WILLIAMS: Thank you, Senator Cavanaugh. There's been a request to place the house under call. All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 19 ayes, 2 nays to go under call, Mr. President.

WILLIAMS: The house is under call. Senators, please record your presence. Those unexcused Senators outside the Chamber please return to the Chamber and record your presence. All

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unauthorized personnel please leave the floor. The house is under call. Senator Kolowski, please check in. Senator Hilkemann, please check in. Senator Hughes and Senator Matt Hansen, please return to the Chamber. The house is under call. Senator Hughes and Senator Matt Hansen, please return to the Chamber. The house is under call. Senator Cavanaugh, we're missing Matt Hansen, can we proceed? There's now been a request for a machine vote. The question is the advancement of LB690 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 43 ayes, 0 nays on the motion to advance the bill, Mr. President.

WILLIAMS: The bill advances. Raise the call. Mr. Clerk for items.

ASSISTANT CLERK: Thank you, Mr. President. An amendment to LB519 from Senator Wishart; that's to be printed in the Journal. A potential conflict of interest statement from Senator Moser. Senator Blood would like to add her name to LB690.

And finally, a priority motion: Senator Hunt would move to recess until 1:30 p.m.

WILLIAMS: Members, you've heard the motion to recess. All those in favor say aye. Opposed, same sign. We are in recess until 1:30.

RECESS

SCHEER: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

SCHEER: Thank you. And there are any items for the record?

ASSISTANT CLERK: Mr. President, there are. Your Committee on Enrollment and Review reports LB675, LB294, LB299, and LB474, all to Select File, some with E&R amendments. That's all I have at this time.

SCHEER: Thank you, Mr. Clerk. First item.

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ASSISTANT CLERK: First bill this afternoon is LB424, introduced by Senator Quick. (Read title.) The bill was referred to the Urban Affairs Committee. That committee placed the bill on General File with committee amendments attached. The bill was considered on April 17, and the committee amendments were still under consideration.

HUGHES: Thank you, Mr. Clerk. Senator Quick, if you'd like to give us a refresher on LB424, please.

QUICK: Thank you, Mr. President. Good afternoon, colleagues. I'm offering AM1513 on LB424. As a brief refresher, LB424 would broaden the authority to create or join land banks to municipalities across the state. This authority is currently only available in cities in Douglas and Sarpy County. As a reminder of what the purpose of the land bank is, as set out in Section 4, and I guess this is just my opening for the-- or refresher, isn't it. So, I want to remind people that the land bank in Section 4(5) of the green copy: The primary goal of our land bank is to facilitate the return of vacant and abandoned and tax delinquent properties to productive use. So, this is a bill that would help a lot of our communities with problem properties, vacant and abandoned properties in their communities that the private sector is not able to deal with. So, that's what this bill mainly deals with. And thank you, Mr. President.

HUGHES: Thank you, Senator Quick. There is a committee amendment from the Urban Affairs Committee. Senator Hunt, you're recognized.

HUNT: Thank you very much, Mr. President. The committee amendment, AM509 to LB424, simply allows a city of the primary class to do a solo land bank, as opposed to a joint land bank. The city of Lincoln is currently the only city of the primary class in the state. Under the green copy of the bill, all land banks, other than the one formed by a city of the metropolitan class were required to be joint land banks. And, of course, the city of Omaha is the only current city of metropolitan class. With AM509 from Urban Affairs, the cities of Omaha and Lincoln would be eligible to create a solo land bank, while all other municipalities would have to form joint land banks. And I would ask for your green vote to adopt AM509. Thank you.

HUGHES: Thank you, Senator Hunt. Mr. Clerk.

ASSISTANT CLERK: Mr. President, I do have amendments to the committee amendments. Senator Hilgers, the first one, AM1401. This had been offered previously.

HUGHES: Senator Hilgers, you're recognized to open on AM1401.

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HILGERS: Mr. President, am I opening or just refreshing the body?

HUGHES: Refreshing.

HILGERS: Thank you, Mr. President. AM1401 would amend LB424 to remove the provision that allows for income received by the land bank to be not taxable. So currently, under current law and under LB424, the land bank's income is not taxable. AM1401 would strike that provision. Thank you, Mr. President.

HUGHES: Thank you, Senator Hilgers. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. I rise in opposition to LB424. But at this point, so he can refresh us a little more, I'd yield my time to Senator Hilgers.

HUGHES: Senator Hilgers, you're yielded 4:50.

HILGERS: Thank you, Mr. President; thank you, Senator La Grone. I rise again in opposition to LB424. And before I get into my comments, I do want to say I want to thank Senator Quick again both for bringing the bill and for also having a number of conversations with me, and I'll also thank Senator Stinner. We had-- we did meet between the last time we were up on General File and this time. We did have a meeting. They have solicited ways that we could potentially compromise throughout that process. It became clear to me that any compromise that I would be able to accept on LB424 would be-- would result in a modification of the underlying statute. In other words, the powers that currently are provided to Omaha. And so those particular objections and potential compromises are the formation-- or the basis of a number of amendments that I have drafted and offered. Those amendments are not filibuster amendments, those amendments are amendments that go to, actually, core substantive issues that I have with the underlying statute and the land bank provisions that we currently have. And LB424 would extend those provisions to additional municipalities that would like to have a land bank. But ultimately, I couldn't conceive of a way in which we could extend-- extend some narrow land bank authority to those jurisdictions without also doing something to the underlying provision. So, I do want to thank Senator Quick and Senator Stinner. I'm not sure we will be able to come up with a compromise. We certainly have tried. We certainly have had those conversations and I want to thank them for their efforts. Taking a step back, the core of my objection is not to the theoretical concept of a land bank, but I think it's important to describe what it is that I understand proponents of this particular bill of land banks, at least articulate a land bank to be, and what is ultimately in the statute, because those are two wildly different things. So, as I've heard it on the floor, the purpose of a land bank is really to help turn over these problem properties that have-- they're delinquent, they're abandoned, the cities have no means by which they can take these

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properties and transform them from the delinquent, abandoned property into something productive for their community or to help get these back on the tax rolls. The primary means by which those communities could go and actually get those properties from going from vacant and delinquent to productive property is through the foreclosure process or through the tax deed process. If you were to stop there, if you were to stop there and only give the land bank the power to do those particular things, I might have some objection or make sure that we've got really thoughtful nuance way of providing those powers. I do have some pause with some of the ways that those powers would be provided in the land bank statute, and we'll talk about the automatic qualification-- automatically accepted process. But the problem is, we are not stopping there. LB424-- the underlying statute that LB424 would amend and extend provides an absolute smorgasbord of powers to this land bank. And we're going to go through deliberately today in the debate all of the various powers that a land bank currently has, all of the ways that I believe that those powers could be abused, the lack of accountability that structures that are contained within the current statute, the conflict of interest issues, and the problems and challenges with the dissolving a land bank or stopping a land bank once it-- if it ever goes off the rails. Ultimately, we have given-- this Legislature has given a land bank so much power, and it is relying only on really the good faith and good will and sort of benevolence of those running the land bank. There's no accountability, and they have a tremendous amount of power. We're going to walk through, and I'm going to refer the body, as well as anyone watching this debate this afternoon, to the chapter and the sections of the Nebraska Revised Statutes that we're going to be going through. We're going to start and go to Chapter 19 and we're going to start in Sections 5201. And through the course of the afternoon, we're going to talk about the particular language in those sections.

HUGHES: One minute.

HILGERS: Thank you, Mr. President. You're going to find, when we do that, that the-- almost everything that I'm going to talk about this afternoon, not everything, but almost everything is going to go to, what I perceive to be a purpose, that is not actually the purpose articulated by the proponents. The proponents and those who support the land bank concept talk about a very narrow limited purpose. The statutes themselves go well beyond that purpose. Because of that, the amendments I've offered try to narrow it down more closely to what I perceive to be the intended purpose in the land bank and to ensure that these types of broad powers, without any accountability, are not extended into additional communities. So we're going to have that conversation today. I look forward to the conversation, I look forward to the debate. Again, I want to thank Senator Quick and Senator Stinner. I know we're on opposite sides of this one at the moment. I do think there's a core of a public policy idea that we might be able to get around, because I get the concept that they're trying to get to. I do not think that the current land bank provisions in -5201 are the way to do it. And I certainly don't think that extending those powers--



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HUGHES: Time, Senator.

HILGERS: Thank you, Mr. President.

HUGHES: Thank you, Senator Hilgers and Senator La Grone. (Visitors introduced.) Those in the queue are Senators Halloran, Lowe, Albrecht, Hilgers, and others. Senator Halloran, you're recognized.

HALLORAN: Thank you, Mr. President. I stand opposed to LB424 and I would like to yield my time to Senator Hilgers, please.

HUGHES: Senator Hilgers, 4:50.

HILGERS: Thank you, Mr. President; and thank you, Senator Halloran. So, again, to orient the body, where we are is we're in Section 19-5201 and that lays out, really, the core powers of a land bank. LB424 is amended would be an extension of those powers. And there would be some slight changes; I understand Senator Quick has an amendment that would address some of the concerns that I've articulated the first time around. Many of those concerns are not addressed in the amendment, but I do appreciate Senator Quick bringing it. But ultimately, what we're talking about is an extension of current statute. So I talked-- when I just spoke a second ago, we're going to be dealing with Chapter 19. Chapter 19-5201, and I want to start with the provisions that provide the powers of the land bank. And there's a number of them, and I'm not going to go through all of them, but I'm going to go through a few of the most important. One of them-- and by the way, when we get through-- when I get through-- just to give everyone sort of an overview of where I intend to head with this particular discussion, I'm going to start with the powers that the land bank has in acquiring property, the powers that the land bank has in investing monies that it receives, the tax benefits that it receives, also the lack of limitation on its ability to convey property. I'm going to talk about all of the conflict of interest rules that come into play, the accountability provisions. And, ultimately, when I am through with all that, I hope to walk through a few different hypotheticals that I think are very real ones in which you could have a significant abuse of this particular system. But I'm going to start with the powers that the land bank has, and there are number of them, as I mentioned. I think some of the most prominent are in -5207, so Section 19-5207. So, again, keep in mind the purpose-- we're thinking about the purpose of the land bank. The purpose of the land bank, as I understand it, is to just take these properties and get them from one state to another. We want to take a delinquent property and we want to make sure it's no longer delinquent and we want help that community thrive. A couple of the powers that the land bank has in -5207, and I'd ask as I go through these, that you think about what in the world do these particular powers have to do with the stated purpose. So the first one is that the board can invest the funds, this is in -5207(k), so the board, as its total discretion, OK,

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total discretion, can take the money that it earns from any of its-- any of the things that it does-- and we're going to talk about the ways that it can earn money, but any of the funds that it makes, by the way which is currently tax-free, which would be changed by AM1401, and it can take those dollars and invest them. Now, what can they invest them in, you might ask? It can do it in, I'm quoting: instruments, obligations, securities, or property determined proper by the board and names and use depositories for its money. In other words, colleagues, subsection (k) is, in laymen's terms, basically they can invest it in almost anything that they want. If the board chooses that it would be a proper investment, it's something that the board can invest those funds in. So that's one power that you might say, well, why-- why would the land bank have the ability to invest those funds? And by the way, it's not invest into a bank to earn some kind of yield, those investments could-- could, and we're going talk about it when we go through some of the hypotheticals of potential abuse, those investments could be anything. They could be a small business, they could be some sort of risky investments, or some-- there could be some international investments. I mean, you've seen some of what the OPS, if you read about the OPS board, the wealth-- I'm sorry, the pension board, but wealth and potential investments that one can invest into, it's not just the S&P 500, it's not just the stock market, it's not just in CDs. And certainly under subsection (k), they can invest in almost anything that they want to invest that they deem proper. The other thing that's interesting, another power that they've got under -5207 is in subsection (q).

HUGHES: One minute.

HILGERS: Thank you, Mr. President. And here, the land bank can enter into a partnership, a joint venture, or other collaborative relationships with-- OK, so the joint venture, other collaborative relationships, that's a good start. Now here's who they can enter those joint ventures or collaborative relationships into: municipalities, OK, that feels limited; and other public and private entities-- other public and private entities for the ownership, management, development, and disposition of real property. In other words, they can enter into an agreement or a joint venture with anybody, just about, as long as it's for the purpose of development or disposing or management or ownership of real property. It's a very broad power. We're going to keep going through these on the next time I'm on the mike, and I think I'm probably out of time. So thank you, Mr. President.

HUGHES: Thank you, Senator Halloran and Senator Hilgers. Senator Lowe, you're recognized.

LOWE: Thank you, Mr. President. Once again, I stand opposed to LB424. I don't believe it's the government's position to own property and to develop property. I believe that's a developer's right and a personal right for people to do that, not the government. The government is not here to do everything for us. Property should be developed by private citizens. It should be saved by private

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citizens. It should be built up by private citizens and not the government. With that I would like to yield the rest of my time to Senator Hilgers.

HUGHES: Senator Hilgers, 4:08.

HILGERS: Thank you, Mr. President; and thank you, Senator Lowe. So, we're talking about some of the powers that a land bank has, and I referenced one, which is the ability to invest money in really anything. Again, not in something we might think is both secure and also not something that is right for a conflict of interest. I mean, if you invest in a CD, you tend to not think that there's some sort of conflict with the owner of the bank or at least-- unless you're investing meaningful sums, it doesn't strike you as a potential conflict of interest, although it certainly could if you own the bank. But the investment of powers are incredibly broad. They're not limited in, really, any way; and neither is the partnership or joint venture powers that a land bank might have. And again, you might ask yourself why would a land bank-- if the purpose of the land bank is to take property --foreclose on property and then get it back on the tax rolls, why is that something that for which they would need a joint venture. And why is it a joint venture that is limited to any public or private entity? Maybe you might be able to envision, I suppose, some limitation, say OK, maybe the municipality and the land bank they could get together-- the municipality has-- they have particular accountability measures because, you know, the mayor is elected or the city council is elected, so maybe that might make some sense. But why, it's open up to any public or private entity of any kind. Now when we talk about the conflict of interest rules down the road, we're going to see that this scheme and the way that the statute is phrased has created a gaping loophole in the conflict of interest provisions of this particular-- of this statute. And so keep in mind as we go that this land bank can invest money in anything, more or less; and it can partner with just about anybody for a whole variety of purposes relating to real estate development. So-- and there are number of other powers. We might come back to some of them. Actually, I want to emphasize one other, and that's in subsection (o). Subsection (o) talks about the restrictions on the land bank from leasing property. So in other words, there's some concern the land bank gets property and it wants to turn into a landlord and it want to be able to make money through rents and renting out some particular property. There is actually a restriction in subsection (o). It says, yeah, you can do that, but it can only be up to 12 months unless the property you required had a lease that exceeded 12 months, in which case you can just sort of-- you're an assignee of that lease and you can just sort of run it out. What's interesting is that section is limited, the 12-month cap is limited only to the land bank. So when you combine the ability of the land bank to create a joint venture, and the restriction of the 12-month cap that is limited to the land bank, you can see pretty quickly that if the land bank has a joint venture that owns the property, the joint venture itself is not subject by the statute to the 12-month cap. Now, when we talk about conflict of interest and the ways that this can get off the rails pretty quickly, that seems to be a pretty striking and gaping loophole that the statute, I don't think intentionally certainly, but the statute creates just by virtue of-- by giving the land bank the

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power to create joint ventures, but by limiting the cap to just land banks, you've created a problem.

HUGHES: One minute.

HILGERS: Thank you, Mr. President. So, if you want to read all of the-- next time I'm on the mike I'll talk about how the restrictions or lack of restrictions on a land bank to acquiring property, but if you want to look at the other powers that a land bank might have-- does have, you can go to -5207 and they will lay out a number of other-- the only real restriction that I can tell, there are some-- I mean, there are some restrictions, but one meaningful restriction is that the land bank doesn't have the power of eminent domain, but again, I think this vehicle is not a vehicle for abuse, vis-a-vis eminent domain, I don't think that's the problem we're talking about. It's a vehicle that can be abused for the profit of those involved, which is not the underlying purpose, it can also be used for a vehicle to compete in the private marketplace. Again, not to the underlying purpose. When I come back next on the mike, we're going to build off of the powers of the land bank to find out how a land bank can acquire property. Thank you, Mr. President.

HUGHES: Thank you, Senator Lowe and Senator Hilgers. Senator Albrecht, you're recognized.

ALBRECHT: Thank you, President Hughes. I rise listening, thank goodness I did find in the bill that the land bank shall not have the authority to levy property taxes. That was nice to read. Nor can they exercise the power of eminent domain. You know, this is certainly a subject that is important to a lot of people here on the floor. But I'm going to yield my time to Senator Hilgers to continue on and help us explain where he is coming from. Thank you.

HUGHES: Senator Hilgers, 4:20.

HILGERS: Thank you, Mr. President; and thank you, Senator Albrecht. We're just going to continue our march through Chapter 19-5201 of the Nebraska state statutes, again, the statute that's being extended by LB424. Before I move on to the powers of a land bank to acquire property, I do want to reference one other, and again, sort of query why this is in here. Subsection (m) of the powers in -5270 talks about the ability to design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate, and otherwise repeal property rights. The way that it is drafted, I think, goes well beyond, sort of the, what you might think is the purposes articulated of the land bank itself, which is, hey look, we just want to get this property, private industry is not dealing with it, we want to get back on the tax rolls. But I think that-- again, the powers are so broad that when we start to put all these pieces together, we can see how they can be abused. So I want to turn next to Chapter 19-5208. So if you're following along on your computer, you just click on the next section of the revised statute, you'll go to -5208, and that

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talks about the powers of the land bank to acquire property. Now again, the purpose that has been described and the primary vehicle by which the land bank can acquire property that has been described on the floor and from proponents is really, as I take it, three ways. One is by gift; so you have some either philanthropist or someone who owns property who maybe they own the delinquent property but they just want to get it off their hands, they can gift it to the land bank. So that's one way. And that seems reasonable if you want to gift property to the land bank, I mean, you can gift it to a whole lot of entities, you can gift it to a park foundation, you can gift it to a city, you can gift it to a whole-- anyone you so choose, and so I don't think it's unreasonable to do gifts. The second one is through the foreclosure process, and that's so-- that's a second one. So if someone is delinquent on their taxes, that's another way that you can foreclose. And then through the tax deed certificate sales. I know some members here are more familiar with that process than I am; and that's the third way. So those are the three primary ways that I understand that land banks would need to have in order to acquire property. Those are the three primary ways. Now, we're going to talk about those ways in a little bit and the automatic acceptance provisions that are contained in Chapter 19-5201, but that's not what I want to focus on right now. Because what I want to focus on are the powers of a land bank to acquire property that are in no way limited to those three things that I just mentioned. So here's what -5208 says: -5208 says a-- and this is subsection (1): a land bank may acquire, and I'm quoting, real property or interests in real property by gift. OK, so we got gift covered, that's good. Devise or transfer: that means something specific in real estate law but maybe would cover gift, might cover foreclosure, kind of hard to say. Exchange: somewhat similar, you might want to think like a 1031 exchange. Foreclosure: OK, we got our second one. Purchase: well, purchase, why would they be buying these properties? Or-- and here again, and you'll see this throughout the statute, this sort of catch-all, broad discretion for whatever the board wants to do: Or otherwise on terms and conditions and in a manner that the land bank deems proper.

HUGHES: One minute.

HILGERS: Thank you, Mr. President. Or otherwise on terms and conditions and in a manner the land bank considers proper. So just like the power to invest, just like the power to enter into joint ventures, the land bank can purchase for any, really, reason it wants; on any kind of terms and conditions it wants. Now, if you're interested in the purpose that's been articulated for the land bank, you might ask yourself, why is that in there? Why would they need to purchase property and why would they need to have such broad discretion to be able to purchase on any terms or on any conditions that they'd like. Gift, I understand; foreclosure, I understand; tax deed certificates, I understand. This is not limited to those. So, you have a broad authority to acquire property. We're going to keep going through the statute next time I'm on the mike. Thank you, Mr. President.

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HUGHES: Thank you, Senator Albrecht and Senator Hilgers. Senator Hilgers, you're next in the queue.

HILGERS: Thank you, Mr. President. So, we're still in -5208. We're talking about acquiring property. And there's also another provision here which, again, will, I think, play into some of the hypotheticals and potentials for abuse that we could talk here in a little bit and that's in -5208, subsection (2). Now -5208(2) says that a political subdivision can give property to the land bank. That's all really it says. So, and it doesn't have to be for any sort of consideration, it doesn't have to be to a certain price; it doesn't have to be fair market. Basically, this political subdivision has the right to give property to the land bank. Now, there might be some legitimate purpose that you could imagine a municipality or political subdivision wanting to give property to a land bank. I don't-- I don't have any theoretical objection to that idea. But I think we're going to talk about ways that that could be abused in the future. But that's another really important power that the land bank has. So, the other thing that the land bank has-- and we're just going to keep marching through some of this statute. And I want to talk about, in a second, their ability to transfer. Actually, let's just go right to that now. So the land bank-- so a land bank can acquire property, basically for any reason it wants, more or less, and it can do it by purchasing, it can do it by gift, they can acquire it any way they have some funds to do. They can invest those-- any funds related to that-- that work in any kind of investment that they want. They can enter into any other kind of joint venture. And they also can convey-- they can also get rid of that property. And the interesting thing is, if you're thinking about the purpose of the land bank as articulated, you might think: well what is the land bank going to do that? It's theirs, a nonprofit; it's not trying to make money, as I understand it. You have an entity trying to take one property from one state to another-- from being vacant or delinquent to something that's on the tax rolls, why would you want to-- why would the land bank necessarily need to sell that property, why would it need to have broad transfer powers? But that's exactly what the land bank has in -5210(4): Land bank may convey, exchange, sell, transfer, grant, release, demise, pledge, hypothecate any and all interest in, or upon or to real property of the land bank. So, basically, any property that they get, remember, I talked about subsection (o) before, they get that property, they can develop it as much as they want. They can develop it and then they can sell it and turn a profit. Now, when you think about some of the concerns from opponents who have said, well, wait a second, a land bank, that's competing with private industry. And some of the response that has been, no, no, no, no, no, no, we're not competing with private industry, we're actually just doing something private industry generally won't do. Well, it sure seems when you start to add up these different sections, it seems like giving the land bank the powers to do exactly what proponents say they would never do. They can buy property, they can acquire property, they can do it from anyone-- from anyone at all, they can develop that property, and they can sell it. It's not limited to tax deeds. It's not limited to foreclosures. If you think that's that what this bill does or the underlining statute does, read the section: -5207, -5208, -5210. They have all the power to do what a private developer would do. Now they've got some pretty significant advantages over that private

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developer, one of which is the subject of AM1401. They don't have any-- they're not subject to any taxes. They have other advantages, next time on the mike, that I'll talk about-- that talks about their ability to recoup real estate property taxes after they've conveyed property. But again, this section has, just like the previous section, the same restriction that you think is-- I thought was meaningful when I first read it. I thought, well, land bank, we don't want the land bank being a landlord out there. We don't want that. So I read that section, I thought, oh, that's great, the land bank is limited to 12 months. That's something, I'll take that. At least that's some meaningful restriction.

HUGHES: One minute.

HILGERS: Thank you, Mr. President. That land bank can enter into a joint venture, that joint venture doesn't have the 12-month restriction. So land bank, sort of sum up where we are so far, the land bank can acquire property by any means, can do anything it wants to it, they can sell it, they can make money off that sale, that money that it makes off that sale is not subject to tax of any kind. So we're just going to keep marching through the statute as we go here this afternoon. Thank you, Mr. President.

HUGHES: Thank you, Senator Hilgers. (Visitor introduced.) Senator Erdman, you're recognized.

ERDMAN: Thank you, President Hughes; good afternoon. Senator Hilgers, I really appreciate you walking us through these statutes one-by-one. And if you were listening at all, we all should have become more educated in what exactly a land bank is. I stand opposed to LB424, that's not a surprise to anyone. Senator Quick handed out a summary of what AM1513 will do when he gets to it. And I'm not exactly sure what some of those do, and I'll have questions later if he gets to that point. But a couple weeks ago, we talked about LB424, and at the end of that conversation, the Speaker asked Senator Wayne a question about how the land bank works in Omaha. And I wasn't real clear on exactly how that functioned, so I was wondering if Senator Wayne would yield to a question or maybe two.

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes.

ERDMAN: Senator Wayne, thank you. Senator Wayne, when your conversation-- in your conversation with the Speaker, I think he asked you a question about how many properties the land bank had in Omaha, is that correct?

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WAYNE: I think so, yes.

ERDMAN: Do you remember what that number was?

WAYNE: It was around 500 parcels of which 400 of them are in agreements with nonprofits.

ERDMAN: OK, I understand. So, does the land bank own those now or have they transferred those to someone else?

WAYNE: They're entitled to the land bank-- they own them, I guess you would say.

ERDMAN: OK. Have they transferred those to anyone?

WAYNE: Yeah. Throughout the year they have sold parcels of land and developed parcels of land so people have bought them, yes, throughout the year. But I'm saying current, I think their inventory is around 500. I could be wrong.

ERDMAN: OK. Thank you. Do they have an agreement with Habitat for Humanities?

WAYNE: That is one of their larger agreements they do have, yes.

ERDMAN: OK. So in that agreement, they transfer that property to the Habitat for Humanities, and then is there an agreement down the road further that says that they can transfer those back to the land bank?

WAYNE: I have never seen the agreement, but how I understand it to work is Habitat would sell it to the land bank or give it to the land bank and then before, sort of like a first right option, they would offer that back to that, like, for example, Habitat, before they were to sell it to anybody else. So, yes, they would have the right to get it back.

ERDMAN: OK. So they very well could-- Habitat for Humanities come in and refurbish and fix this property and sell it back to the land bank for a predetermined amount if they wanted to, according to what Senator Hilgers had described to us, they would have that power do that?

WAYNE: In a hypothetical world, yes, but their agreements are actually the other way around. The land bank holds them until Habitat has the money to restore them.



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ERDMAN: All right. And then after the Habitat restores them, what do they do with them?

WAYNE: Well, assuming Habitat sells them, I haven't seen any transactions in which Habitat would sell it to the land bank. Usually Habitat puts individuals in their homes and do like a first homeowner program.

ERDMAN: OK. OK. So then would Habitat for Humanities be eligible to collect the 50 percent of the property tax for five years?

WAYNE: No.

ERDMAN: Even if they had agreement with the land bank, they would not be able to?

WAYNE: No.

ERDMAN: But if they transferred it back to the land bank, the land bank could, correct?

WAYNE: Correct.

ERDMAN: OK. I appreciate describing that for me. Thank you.

HUGHES: One minute.

ERDMAN: Thank you, for answering those questions. Thank you. You know, I believe we need to listen to Senator Hilgers describe exactly all the authority land banks have. And if you're a proponent of land banks, once you have thought about the process that Senator Hilgers was walking us through, if you are still for land banks, you're missing the point that Senator Hilgers is trying to make. This is a convoluted thing that allows government to compete with private industry. And I think this morning we talked about picking winners and losers, government picking winners and losers. That's exactly, exactly what this is. I'm not all in favor of the Governor choosing who gets what. That's why we have the problem we have is because some think government is always the answer. There's a reason that these properties aren't being developed and that's because it's not economically feasible. If it were, somebody in private industry would be doing it.

HUGHES: Time, Senator.

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ERDMAN: Thank you.

HUGHES: Thank you, Senator Erdman and Senator Wayne. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. Would Senator Hilgers yield to a quick question?

HUGHES: Senator Hilgers, will you yield?

HILGERS: I would be happy to.

La GRONE: Senator Hilgers, I just want to make sure I'm understanding this properly. So, I know you walked through this already, but when talking about the conflict of interest provisions, could you real quick, just 10,000-foot level, am I correct in saying the concern here is that someone could be on the land bank board, essentially the land bank can acquire the property, and then that individual could, through one transaction or another, get some financial benefit off of that property?

HILGERS: That is one of many concerns.

La GRONE: OK. That's the one I wanted to look at right now. Thank you, Senator Hilgers. Would Senator Erdman yield to a question?

HUGHES: Senator Erdman, will you yield?

ERDMAN: Yes, I would.

La GRONE: Thank you, Senator Erdman. Now I know we have a number of conflict of interest statutes for members of, say, a county board, and this-- these strike me as slightly different than those. And so I know you were previously on a county board, so I just was curious, let's say hypothetically a county board had some property and there was a member of the county board that through one transaction stood to profit off of that property. Are you familiar with the statutes that govern what would need to be done in that instance?

ERDMAN: I believe I am.

La GRONE: So, would that be an issue under our current law?

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ERDMAN: Say that again, sir.

La GRONE: Would that be an issue for that county board member under our current law?

ERDMAN: Correct.

La GRONE: So, in your opinion then, what it is sounding like to me here, based off what Senator Hilgers said, is that this land bank-- members of the boards of a land bank are subject to different conflict of interest provisions than, say, a county board member and therefore could stand to benefit where our statutes specifically prevent other entities of government from getting that same benefit. Does that sound right to you?

ERDMAN: That sounds right.

La GRONE: And could you walk us through a little bit what, like, say, a county board member would have to do in that instance.

ERDMAN: Well, when I was on the county board we had those situations happen. And when those things would come up, that county board that would be in a position of a conflict would have to excuse themselves.

La GRONE: So they couldn't vote on whatever business is before the county board for that provision, is that correct?

ERDMAN: That is correct. According to the statute, now some county boards have and they've been fined for it, but, so you have to weigh whether the fine is greater than the financial benefit. But you are correct, the statute says you can't do that.

La GRONE: Well, thanks for that, Senator Erdman. Now, I'm going to switch on to a different topic that I think you probably have some expertise in as well. I know that you have dealt with a number of land purchases in your life, is that correct?

ERDMAN: Correct.

La GRONE: So generally, can you walk me through-- have you ever dealt with a situation where you were bidding on a piece of property against more than one other individual?

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ERDMAN: Yes, I have.

La GRONE: So can you kind of walk me through, generally, what a process like that would look like.

ERDMAN: Well, it depends on what the process is, but mostly, property that I have bought and competing with someone else was at an auction.

La GRONE: So if there was, say, government entity that could come into that process and automatically win that bid, that would kind of change the process substantially, is that correct?

ERDMAN: It would eliminate the auction process.

La GRONE: And so, what impact do you think that would have, generally, let's say you're in a situation where you want a piece of land like that. There's a government entity that is going to use its automatic bid authority. Is there any recourse that you know of that you could take?

ERDMAN: Not according to the statute that the land bank is going to function under.

La GRONE: OK. Is that-- does that seem out of the ordinary for you for how land purchases normally go?

HUGHES: One minute.

ERDMAN: It is peculiar. Opposite.

La GRONE: Can you think of any other instance where a situation like that occurs?

ERDMAN: Well, generally what we do when we're trying to sell land exactly, we try to get the highest bid and the most money possible. And if someone has already predetermined what they're going to give and their bid will be accepted, there's no reason to have an auction.

La GRONE: So, essentially, it would cause-- it would completely circumvent the process of purchasing that property.

ERDMAN: Correct. That's right.

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La GRONE: So, there would be no point in going through that process at all.

ERDMAN: That's right.

La GRONE: So there could be potential private landowners out there that could want to get this land that couldn't because there's a government entity that is coming and taking it.

ERDMAN: That's correct.

La GRONE: Does that seem like government overreach to you?

ERDMAN: Yes, it is.

La GRONE: I would agree. I think I have an issue, definitely, with that provision, which I talked about substantially last time. How much time do I have left, Mr. Chairman?

HUGHES: Seven seconds.

La GRONE: Thank you, Mr. President.

HUGHES: Thank you, Senator La Grone, Senator Hilgers, and Senator Erdman. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. And I do enjoy listening to the debate and I'm thankful that Senator Hilgers is kind of leading us through some processes, so I'll continue to listen. I'll yield my time to Senator Hilgers.

HUGHES: Senator Hilgers, 4:45.

HILGERS: Thank you, Mr. President; and thank you, Senator Friesen. For those of you who listen to every second of this debate, and there's probably just the President at the moment, Senator Hughes may listen to every second of this debate, you're going to-- Senator Morfeld is waving his hand. You will hear me repeat myself a couple of times on a various-- a number of different issues. And so one thing, just to start it off, start us off, a couple of questions that I've had since I started, one is what section we're in, what area of the statute are we in? And that is Chapter 19-5201. So you can go on your computer, go to [NebraskaLegislature.gov](http://NebraskaLegislature.gov) and you can find the statutes and you can go to that and you can follow along. It just goes 1901, I think, to

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2101, and you just go one after another after another. The second question I had, while these filibust-- are these amendments that are filibuster amendments, in other words, I put-- I think I've got 6, 7, 8, something like that, amendments that have been filed; and those are not amendments that do something like strike the enacting clause or change red to blue or something that is meant only to take time. Each one of these amendments, I think are, go to core issues with the land bank statute and I would encourage the body, no matter what you think about the bill as it stands, I would urge and encourage the body to take a serious look at each one those amendments and consider voting green on those amendments. So I've kind of-- I'm going through methodically this statute. We've talked about the powers of the land bank to invest. We've talked about the powers of the land bank to enter into joint ventures. Again, almost limitless discretion. We've talked about the powers of the land bank to acquire property. They can do it in almost any means that they so choose. We've talked about the powers of the land bank to develop property, they can do it in any means, pretty much, that they so choose. And they can also do anything that they want with that property. There's no restriction. It isn't a matter of saying, well, you know, you've got this vacant property, we want you to do something meaningful with it and get it back on the tax rolls as soon as you can. There's no restriction. They can acquire, develop, sell. That sounds a lot like a lot of private developers that I know. And it doesn't sound to me that it's tied in any meaningful way to the purpose of the land bank in the first place which is let's just focus on these really bad properties and get them cleaned up and back on the rolls. Now, I'm going to talk about some of the-- what is a very unique power or right that the land bank has to collect property taxes on sales of properties, or conveyances of properties that they own; but before I do that, I want to point out another section that-- when I read through this really struck out-- stuck out at me and struck me as odd. And I still don't really understand the reason why it's in here at all. And it certainly seems to be conflict with-- be in conflict with the purpose of the land bank, which is to get these properties back on the tax roll. So in -5208, Section-- Chapter 19-5208 in subsection (6), it says: a land bank shall not hold legal title at any one time to more than 7 percent of the total number of parcels of real property located in the municipality or municipalities that created the land bank. No more than 7 percent, 7 percent of the total amount of real property in the city the land bank can own. First of all, you might ask yourself, why in the world would we even have to think about such a restriction? How would a-- why would a land bank acquire-- there can't be that much delinquent-- dilapidated property in a particular municipality; 7 percent. And then you might think to yourself, if you got that far, why is it set at 7 percent? Why isn't it set at .001 of a percent, or why is it not set at just a few at a time? It strikes me as very confusing and concerning that built within the statute the land bank can acquire up to 7 percent of the real estate parcels in a city.

HUGHES: One minute.

HILGERS: Thank you, Mr. President. In Lincoln, that is, I think, the equivalent of six or seven downtowns. Now, when I get into some of the hypotheticals about how this can be abused, and it

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doesn't take a lot of imagination to see how it can be abused, you can see how that limitation, boy, could really come in handy for those who are trying to game the system. Seven percent of the parcels, I think that's pretty shocking. Next time on the mike, I'm going to talk about, which in my mind, a very unique system of obtaining for its own benefit the property taxes of a sale of property from a land bank. Thank you, Mr. President.

HUGHES: Thank you, Senator Friesen and Senator Hilgers. (Visitors introduced.) Senator Murman, you're recognized.

MURMAN: Thank you, President Hughes. To be honest, I'm a little bit on the fence about this bill. Many of my colleagues ask me why I was leaning towards supporting this bill. I told them that even though we need to do what is best for the entire state of Nebraska, I was sent here to be the voice for constituents in District 38. I had my staff reach out to the communities throughout the district to see how the city officials felt about this bill. Every single community that e-mailed me back said that they stand in support of LB424. My communities are struggling to deal with these dilapidated properties. It's hard times out in rural Nebraska, especially because of high property taxes. LB424 provides a framework for communities to clean up stressed and nuisance properties. We want Nebraska to grow and we want our communities to thrive. A main concern I have heard from communities that e-mailed me was that they are experiencing a housing shortage. It's crucial for our communities to have work force housing so that our employers are to fill necessary jobs-- can fill the necessary jobs. The lack of affordable housing throughout Nebraska is stifling economic growth, even in our rural communities. The city officials throughout District 38 mentioned that they can't afford to take care of these properties by themselves. For example, the city of Holdrege shared with me that after their last housing study, they had approximately 68 structures that needed to be demolished. Sixty-eight properties in a growing city is alarming, and it should be something that needs to be addressed. A land bank will give cities an important tool to help transform distressed properties into much-needed work force housing. Right now, these dilapidated properties are not high in value, which means that they aren't paying that much for property taxes. Therefore, we'd be doing ourselves a favor by giving our small communities the ability to have land bank secure and clean the property. After the property is cleaned up, it's more likely to attract the work force. After the property is transferred from the land bank to the individual, the value will increase and the property tax base is expanded. I need to meet-- to learn more-- to be more informed about the details of this bill so I do appreciate Senator Hilgers informing us more about those details. If I speak again, I want to share some examples with you from both the cities of Sutton and Nelson. With that being said, I don't think we've heard from Senator Quick in a little while so I'm looking forward to more of the discussion. And I'll yield the rest of my time Senator Quick.

HUGHES: Senator Quick, 1:50.

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QUICK: Thank you, Mr. President; and thank you, Senator Murman. One of the things I kind of want to talk about, I guess, I don't know how much time I actually have to say, so I can speak about it my next time. But over this time-- over the last time we debated this bill until now, I have tried to work with others to try to find out what kind of changes I would need to bring, what kind of changes would I need to bring to the table. So that's what my amendment would be. And actually that amendment reflects some of the discussion we had during the last debate. And so I'm willing to work with anybody that we can to try to bring this-- pass this bill on through because it's important to our out-state Nebraska communities. It's important to Grand Island where I'm from. We have almost 200 properties that are vacant--

HUGHES: One minute.

QUICK: Thank you, Mr. President. --they're vacant, abandoned, problem properties that our communities having to invest taxpayer dollars in now. They're having to, through code enforcement, through law enforcement, and through cleanup for the properties, for maintenance of the properties. They have to mow the lawns. And so all those bills add up and those are taxpayer dollars going into those-- into those structures that the private sector can't really afford to handle because, I think in the last debate I talked about the home builders, and I met with our home builders in Grand Island, and I asked them if they ever take on any of those properties. And they said that they really can't afford to because it's too costly for them to do that and it's too time consuming, especially because clearing the title is one of the big issues. And then also recouping the cost of actually-- if they had to demolish the property and then rebuild that property.

HUGHES: Time, Senator.

QUICK: Thank you, Mr. President.

HUGHES: Thank you, Senator Murman and Senator Quick. Those in the queue are Senator Halloran, Quick, Morfeld, Bostelman, and others. Senator Halloran, you're recognized.

HALLORAN: Thank you, Senator-- or excuse me, President Hughes. Would Senator Quick yield to a question, please?

HUGHES: Senator Quick, will you yield?

QUICK: Yes, I will.



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HALLORAN: Thank you, Senator. Just a little curious, just to get down to some of the fundamentals of a land bank. I understand it's not a bank, per se, in the normal sense that we're used to, but how is a land bank financed? How are they funded? How are they capitalized?

QUICK: OK, well, for starters, just to get started; there's a-- like in Omaha when they started theirs, there's foundation money that helps to get them established. And so you have-- and those foundations in Omaha, I-- we've spoke with them and they would help fund some of the outstates to get them started, the outstate land banks. The other way that they can recoup some of the cost is when they sell a property, they would recoup some of the cost. And then they can also, if they can't recoup all their costs, they can also do a 50 percent look back on the property tax dollars. So after that property is-- has been rebuilt and refurbished, then that property value-- before they were getting no tax dollars; after it's revitalized, it could be a home that's worth maybe \$60,000 to \$80,000 or more. And then they can take half of those property tax dollars only for five years to recoup some of their costs.

HALLORAN: OK, so, if a land bank was established, let's just give an example of a town, I'm not going to name a town, but let's just give an example of a rural town of 300 people. And they've got a dozen homes or houses or vacant lots or lots that are distressed lots, distressed properties, why would a land bank be interested in coming in and expressing spending the capital to, for example, raze a building, raze a house, take it down to the ground level and then have to maintain that in the meantime until they can market that house when there is not much of market in that town of 300.

QUICK: Yeah, and for one thing, a small community like that would join a regional land bank. So there might be one property per year and they would probably have to pick and choose how that would work. And some of the properties need to be demolished. So that's the one thing the land bank could do is demolish that property; maybe they leave the lot a vacant lot and they could sell it to neighbor maybe who would want to expand their property, you know, and I'm sure they would have to work with the county to allow you to have two lots together to make it one.

HALLORAN: I guess that's my question. Why would a land bank invest in a community that's-- fine community, but it's a community of 300, it has no real growth market in real estate. Why would they come in and spend money to-- on that property to get it to a point where it's marketable when there's no market.

QUICK: Well, and some of these communities are commuter communities. So, say, like an Alda, Nebraska, that's just west of Grand Island, those people work in Grand Island. So maybe they see the value as a form of work force housing that is affordable work force housing for actual workers. You know, a \$60,000 to \$80,000 house is really affordable for a working person.

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HALLORAN: Thank you, Senator Quick. How much time do I have, please?

HUGHES: 1:27.

HALLORAN: I yield that to Senator Hilgers if he wishes.

HUGHES: Senator Hilgers, 1:20.

HILGERS: Thank you, Mr. President. Thank you, Senator Halloran. I appreciate Senator Murman's comment very much, and I've heard this from Senator Moser and others, which is, hey, my community wants a land bank. And you know what, I have no doubt that if your community has some of these problem properties that they want a solution, I have no doubt. And I have no doubt that they would like a land bank as articulated by the proponents of this bill. But if they want a land bank, that ain't what they're going to get if LB424 passes. LB424 expands, not a land bank as you think of narrow purpose vehicle to help get these properties back on the rolls, this is a vehicle for crony capitalism, it's a vehicle for abuse, it's unaccountable, and they can compete with private development all day long and get half your property taxes for sales. If you're in one of those communities and you're watching this debate now, you're calling your senator, just be aware that what you think-- well, what I always thought of a land bank, it's very narrow; hey, this is something that's going to help us solve a real narrow problem, that is not what this is. This is not what this bill does. This is not what the statutes do. They provide a tremendous amount of power, the power that is almost without any meaningful restriction--

HUGHES: Time, Senator.

HILGERS: Thank you, Mr. President.

HUGHES: Thank you, Senators Halloran, Quick, and Hilgers. Senator Quick, you're recognized.

QUICK: Thank you, Mr. President. Over the summer, and I talked about this during our last debate, but we had an interim-- we had two interim studies, and we had one in Grand Island and we left Grand Island and we went to Ord for the second interim study. And it was on land banks. And, of course, we had several other-- some other studies within that, but land banks was the one for me to be involved in. And one of things that we talked about for the Grand Island-- when they got up and talked about it, of course, I already mentioned that they had 200 problem properties that the private sector isn't able to deal with. So they're looking for a tool that they can use to help them with these properties, to help them, like I said before, the land bank can acquire the property. Their intent is not to hold on to the property, but they acquire the property, they

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clean and secure it, like they would board up the doors and windows so it's a safe place to stay-- or a safe place to keep children out and keep animals out, sometimes you get animals in there, it would keep vagrants out, and keep people from-- who maybe were-- maybe using drugs or manufacturing drugs that would go into these places and cause problems. So, that's one of the big areas for Grand Island. I mean, it's dealing with those properties. We also have our Habitat for Humanity in Grand Island who is running out of places that they can actually build affordable housing for working families. So they see this as an opportunity to-- for the land bank to sell them or gift them some of these properties so that they can help with more affordable housing for our work force in Grand Island. Now, when we went to Ord, what we heard from the people in Ord was is that they've tried to deal with some of these properties. And I can't remember the exact dollar amount that it cost the city of Ord to try to deal with one of the problem properties there, but it made them realize that they can't do this every time because it takes taxpayer dollars to actually deal with clearing the title, trying to track down the landlord or somebody who maybe owned that property, whether they've moved out of state, and those type of issues. And then I don't remember if they had to demolish the property, so there's a cost of that. Or there's a cost of passing that property on to a developer to try to deal with that. So, those are really where some of the main concerns for those communities. We had other communities present there, but it was Ord was the main one. She-- I think the-- I believe she was a city attorney for both Loup City and Ord, if I remember right. And she said there was problems in both communities with some of these properties. I know that what they've asked about-- or mentioned how this would work for out-state Nebraska. What we're trying to do is establish regional land banks so more-- you'd have several communities that maybe go into one land bank and they would support each other in trying to deal with some of these properties. I know another-- Senator Halloran brought up about-- or asked me about funding sources. Another funding source also is communities can put money into this. They're already putting money into-- like I say, if they have code enforcement it's that, if they have law enforcement it's that. And most of the cities are doing some type of maintenance to at least try to keep the weeds down or to pick up debris from those properties. So, they're trying to handle it the best they can, but the cost is becoming too high for them. And I know-- you know, we've talked before about affordable work force housing.

HUGHES: One minute.

QUICK: Thank you, Mr. President. And I think this is really a great way for our state to add work force housing to some of these rural communities that are really commuter communities for some of the larger communities like a Lexington or a Gothenburg or a Cozad where they have more employment, and some of the smaller communities can drive there to work, or around, you know, maybe a Central City where they drive to Grand Island to go to work. And so I think this is an important tool for them. And I think this is something that we really need to pass. So, thank you, Mr. President.

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HUGHES: Thank you, Senator Quick. (Visitors introduced.) Senator Morfeld, you are recognized.

MORFELD: Thank you, Mr. President. Would Senator Hilgers yield to a question, please?

HUGHES: Senator Hilgers, will you yield?

HILGERS: For Senator Morfeld, of course.

MORFELD: Thank you, Senator Hilgers. I had a lunch meeting go a little bit late. I missed your opening on this. Are you opposed to this bill?

HILGERS: I am.

MORFELD: You are opposed. OK, good, I didn't know if you were just helping us understand the bill a little bit better and figure out what land banks are. Can you tell us, Senator Hilgers, what is communism?

HILGERS: What is communism?

MORFELD: Yeah, how would you define it?

HILGERS: A political ideology in socialist countries like Venezuela or the former Soviet Union.

MORFELD: OK. Is this a communist plot?

HILGERS: This being LB424?

MORFELD: This bill.

HILGERS: I'm aware of no evidence that suggests that this is a communist plot, Senator Morfeld.

MORFELD: OK, good, good, thank you. Thank you, Senator Hilgers. Another question for you is, I remember last debate you saying that you were going to come with some amendments to make this bill better.

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HILGERS: Yes.

MORFELD: Do you have those amendments?

HILGERS: I have filed, I think, eight of them; which all intended to make the bill better, not as filibuster amendments.

MORFELD: So if we pass all eight of these amendments, or five, or how many ever, you'll support the bill?

HILGERS: There are one, two, three, four, five, six, seven, eight, if all eight pass, I think that covers most of my concerns.

MORFELD: Most of them?

HILGERS: I might have one or two-- one as I-- every time I look at it, there's a little more-- if all eight pass, it would be hard for me not to, Senator Morfeld.

MORFELD: This guy is slick. I like him. So, this is my brother to the west of me here. OK. I'm northeast, he's northwest. So, usually when people are trying to make a bill better, they put it into one amendment, not eight or nine or ten.

HILGERS: I would have done it, but, you know, every time I read this, I saw more problems, that's why it was.

MORFELD: Oh, yeah, yeah, no, I can only imagine what is going on in your head with that.

HILGERS: You don't want to know, Senator Morfeld.

MORFELD: OK. Thank you, Mr. President. I'll yield the remainder of my time to Senator Quick, if he so chooses.

HUGHES: Senator Quick, 3:00.

QUICK: Thank you, Mr. President; and thank you, Senator Morfeld. One of the things that I did work on was the-- my amendment and I thought I'd go through some of the concerns that people

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had from before. And we looked at-- I know there were some concerns on how you'd remove a board member, and for what reasons you could remove that board member. So we added some language that said for good cause. And that way-- and we left all the other language in there, and so it would cover almost anything that you could think of under the sun to remove a board member. And then they have to go back, it's determined by the chief executive officer, which could be a mayor or someone like that in the community, plus they had to go through a two-thirds vote of the governing body, which would be the city council or your-- however those communities do their local governments. There's-- the next one was to-- it reinstates language providing that each municipality must have a voting member on a joint land bank board, but only if the joint land bank board includes a city of the metropolitan class or the city of the primary class. And so I know there was some concerns that a city-- that Omaha could take over a smaller community, maybe out in western Nebraska, and include it in their land bank and they would, maybe, take all of their-- their-- they wouldn't deal with their problem properties. But this-- I think this addresses that by saying that they would have a voting member on there, because they also talked about not having representation within the Omaha land bank. So if Omaha or Lincoln would-- and if we vote this in, and if Lincoln forms a land bank and another community joins that land bank, they--

HUGHES: One minute.

QUICK: Thank you, Mr. President. --they're allowed to have one voting member. And then all of the other communities its done through, the first class, second class, and villages would-- it's all done through interlocal agreements on how you want to set up your board and the membership. It increases the number of factors to be met-- for the automatically accepted bid to four or more. So there's a criteria. The problem properties have to meet-- there's six criteria, and I can come back and talk about those later, but it has to meet four of those criteria. So it be like if it's abandoned, utilities aren't paid, there's vermin present, or the grass isn't mowed. It strengthens the automatically accepted bid process. So it strikes Section 5,(11) in order to strengthen automatically bid process. And then it clarifies that all automatically bid require two-thirds vote of the land bank board. So every property would have to go--

HUGHES: Time, Senator.

QUICK: Thank you, Mr. President.

HUGHES: Thank you, Senators Morfeld, Hilgers, and Quick. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. President, I yield my time to Senator Hilgers.

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HUGHES: Senator Hilgers, 4:55.

HILGERS: Thank you, Mr. President. Thank you, Senator Bostelman, for the time. Spoken a lot about the powers that a land bank has. In a nutshell, there's very little restrictions. And they are not, they are not narrowly tailored-- or tailored in any way to the actual purpose of the land bank, as articulated by proponents. In other words, you could have a land bank start tomorrow under this bill, in that land bank there's nothing that requires or narrows the exercise of its power such that it would ever get a property that was delinquent or foreclosed. It could-- it could live its entire life and only operate in the realm of a private development and investment. Ultimately, that's at the core of the objection, which is-- the underlying statute that would be extended by LB424 would provide-- would-- no-- there would be no requirement-- there would be nothing to limit it just to the purposes articulated by proponents. The moment that land bank is created, it could go and get involved in private development. Now, let's talk about another really unique feature, and I gave Senator Wayne a heads up I was going to ask him a couple of questions if he's on the floor, if he's not here, I'll ask Senator Groene. So there's a provision in here that's really unique, and it's sort of similar to TIF, if you think about TIF and how that works, but it's really actually many ways much different and much more powerful to the land bank or the developer, whoever it might be, and that's in -5211. So Senator-- Senator Wayne on the floor? I don't see him. Senator Groene, would you yield to a question?

HUGHES: Senator Groene, will you yield?

GROENE: Yes.

HILGERS: Thank you, Senator Groene. So, you're an expert in TIF, right?

GROENE: I know a lot about it.

HILGERS: So, I'm going to ask you two basic questions if you don't mind, just about TIF. One is, can a municipality-- can any TIF anything at all or does it have to be limited in any way?

GROENE: It's supposed to be limited to blighted and substandard area, but that's not followed.

HILGERS: Thank you, Senator Groene. My second question is, when a developer-- when you use TIF, does all of the property tax dollars from the developed property go to the developer or some portion?

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GROENE: The base amount; let's say if a lot was paying \$2,000 an acre, that \$2,000-- I mean, \$2,000 in property tax, that \$2,000 doesn't appreciate with the rest of it, but that \$2,000 is continually paid and split up and paid to the subdivisions.

HILGERS: OK, thank you very much.

GROENE: The base, it's called the base value.

HILGERS: Thank you, Senator Groene, I appreciate that very much. So TIF-- so you heard Senator Groene, so TIF has got a number of requirements, but two important features here, one is it has to be to blighted and substandard. So blighted and substandard, it can't be anything anywhere. And secondly, the dollars that go to the developer-- in other words, the dollars that are siphoned away from schools or the county or whatever entity might otherwise receive the property tax dollars only is above that base level. So whatever that incremental additional property tax that is-- that-- the idea being that that additional dollars are tied to development, that goes to the developer; everything else going to the schools, etcetera. Now, let me contrast those points to what is in -5211. Here's what -5211 says-- -5211 says, and this is in subsection (3)(a): 50 percent of the real property taxes collected on real property conveyed by a land bank, pursuant to the laws of this state, shall be remitted to the land bank. That's it. Fifty percent, here's the restriction: if it's conveyed by the land bank, that's it. If the land bank conveys it, the land bank gets 50 percent. Not did the land bank develop it; that's not a requirement. Not was it in blighted and substandard area;--

HUGHES: One minute.

HILGERS: --that's not required at all. All that is required is the land bank conveys the property. It has a property, could have gotten it any way possible, it could have bought it. We talked about how it can acquire property; it could have purchased it, got it in any manner whatsoever. It didn't have to do a dime of improvement to that property. If it conveys it, it gets five years worth of property taxes. The other thing, it's not the incremental value of the development that you heard Senator Groene talk about with TIF, which has some logical sense, it's just 50 percent. They get 50 percent of the property tax of any property conveyed. That goes so far beyond what we understand how TIF to operate, so far beyond what I think the original drafters must have intended, 50 percent of any property conveyed. We're going to talk about the impact that that could have. I'm almost out of time now, but that is such a broad extension of what I would consider to be reasonable, that that's one of the amendments that I discussed with Senator Morfeld. Thank you, Mr. President.



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HUGHES: Thank you, Senator Bostelman, Senator Hilgers, and Senator Groene. Those in the queue are: Senator Slama, Blood, Hilgers, Erdman, McCollister, and others. Senator Slama, you are recognized.

SLAMA: Thank you, Mr. President. I rise wholeheartedly in opposition to LB424. I think it represents exemplary government overreach with the side salad of cronyism. And with that I'd like to yield the rest of my time to Senator Groene.

HUGHES: Senator Groene, 4:40.

GROENE: Thank you. Couldn't have said it better, summed it up, than Senator Slama did, 'cause I can see elements of cronyism here also. But this-- you know, Senator Morfeld mentioned, comically said is this communism? No. No. This isn't communism; this is going back further than that. This is feudalism where the city states had so much power they trumped everybody-- all the other powers around, where this is a form of TIF a little bit. It's just not they're taking 50 percent of the taxes, they're taking 50 percent of the schools and the counties and the rural fire departments' taxes too. And they're getting involved in free enterprise where I'm trying to figure out why they need to, if there's a market out there now for that lot, in North Platte we have Habitat for Humanity who does a wonderful job, exactly doing that, acquiring parcels like that and then building homes on them. And by the way, Habitat for Humanity homes pay their property taxes. I understand there's a trend in Omaha where they're TIFing it. But anyway, and then also we have a community development authority that builds homes and they pick areas of town where it needs cleaned up. And then I-- we got free enterprise people who buy lots and refurbish them. You always got that period of time in there where somebody is going to abandon some property. But I'm more worried about the cronyism part of this. I was told by an individual in Omaha that MUD owns 20-acres in the mid part of town with some water tanks on it. They don't want to have to clean up the water tanks so they can be developed; they don't need them anymore. And they want to donate it to the land bank and then the taxpayers and the donors will clean up the water tanks and then they'll turn around and sell it to a developer, and more than likely TIF it because the government owns it. It will have a base value, what Senator Hilgers asked me, of zero because the government owned it. In this whole scheme, if they own it for two years, and then the government owns it, it's government property and now it has a base value of zero. So then they TIF it, and all of the property taxes go back to the cronyism of the developer. He doesn't have to give any back to any of taxing entities because government owned it and it has zero base. If these city council people think this is a viable way to make a profit and to develop something, then go out to your local bank and start a development company and buy, like I have a couple of friends, some tax liens and do something with it. Why does government have to do it? What qualifications do these city council people have to do this? What qualifications do these government bureaucrats who sit on these things have to do this? We talked earlier about max lids. These entities are up against their lids because they mismanaged

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the government. And now we're going to get them into another avenue of getting into development? So somebody comes in and a factory is abandoned and they say the factory owner says we'll sell it to the land bank, ten cents on the dollar, or five cents, and they get to deduct the difference, the city then can own it because they don't have to buy a tax lien, they can just buy it. It goes to zero. They make a deal with somebody else on valuation and they TIF it or build something there.

HUGHES: One minute.

GROENE: It borders on-- a lot of things can go wrong here. And the first thing that can go wrong is if we pass this bill. It's not necessary. I don't know who dreams this stuff up. Who in the bureaucracy of our cities and things dream these gimmicks up. But if you're so good at real estate development, get in the business. Go do it yourself. Just because you work for the government and the city, all of a sudden you know what you're doing? But then again, it's not your money is it? It's the taxpayers' money you're playing with. It makes it a lot easier. So this is a bad bill; it's based on my passion, property taxes. You are giving away property taxes again, and if you don't pay it, I pay more. It's as simple as that. Somebody has got to play for the public safety.

HUGHES: Time, Senator.

GROENE: Thank you.

HUGHES: Thank you, Senator Slama and Senator Groene. (Visitors introduced.) Senator Blood, you're recognized.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I'm truly delighted, as I sit here and I listen to today's debate. First of all, I found out that Senator Hilgers is a magician. He's really good at sleight of hand. So, over here, look over here, and I want to tell you some things that are lawyers speak about this bill and what I think it is and is not. Even though our last debate pretty well put out on the table what this bill truly is about. And Senator Hilgers is really good at that and I give him big credit for that. Now you also noted that now you're hearing multiple people who have gotten together on the sidelines, I noticed, use the word crony capitalism. Right? We've heard that two or three times now. So crony capitalism, not Groene, but crony, just to clarify, mutually-- I had to do it, it's when there's something that's mutually advantageous between a business leader and a government official. So, ooh, get ready for a really scary story on public, private partnerships, like the La Vista library and MCC, ooh. Public, private partnerships, like the \$136 million used to make the VA better in Omaha. Ooh, so scary. Innovation Campus, oh, my god, capital cronyism, cronyism capitalism, or however you want to say it. It's horrible public, private partnerships are going to bring down Nebraska. But wait,

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there's more. Nebraska preparedness partnership, oh my gosh, we know that if anybody is in dire need during a storm, they better not use this organization because there's some kind of plot behind it, because it's a public, private partnership. Ooh. So let's talk about what is really important. It's the taxpayers. Senator Groene is correct. It is about the taxpayers. And let me tell you, so is the land bank. Senator Quick touched down on it, but we need to talk about it. The true cost to taxpayers, when we have properties that go under, here's the true cost to taxpayers. I'll use Bellevue as an example. When we had a car wash that went under, we had people doing drugs in the car wash next to a Dairy Queen where students walked to after school. They found disposed needles. They found lighters. They found vagrants sleeping with needles and lighters. We've had multiple examples throughout Omaha, throughout Bellevue, any of the older communities have older infrastructure, and these are areas that private development won't touch. And one of the reasons is, a lot of these properties, especially when you're talking about homes, have layers of ownership and layers of liens. And thanks to Senator Crawford and Senator Mello, we are able to address a few of those items several years ago through legislation. But think about a property. Who pays to have that lawn mowed? The taxpayers. Who pays to have those buildings boarded up? The taxpayers. Who pays for law enforcement every single time they have to go to those properties? The taxpayers. Who pays to get those buildings torn down when nobody buys this piece of crap property? The taxpayers. We're worried about the taxpayers, and we should be, and a land bank is how we solve those problems. I'm talking to you, Senator Brandt, because you always listen. You're always such a good audience, thank you. So-- but I'll look over here for a while. So it's called a broken window theory. So when there's visible signs of crime, antisocial behavior, civil disorder, it creates an environment that invites even more. And again, who pays for that? The taxpayers. I don't know about your communities, but Bellevue is short on police. A lot of our communities in Sarpy County that have grown faster--

HUGHES: One minute.

BLOOD: --than they had thought, have trouble meeting all of the needs that they have for public safety because of these properties. And this is not a new idea; it's been around since 1971. Ooh, so scary, it's been around for decades. Let's really concentrate on what the truth is. This is a good bill. I stand in support of the bill. And I wish Senator Hilgers had worked it out with Senator Quick prior to today, because to me it doesn't seem like that's what's really is going on. Thank you, Mr. President.

HUGHES: Thank you, Senator Blood. Senator Hilgers, you're recognized and this your third opportunity.

HILGERS: Thank you, Mr. President. I appreciate going after my friend, Senator Blood. Would, Senator Blood, would you mind yielding to a question?

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HUGHES: Senator Blood, will you yield?

BLOOD: I would be happy to yield unless we are going to do lawyer speak.

HILGERS: No lawyer speak, or at least no intentional lawyer speak. I really just have one simple question for you, Senator Blood.

BLOOD: Yes, sir.

HILGERS: Is there anything in the statute that I've cited, either in LB424 or Chapter 19-5201, that you believe to be incorrect.

BLOOD: Can you read those statutes to me, since I don't have them in front of me?

HILGERS: Well, I've got them all in front, I've been referencing them. You listened to--

BLOOD: Right, and my computer is over here.

HILGERS: And I understand; you've been listening to the debate, correct?

BLOOD: I have been listening to the debate. But when you throw two different statutes at me and they're not in front of me, I could be really frank, I'm not sure which one you are referring to.

HILGERS: I appreciate that, Senator Blood; and I know you do your research, right?

BLOOD: I do.

HILGERS: Is there anything, as I've been speaking, any of my comments or remarks that you know to be incorrect based on your understanding of the law we're talking about?

BLOOD: Well, yeah, and I addressed several of those.

HILGERS: Which one in particular, if you wouldn't mind.

BLOOD: Well, when you refer to public-private partnerships and the cronyism.

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HILGERS: Senator Blood, I haven't referred to public-private partnerships. Which section is incorrect?

BLOOD: You didn't? I'm sorry, you didn't say capital cronyism? I'm just asking--

HILGERS: Senator Blood, it's my time, which section--

BLOOD: It is. I'm trying to clarify what you're saying, sir.

HILGERS: Thank you, Senator Blood.

BLOOD: You're welcome.

HILGERS: Next time you're on the mike, I'll give you an opportunity, -5201, or we could talk off the mike if there's a provision that I got incorrect, I would like to hear it. Colleagues, here's the reality. Everything I've talked about, everything I've mentioned has been grounded in the words of the statute. We have been sitting here, every time I've been on the mike, what have I said? I've said Chapter 19, Section 5201. It's all the provisions that you can find in LB424. And if there's something that I've misquoted; if there is something that I have misinterpreted; if there is something that I have paraphrased incorrectly; if there is something that I got wrong; if there is something for which I don't appreciate the full context, correct me. I want to be grounded in the statute. And if there's something wrong, let's get it on the record. There's no pride in authorship here; we want to get it right. And there's nothing in here that I have misquoted. Now, if there's something, please correct me. Now, let's talk about crony capitalism, because I think that is-- this is prone to abuse. Now, let's talk about the conflict of interest. Now, I have walked through section after section after section of this particular statute, as it would be extended by LB424. We have spoken about the broad powers that the land bank has. It can invest money without restriction. It can enter into a joint venture without meaningful restriction. It can acquire property; it can develop property; it can sell property. When it sells that property, no matter how it got it, it can acquire 50 percent of the property taxes over the course of the next five years. Now you might think-- you might think that such a broad set of powers ought to have some sort of narrowing or accountability structure. And there are kind of two ways you could go about it. One is, and I'll talk about this later, is the ability to remove members of the board, or fire CEOs who engage in their own self-interest. That's the second thing, we're going to talk about. But the other thing you do, is you actually put conflict of interest requirements in the statutes. And there actually are some conflict of interest requirements. I want to acknowledge that. But when you read through them and you compare them to the broad powers that the land bank actually has, you can see that there's gigantic, gaping loopholes. So here's what-- here is what you can't do. OK. If you are on a land bank, here are your restrictions: no member of the board or employee of

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a land bank, I'll stop you there. No member, it doesn't say anything about family members, it doesn't say anything about friends of those employees, it doesn't say anything about business partners, it doesn't say anything-- but that one person. Continuing: shall acquire any interest, direct or indirect in real property of the land bank, and words have meaning, you'll see nowhere in this conflict of interest provision that I'm about to read that has anything to do with joint ventures--

SCHEER: One minute.

HILGERS: --or investments, of the land bank and any real property to be acquired by the land bank or in any real property to be acquired from the land bank. Further, no member of the board or employee shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by a land bank. That's it. That's it. So if you're on the board or if you are a member, you can't have a direct or indirect interest in the property that's acquired, and you can't be the vendor. It doesn't limit a whole bunch of things. It doesn't limit family members, doesn't limit campaign contributors, doesn't limit friends, doesn't limit you from-- not even-- there's no bidding process in here. There's none of those limitations. You might think that there would be a strong conflict of interest policy in here or statute, but there's really not. And there are more ways, and we're going to talk about some hypotheticals where this real crony capitalism could occur, we're going to talk about the ways it could happen.

SCHEER: Time, Senator.

HILGERS: Thank you, Mr. President.

SCHEER: Thank you, Senator Hilgers. Those waiting in the queue: Senator Erdman, McCollister, La Grone, and Stinner. Senator Erdman, you are recognized.

ERDMAN: Thank you, Mr. Speaker. Again, I want to thank Senator Hilgers for the description and understanding of the statutes. So Senator Blood says that Senator Hilgers works magic in sleight of hand. What happens here in this body is we don't want to confuse anyone with the facts. We don't want to confuse anybody with reading the statutes. We have a preconceived idea of what a land bank is and what it does. And when someone points out, as Senator Hilgers has, what exactly the authority given to the land bank really is, we don't care what the statute says, it's because we have already conceded that we know everything we need to know, and we are not going to change our mind. So Senator Hilgers has worked diligently trying to figure out what a land bank does, and according to the statute, what authority it does have. But we sit here and listen or act like we listen, and we don't really comprehend what it is he's trying to tell you. And what he's trying to tell you is that this land bank has more authority than any other group of

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people we could put together to do the things they are doing. And so if you're, or you were in favor of the land bank and you listened at all to what Senator Hilgers said, and even if he was wrong on one statute, which I don't think he was, but even if one-half of the statutes that he read and described are correct, there's no way on God's green earth that you could be for a land bank and look at people back home and say I voted for that, that is a good bill. This needs to go away. And has been mentioned several times, if it was economically feasible for someone to do this, someone would do this. But we can use tax dollars, and it's OK. That's not OK. So I will yield the rest of my time to Senator Hilgers.

SCHEER: Senator Hilgers, 2:40.

HILGERS: Thank you, Mr. President. And thank you, Senator Erdman. It's important to emphasize, colleagues, that this is-- I'm reading from the statute. The suggestion that we are trying to, you know, use sleight of hand to fool people or trick people as to what is going on, I think, is off the mark. Ultimately what is-- what I'm reading from is the statute. Now, if you think of a land bank, you might create in your mind what you think a land bank is, and a land bank sounds-- talked about this last time, if you think about the words "land bank." I mean, it actually sounds like-- about as safe and as trustworthy as a thing you could have. "Land," solid, immovable, something you want; "bank", right, trusted; land bank, it sounds good, man, it's got to be great, land bank has got to be great. It's got to be great, it's doing a good thing. What the land bank is is found in the statute. The powers it has is found in the statute. The restrictions that exist are found in the statute. You may think whatever you want a land bank does or should do or could do or has done in other jurisdictions, but it doesn't matter if it's not found in the statute. And I have walked through provision after provision after provision about this breadth of authority, the breadth of powers, the almost unrestricted nature and power of a land bank. And I've talked about how it can siphon off, without any restriction, 50 percent of the property taxes of any sale that's been conveyed. The last time I was on the mike, how much time do I have, Mr. President?

HUGHES: 1:05.

HILGERS: 1:05, thank you. I may get into this-- I'm going to get into conflict-- I'm going to dig a little deeper in some of these conflict of interest provisions here in a minute. But if-- and I actually had a few people comment to me, they say, hey, I have been listening to the entire debate. And so for those, I apologize for repeating myself. But for those of you who tuned in, go to Chapter 19, Section 5201, you will find all the powers of the land bank, and you can see how it's modified by LB424. The land bank can buy and acquire property almost any way that it sees fit. It could develop that property anyway that it sees fit; it can sell it in anyway that it sees fit; it can recoup 50 percent of the taxes, all of that's-- all its income is tax free. And it never once,

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never one time, has to do anything for a delinquent property. There's nothing that guarantees that it would ever do anything furthering the purpose of those who would be in favor of the land bank in LB424. Thank you, Mr. President.

HUGHES: Thank you, Senator Erdman and Senator Hilgers. Senator McCollister, you are recognized.

McCOLLISTER: Thank you, Mr. President, members of the body. Wonder if Senator Quick would answer a few questions.

HUGHES: Senator Quick, will you yield?

QUICK: Yes, I will.

McCOLLISTER: Senator Quick, what is the geographic scope of this bill? What areas of Nebraska would it cover?

QUICK: It would actually cover everything outside of Omaha; Omaha is the only-- Omaha, Douglas and Sarpy Counties is the only place that can have a land bank currently. So this would expand it to allow for regional land banks and allow the city of Lincoln to have a land bank.

McCOLLISTER: So, Lincoln has no land bank at this time?

QUICK: No.

McCOLLISTER: And the city of Lincoln came out in support of this legislation to establish a land bank?

QUICK: Yes.

McCOLLISTER: Members of the city council came out in support of this legislation?

QUICK: I had people who represent the city of Lincoln support this. And then, I've also had the city of Grand Island and several other communities support this.



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McCOLLISTER: As I look through the list of proponents for the bill, I do see the city of Lincoln. I also see the city of Grand Island. I also see the municipal land bank-- Omaha Municipal Land Bank, city of Blair, Greater Nebraska Cities, Nebraska Housing Developers Association, Economic Developers Association, League of Nebraska Municipalities. So, it's pretty widespread support throughout Nebraska?

QUICK: Yes.

McCOLLISTER: Were there any opponents of this from any large city or a town throughout Nebraska?

QUICK: No, none from a large city or a municipality.

McCOLLISTER: Thank you. Are cities, counties, or regional development associations forced to establish a land bank?

QUICK: No, they are not.

McCOLLISTER: So they do it voluntarily if they wish?

QUICK: Yes, they would do it voluntarily through a vote of the city council, like the city of Grand Island would bring it forward and vote whether to approve a land bank. Now, with the way we've made the bill, currently Grand Island would have to-- first they would have to join with another city, and they would both have to agree to be part of that land bank.

McCOLLISTER: Thank you, Senator Quick. Senator Hilgers, will you yield to a question, a yes or no answer?

HUGHES: Senator Hilgers, will you yield?

HILGERS: To any question you would like to ask, Senator McCollister, of course.

McCOLLISTER: You've given us a fairly good description on the powers of a land bank, and I'm grateful for that. A yes or no answer would be appreciated. Do land banks have the power of eminent domain?

HILGERS: This land bank does not.

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McCOLLISTER: The one we are creating with this statute-- with this bill?

HILGERS: The one that exists and the one that would be extended would not include the power of eminent domain.

McCOLLISTER: Thank you. Now a practical question for you, sir. If a city has 500 or 600 abandoned properties that exist in a certain part of town, and that's no stretch of the imagination for Omaha, what is the practical way for them to deal with those properties if the owners have abandoned those properties and a tax sale is not going to work where the property would transfer, how does a city deal with that, without some device like a land bank?

HILGERS: So you're-- in your hypothetical, you are saying that foreclosure or a tax deed process would not be effective?

McCOLLISTER: Well, but the properties are still-- have been abandoned for 8, 10 years; apparently that system didn't work to transfer ownership and get the property demolished because in a lot of cases, those properties have abandoned structures, dangerous, kids play in it, and I know for a fact the city of Omaha has been forced to bulldoze those properties just to clear off those dangerous properties.

HILGERS: I know there are some mechanisms by which the city could do that through the tax sale or foreclosure process.

HUGHES: One minute.

HILGERS: Beyond that, if those aren't successful, Senator McCollister, there may be some ways, and I know there's some municipal experts here who might be able to answer that question. There are none that come to mind offhand.

McCOLLISTER: Well, it just seems to me this is a practical way to deal with a problem that many cities have. And I support LB424 and the amendments. I don't believe I support AM1401. Thank you, Mr. President.

HUGHES: Thank you, Senator McCollister, Senator Quick, and Senator Hilgers. Senator La Grone, you are recognized.

La GRONE: Thank you, Mr. President. Would Senator Lowe yield to a question?

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HUGHES: Senator Lowe, will you yield?

LOWE: Yes.

La GRONE: Thank you, Senator Lowe. Senator Lowe, I know that-- I haven't had a chance to get your thoughts on this yet. Can you kind of walk me through what your thoughts are on this bill.

LOWE: Thank you very much. My thoughts on the bill: I don't like it. I don't like land banks. I don't like government doing what private citizens ought to be doing. I think that private developers ought to buy the land and not our cities and counties.

La GRONE: Well, thank you, Senator Lowe. I completely agree. And that's why I have issues with the automatic bid provisions of the bill. Would Senator Morfeld yield to a question?

HUGHES: Senator Morfeld, will you yield?

MORFELD: It depends on the question. Yes.

La GRONE: Senator Morfeld, I apologize, I was trying to give you a heads up about this before and I just didn't do it fast enough. But essentially, you were talking with Senator Hilgers on the mike about how you both agreed this was not a communist plot. Is that correct?

MORFELD: I did not agree to that yet. I'm still listening to Senator Hilgers and his explanation of the bill, and word is still out. I don't know; jury is still out.

La GRONE: I guess that will be my first question then. Do you believe this is a communist plot?

MORFELD: Not yet, but Senator Hilgers is very persuasive.

La GRONE: OK. I don't believe this is a communism plot; and let me just bounce this off to you to make sure we're in agreement on why. So communism, essentially, is complete government ownership, would you agree?

MORFELD: Yes.

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La GRONE: So essentially in that case the government would own 100 percent of the land, isn't that correct?

MORFELD: In a pure communist system, probably yes.

La GRONE: And this bill has a 7 percent cap on the amount of land that the government can own, correct?

MORFELD: I believe so, I'd have to look at the bill again.

La GRONE: So, therefore, it couldn't be a communist plot? It could only be 7 percent of a communist plot, is I would (INAUDIBLE).

MORFELD: Only be 7 percent.

La GRONE: Correct. So, I would contend this bill is not a communist plot. I just wanted to clear that up since that was a conversation that was had earlier.

MORFELD: Thank you so much, Senator La Grone.

La GRONE: Thank you, Senator Morfeld. Colleagues, I just-- that-- I thought that that would be a little fun to Senator Morfeld since he mentioned that earlier. But I still rise in opposition of this bill. I do seriously have problems with-- obviously, the automatic bid provisions. And I really do think the conflict of interest provisions are really problematic. And we can get more into that later, but I did want to hear a little more from Senator Lowe. So, how much time do I have left, Mr. President?

HUGHES: 2:13.

La GRONE: I will yield the remainder of my time to Senator Lowe. Thank you, Mr. President.

HUGHES: Senator Lowe, 2:08.

LOWE: Thank you, Senator La Grone and Mr. President. Who pays for this property? Who pays for maintaining the property, as the senator brought up? It's the government instead of private developers. Who pays to purchase this property once it's taken back? It's the taxpayers who pay for it. Who pays for the inspection for the demos of the property? It's the taxpayer. Who pays for

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the demolition of the property? It's the taxpayer. Who pays to fill and compact the ground so that they are able to sell it? It's the taxpayer. Who maintains this property for years before it is sold maybe? It's the taxpayer.

HUGHES: One minute.

LOWE: Thank you, Mr. President. And if you can't sell it as vacant ground, who pays to have it developed? It's the taxpayer. And who pays for all the administration to take all this place? It's the taxpayer. That's who pays for it. Now, to me that would seem like a lot more cost than maybe maintaining the yard a little bit several times a year or having a policeman drive by. That's why it doesn't make sense to me. That's why government should not be involved in this. Thank you, Mr. President.

HUGHES: Thank you, Senators La Grone, Lowe and Morfeld. Those in the queue are: Senators Stinner, Williams, Clements, Halloran, Quick and others. Senator Stinner, you are recognized.

STINNER: Thank you, Mr. President, and members of the Legislature, whoever is listening still. I just want to-- and I don't want to filibuster my own bill, but I do want to state that this is my priority bill. I prioritized it because of conversations I've had with mayors, councilmen, constituents, commissioners. They all expressed an interest and a concern about the amount of abandoned properties. They also expressed an interest in a mechanism where they could repurpose some of these homes for affordable housing, because we do need affordable housing. Rural Nebraska needs this bill worse than Omaha, and Omaha has been dealing with the land bank for six years. And I know that Senator Hilgers likes to take this apart and says expanded powers, expanded powers; I say flexibility, flexibility, flexibility. OK. Difference of opinion. But I will tell you this. This piece of legislation is custom legislation that actually developed, this is the third tier, is what it's called, of legislation relative to land banks. So we have experience with land banks. That first tier didn't go so well, so they created another one. But it's a combination of Georgia and Ohio and Michigan came into this bill. Interestingly, if we go back, what was the vote count? 47-0. 47-0 when this was presented in the last time the Legislature voted on this. We had a Republican Governor at that time who signed that bill. Land banks do work; they are needed. Why are they needed? Because we have out-migration, we have abandoned properties. We have properties that, frankly, probably need to be torn down because they are actually hazards. This creates that opportunity for all of rural Nebraska. Now, you can part and parcel all you want about this legislation, it's developed over years. It's been tested. It's been watched. And the idea that we want to hold everybody so tight with language cuts all the flexibility out. So my point is today, I think it's good legislation, I think it's tested legislation, Omaha has used it effectively, we need it in western Nebraska. I don't care who else wants to use it, we're going to use it on a regional basis. And, yes, it will be used, and it will be-- the dollars will be invested

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correctly. They will have oversight by city councils; they'll have oversight by taxpayers. And these properties are out there because private enterprise looks at them and says, uh-uh, can't make that work. That's why you have to have a mechanism for towns like the Morrills, like the Mitchells, like the Minatares, like the Gerings, like the Scottsbluffs to be able to help themselves. Their budgets are restricted and they're tight. We need a mechanism. This is the mechanism to do it; it's proven to be very successful. So, on that, I will yield the rest of my time to Senator Quick if he'd like it.

HUGHES: Senator Quick, 1:35.

QUICK: Thank you, Mr. President; and thank you, Senator Stinner. One of the things I did want to correct on the record would be from Senator Lowe had brought up some points that the taxpayers pay for demolition and all these different things that the land bank does. And actually the Omaha land bank has had foundations donate money and well over a million dollars to help with demolition, to help with some of the other processes that the land bank does. So the only-- there are really no taxpayer dollars except for what they would take back, if they have to bring back 50 percent, the look back to the 50 percent on the property tax, and this would be after the property is developed. So that would be the only thing that they would need, and it would only be for five years. And most of these properties currently, they are getting zero dollars in property tax. And so, this would be on a refurbished home or a home that Habitat for Humanity built from scratch that maybe is worth, say it's worth \$80,000, so they're going to collect the property tax on a \$40,000 value for five years. And only, I believe the way it works, is, maybe, for as long as they would need to, but anyway, I wanted to clear that up, that it is not taxpayers paying for everything that the land bank does. I will probably go into more later on.

HUGHES: Time, Senator.

QUICK: Thank you, Mr. President.

HUGHES: Thank, Senator Stinner and Senator Quick. Senator Williams, you are recognized.

WILLIAMS: Thank you, Mr. President; and good afternoon, colleagues. And I certainly rise in strong support of LB424. I have been there from the very beginning on this piece of legislation and remain there. It almost seems like a broken record to me, talking about creating the environment that is necessary to grow our state and continuing to work on those things when we fight so hard on things like property taxes and equality and other things, and we forget that the answer to many of our problems are growing our state. And each one of us can always find reasons not to do something if we want to, but we can find reasons to do something, also. We have made some really good steps forward over the last years in addressing some of our state's

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most complicated and important needs in economic development, work force, and work force housing: LB518, LB496, and now we are talking about the land bank. And creating this environment is critical. It is undeniable that we have properties in every one of our communities. And if the private sector were stepping up and taking care of this, we wouldn't have this problem. So saying that we are taking something away from private business makes no sense, because government would not be involved with this, communities would not be involved with this if there wasn't a need, and that need is not getting taken care of. I have specifically been contacted by the four largest communities in my legislative district: Gothenburg, Cozad, Lexington, and Broken Bow. Each one of them has this problem. Each one of them wants to step forward and find some additional solutions and they look at the land bank as a possibility to do that. There's been questions on the body-- or from the body concerning tax certificates and trustees deeds in that process. Earlier this session, I sponsored LB463 that took a hard in-depth look at the process that is involved with that. And leading up to that, starting last summer, I invited many of the stakeholders together, the attorneys that do that kind of work, the larger companies that buy tax certificates, the county officials, the county treasurers, all together, and what came out of that was LB463, which we passed and has been signed by the Governor. But also came out of that a clear understanding that the types of property we are talking about here, abandoned properties, are not the types of properties that those companies that are bidding at the-- I will use the term loosely, auctions, because it's not an auction in the sense that you are bidding against each other for price, they are not there to buy those because they are interested only in properties that have proper upkeep, that they believe the people will eventually pay the taxes when they put the right pressure on them to do so. So the abandoned type properties go unpurchased. Once more, private industry clearly is not stepping up to do that. I continue to challenge myself and other members of this body to recognize that our goal is to create an environment that people can be successful in.

HUGHES: One minute.

WILLIAMS: Thank you, Mr. President. Successful in their lives, successful in their businesses, successful in their schools, and that's what we are doing here. So I would encourage you to support this underlying bill. I certainly appreciate the work that's being done today, but please support LB424. I would yield any time I have left to Senator Morfeld.

HUGHES: Senator Morfeld, 0:25.

MORFELD: Thank you, Mr. President; thank you, Senator Williams. I do want to, on a serious note, just note that these properties going unbought, whether by a land bank or private developer, they are also having a price on the surrounding properties. I will tell you that there are houses in

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my neighborhood that bring down the property value of my home and other people's home because they are unattended and because the private market does not want to buy them.

HUGHES: Time, Senator.

MORFELD: Thank you, Mr. President.

HUGHES: Thank you, Senators Williams and Senator Morfeld. Senator Clements, you are recognized.

CLEMENTS: Thank you, Mr. President. I'm interested in listening to the debate today, especially hearing some of the more details about what these land banks do. I was concerned when I heard they don't pay any taxes: no real estate taxes, no income taxes. I believe that's what I heard. Whereas, the private businesses do have to do that. And then the automatic bid, which could be at their price, not at a market price, also was disturbing to me, especially a situation that I had, I mentioned it before. The house next to us, we came to be-- it came to be known as the crack house. And it was a little cottage built in 1910, and I've lived there 40 years now, and for about 30 years it was fine. It was a nice corner lot. The neighbors, for the first 30 years, were a nice elderly couple, nice people, and then the neighbors died and a new owner came, and it pretty quickly went into disrepair, and the yard wasn't mowed, there were cats and racoons, and other animals living there, just across the alley from me. Then the police would be coming regularly, and I didn't know why the police were there, they wouldn't really tell me. But it got to be known as the crack house, I think, for a good reason. Then it became vacant, nobody was living there at all, and even in more disrepair and more critters running around across the alley, and I didn't want to wait three years for a tax sale. I could have done that. But I did-- was able to track down the owner, a woman who had moved to Lincoln, and got ahold of her and was able to negotiate a price, the market value price, she didn't take my first offer, had to raise a little bit. But I bought the property, and it stayed on the tax rolls, and the fire department did me a favor and burned down the house and I got the lot cleaned up and became a nice corner lot. And I was able then to look for who I wanted to have as a neighbor. I could put it up for sale and wanted somebody who would build a nice house that would put some valuation in our school district, especially. And I had control over the property, what was going to be next door. I think with the land bank, what kind of house would be built there or even if it would have a house there, or if it would just become a playground, the land bank could have just said, oh, we'll just have a playground next to you. I'd rather have some taxable property. And so, I-- especially because I was able to buy it on the open market and not have an automatic bid just come in and take it out of my control, I prefer the private marketplace to work. With that I'd like to yield the rest of my time to Senator Hilgers.



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HUGHES: Senator Hilgers, 1:20.

HILGERS: Thank you, Mr. President; thank you, Senator Clements. If I were to boil down my dispute with this bill, it's not that there isn't maybe a problem, and everyone keeps referring to these properties and the potential issue in these communities, what I object to is not trying to solve that problem, I'm objecting to the way that this tries to solve that problem. This bill, as an extension of the underlying statute, has zero guarantee that it will be ever used to solve the problem that we've talked about, and it also has potential, significant, severe potential for abuse. So I can't support something that won't necessarily even solve the problem and may be used for a whole lot of other bad uses and abuse. And I'm-- briefly let's talk about a couple of things in the conflict of interest section that it does not cover. One of them is there's no restriction in the conflict of interest or anywhere in the statute that says that a bid for services, lawn mowing or the like, has to be-- there has to be a bid at all. There's no lowest bidder requirement. There's no bidding requirement whatsoever that I can find in the statute. There's no restriction about who could be hired; could be a friend, a campaign donor, golfing buddy, brother, it could be anybody, and it doesn't have to be a low bid.

HUGHES: Time, Senator.

HILGERS: Thank you, Mr. President.

HUGHES: Thank you, Senators Clements and Senator Hilgers. Mr. Clerk.

ASSISTANT CLERK: Mr. President, a priority motion: Senator Chambers would move to bracket the bill until June 6, 2019.

HUGHES: Senator Chambers, you are welcome to open on your bracket motion.

CHAMBERS: Thank you. Mr. President, members of the Legislature, I already mentioned this to Senator Quick. And after I speak, I'm going to pull that motion. I have been listening to you all down in my office. I knew what the nature of the discussion would be. All I would have been doing is standing here pacing, pacing, not able to get a chance to speak because I know what the game is. So I have to jump to the head of the line. I've listened to people giving time to Senator Hilgers, including Senator Halloran. When he gave him time, that's what made me come up here, because his committee under his tutelage has locked up my bill, to wipe out that black-tailed prairie dog bill. Now that you all have done all this talking about private property and government overreach, I want to read what goes on with the law right now that Senator Halloran will not let out of committee. An agent of the county board may enter property for the purpose of

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taking appropriate management activities at the owner's expense. The expense shall become a lien on the property as a special assessment. A fine of \$100 per day, up to \$1,500 for noncompliance, can be levied. The county board shall immediately cause notice to be filed of the management assessments against the property in the register of deeds office. The county board shall certify to the county treasurer the amount of such expense which shall become a lien on the property. The county treasurer shall add such expense, too, and it shall form a part of the taxes on the property and shall bear interest at the same rate as delinquent taxes. In the event of noncompliance, the county board shall notify the county attorney who shall proceed against the landowner. If convicted, the penalty shall be a fine of \$100 per day for each day of violation up to \$1,500 or \$2,500 for 25 days of noncompliance. Satisfaction of the obligation in whole or in part by tax foreclosure proceedings shall not be the limit of proceedings. The expense may be collected by a suit for a debt due the county or by any other additional remedy otherwise available. Those are things that can be done right now. And as Senator Hilgers was reading the statute and saying you should pay attention to it, listen to this, and Senator Hilgers knows it. He should not open his mouth the way he did today. Notices from management of colonies shall consist of two kinds: general notice and individual notices, which notices shall be on a form prescribed by the section. That sounds good, doesn't it? But listen to this: Failure to publish the general notice or to serve individual notices, as provided in this section, shall not relieve any person from the necessity of full compliance with the Black-Tailed Prairie Dog Management Act. They don't have to give you notice and all these things can happen. And you hypocrites are up here talking this nonsense that you're talking. I would call it BS and use the words that BS stands for if I was like your President. I could not stand in my office, sit in my office, or pace in my office while Senator Hilgers is up here lecturing and preaching in the most self-righteous hypocritical way I've heard him do. If he hadn't done what he did today, I wouldn't be up here. He's going to read from the statutes and say the statutes says this. I've read repeatedly to him and to this body what the statutes says right now can be done. You all are talking theory, what if. I'm talking about what is. All right, a little something else for the hypocrites. And you know who you are. And if you don't, ask me and I will give your name. Fines and penalties: All fines and penalties and license money arising under the general laws of this state shall belong to and be paid over to the counties respectively where the same may be levied. All such fines, penalties, and license money shall be appropriated exclusively to the use and support of the common schools. Everybody is familiar with that. But this black-tailed prairie dog bill says that the money will either go into an enforcement fund for the black-tailed prairie dog bill or into the general fund of the county. That violates the constitution. Senator Hilgers knows that. And he-- I read it in the statute. And he doesn't care, but he's up here preaching fear, playing on the ignorance and the simplemindedness of these rural people. Keeping you in suspense. You wonder what's coming next, don't you? There is a lot more, but I only have 10 minutes, and I think I put enough out there if you all were sincere and you meant this BS that you're talking and listening to. I've talked to Senator Hilgers about these issues several times, several times, and yet he votes against my bill. He wants to keep in place this stuff that I mentioned can be done to a

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landowner without notice, without a warrant when you come on the property, without any judicial activity whatsoever. You can be charged with a crime. You can be fined up to \$100 a day for 25 days, right now, without any notice. And the constitution guarantees every person due process of law. That's what the constitution, your constitution, says. And then there's Senator Halloran giving time over to Senator Hilgers, and Senator Halloran heard me present this in his Ag Committee. I know what goes on around here when it comes to me. You throw your constitution out the window. What do you care about what Senator Hilgers is saying? It means nothing. He plays on your fear. He plays on your ignorance. He knows you don't read the statute, so he will read something then and interpret it for you, saying what you want to hear. But you don't want to read your constitutional violations that exist in the law right now. And I've tried to get it corrected to protect these white ignoramuses in the rural areas who send people down here and they will not represent those people. White people are the ones who are going to be affected by this bad law that I'm reading from. They're the ones whose property can have agents that they don't even know who they are, come on their property, can destroy standing crops, can destroy property, and the landowner has no cause of action against them, and this can be done without notice. It can be done any time of the day or the night. Vehicles can be brought on your property. Poison can be spread. And the damage can be done, all pursuant to this law that white people put on the books when I was out, term limited out. Because when that old senator was trying to do this, and I was here, and Senator Erdman happened to have been sitting in the balcony, and I warned them what was being done that was wrong and the Senator Louden would not take it, so I killed the bill. Then after I was gone, Senator Louden brought the bill, and it became law, and it is now the law on your books. I will tell you what I will do; I won't offer the bill anymore, I will leave it in the committee. I will try to advance it next year. And if it's not advanced, it's no sweat off the nose of anybody in the city. We don't have groundhog-- prairie dogs. When I see injustice, even being done to my enemy and there's something I can do about it, it's my responsibility as a senator to do it. What do I care about what happens in the rural areas? That's where they hate me more than any other place.

HUGHES: One minute.

CHAMBERS: They're the ones who overwhelmingly changed the constitution to get me out of this Legislature, and yet I'm the one who will fight for them again and again and again, against the ones they send down here. You swore to uphold the constitution. You know what the constitution is. You know what's being violated. What becomes of your oath? It's nothing. Now, I want to withdraw that motion. And to keep my sanity, keep you all from showing a karate chop to split this and impress you all, I'm going to go down into my office and listen. And when I can't stand it, I just turn the sound down. But I will be doing some work. Thank you, Mr. President.

HUGHES: Thank you, Senator Chambers. It is so ordered. Senator Halloran, you are recognized, and this is your third opportunity.

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HALLORAN: Thank you, Mr. President. Thank you, colleagues. Thank you, Senator Chambers. I think that was a good motion. I'm sorry we didn't vote on that motion. Would Senator Quick yield to a question, please?

HUGHES: Senator Quick, will you yield?

QUICK: Yes.

HALLORAN: Back to the bill and the issue at hand, trying to ask what I think might be a practical question, maybe not, but how would a land bank prioritize which community to do its taking of land, if you will. In other words, Grand Island has a population of 50,000 people, right, roughly?

QUICK: Yes.

HALLORAN: OK. Alda, just a few miles west of Grand Island, has 642. I think you mentioned about 200 properties in Grand Island that were possibly in need of a land grant-- of a land bank, excuse me.

QUICK: Yes.

HALLORAN: So how would a land bank prioritize which communities to go to? Go ahead, I'm sorry.

QUICK: Well, OK, no, that's fine. And in the statute, it kind of lays out how the city councils before that the-- as the land bank is established, they prioritize what they want to see the land banks do. So, the city of Alda, say for instance, and the city of Grand Island would prioritize what they wanted-- if they agreed to form a land bank, and it would all be done through an interlocal agreement. And then they would decide how many board members between the two communities, they would have for representation for voting members and nonvoting members. And then from that, they would prioritize properties within the land bank to acquire those properties to pass on to developers.

HALLORAN: So would there be an equal number of members from each community being represented in this process?

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QUICK: Well, that's up to the-- how they do the interlocal agreement between the two communities. And I'm sure if Alda didn't feel like they would be treated fairly, maybe they wouldn't want to be part of the Grand Island land bank. Because there's no requirement that anybody or any one community belong to a land bank. And so, say like if they couldn't establish that, then maybe Grand Island would have to go to a Wood River or, maybe, an Aurora or somebody like that and try to get in a interlocal agreement with somebody like that-- or a community like that.

HALLORAN: So, what would you say, and I wouldn't expect you to have exact figures, not even a figure, but the lot value in Grand Island compared to a town the size of Alda?

QUICK: Yeah, and I-- you know, it depends on-- like where the property is at, so some of these problem properties, I'm sure the lot value is quite a bit lower than it is, no matter what community it's in. So I couldn't tell you what the-- how that would compare.

HALLORAN: I think it's safe to say the land-- the lot value, for example in Alda, would be substantially lower than Grand Island.

QUICK: Could very well be.

HALLORAN: OK. So, in that process of prioritizing, no matter what representation the communities have in it, it would seem like it would be a wise decision for the land bank to pursue lots that have a higher value. Would you agree with that?

QUICK: And quite possibly. I think their-- what they would do, though, you know, most of these are community leaders, you know, people within the community, so they're going to try to treat each other fairly. So it's not going to be like Grand Island is just going to do all of their own properties and leave Alda out of it, because I think that's one way for land banks to fail. And I don't-- I think you are going to see community leaders that want to do what's best for those communities.

HALLORAN: Well, I understand that, I appreciate that sentiment, but it's mostly sentiment, I think. I mean it's-- on a practical note, the land bank is going to look at value of land, the lot, specific lot, and determine which one is most likely to be turned over--

HUGHES: One minute.

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HALLORAN: --and sold again. And so, I guess my concern is this is not-- this is not the silver bullet for rural communities that are suffering with properties that are in need of destroying, in many cases, in our-- a detriment to the rest of the community. I don't see this as a silver bullet, because I think the larger communities will get the priorities. There will be a pecking order. It's just the nature of the way these things work. So, with that I'd yield the balance of my time to the Chair.

HUGHES: Thank you, Senator Halloran and Senator Quick. Speaker Scheer, you are recognized.

SCHEER: Thank you, Mr. President. Colleagues, just a couple things in reference to tomorrow. Through my error, I neglected to inform my staff of one bill that was on the consent agenda and did not show up this morning. So I wanted to make you all aware that it would be on tomorrow, and that's LB564. And as long as I am on the contents of the consent agenda, those of you that have not had a bill on the consent agenda, and those that do, I just want to refresh your memories, if your bill is on my consent agenda, that means it doesn't take 10 minutes to open on that bill, it probably takes two minutes or less. And if you have a question about a bill on the agenda, my suggestion is you go contact the bill introducer, and see if you can get the answer before it's introduced on the floor. These bills are supposed to be non-consequential. They are non-provocative. So let's try to make sure that we are able to move the consent agenda in the manner of which it was originally proposed. So if you happen to have a bill there, please check your opening and make sure that it is a concise opening. And again, if you have questions about a bill, please contact the senator that introduced it. They might be able to explain that to you very quickly without wasting the rest of our time. So with that, Mr. President, thank you very much.

HUGHES: Thank you, Speaker Scheer. Those in the queue are Senators Quick, Hunt, Geist, Lowe, Blood and others. Senator Quick, you are recognized.

QUICK: Thank you, Mr. President. You know, one of the things I, and I think I spoke about this last time, but it-- you know, these are-- the land banks will be set up by our community leaders: mayor, city councils, other-- from smaller communities it would be the commissioner of that, maybe, that community, and others. And then, the board makeup is made up from people from within the community that have to meet a certain criteria, like a chamber of commerce. And one-- one person can satisfy one or more of these criteria. But they have to be someone that's a member of chamber of commerce or experienced in banking with a banking background; real estate development, a realtor, a nonprofit or affordable housing representative, experience in large scale residential or commercial property rentals, a single voter may satisfy one or more of these positions. And to acquire the property, the six things that you have to comply with and actually-- within my new amendment that we aren't going to get to talk about, but it would require four or more of the criteria. And one of them is the utilities is no longer provided or

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disconnected. One or more major building, which means it has to be a house, not an out building, so it has to be a-- the main building on that property. One or more, let's see, buildings on the property that are exposed to the elements, such as deterioration; so like the siding is gone on the side and the inside of the home is exposed; buildings that are boarded up; there's been previous efforts to rehabilitate the home; presence of vermin, uncut vegetation or debris accumulation on the property; and there's been past action by municipalities to maintain the grounds; and the property has been out of compliance with orders of the local housing officials. So it would have to meet four or more of those criteria for the land bank to even acquire it. And even at that, then it has to be two-thirds of the vote of the board. And I know Senator Moser had asked me for some time, so I've said what I felt like I needed to say, so I'm going to yield him the remainder of my time.

HUGHES: Senator Moser, you are yielded to 2:33.

MOSER: Thank you, Mr. President. Well, it's been an interesting discussion here. This afternoon I listened to various senators whom I respect greatly, and I normally would yield to their opinion. I think, though, that we have devolved into a situation where there are some who are against it, no matter how we may want to change it, they're not going to support it. The problem is evident. In a lot of communities there are properties that are not economically viable for developers to buy. And in our community of Columbus, we have Northeast Nebraska Neighbor Works, and they will buy properties that are close to viable. They may be negative by \$10,000, \$15,000 of what it takes to make them viable. So they will buy them, upgrade them, and then flip them. But there aren't a lot of properties that don't come that close to being viable. And that's what the problem is. Below that level of viability, the land bank, I think, could be used to redevelop some of those properties or put them back into the hands of private landowners. I don't think it's going to be a problem in my district. I don't think that the elected officials in my community are devious, or I don't want to say as deceptive as--

HUGHES: One minute.

MOSER: --some of you may have thought. I support the bill. I think we should try to move it forward. I support putting safeguards in it to protect against self dealing, to protect developers so that they can buy properties that are economically feasible. And I think we should protect the public from runaway government. But I'd like to see us move it on to Select File and work on amendments to fix the new bill and also to look at the current land bank law to protect the citizens of Nebraska against misdealing. Thank you.

HUGHES: Thank you, Senator Quick and Senator Moser. Senator Hunt, you are recognized.

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HUNT: Thank you, Mr. President, and thank you, members. Since only seven members of the current body were here when the original land bank bill passed, I wanted to give a little bit of history on how we got here. The Nebraska Municipal Land Bank Act was a Heath Mello bill, Senator Mello bill. And with the passage of that bill in 2013, that was a product of more than two years of a multitude of parties who came together at the table, several interim studies hearings for Urban Affairs and for Revenue, a lot of work went into putting the original bill together. And the original act in Nebraska was based on successful land banks that are already in Georgia, in Michigan, in Ohio and other states, but it also included some Nebraska specific provisions. And Senator Quick did a really great job at explaining what makes our land bank bill in Nebraska so unique to our state and so tailored to our state. And it also contains some important protections, including restrictions on the use of the automatically accepted bid, a cap on the total number of parcels that a land bank can hold title to, limiting the time period the land bank could rent property. So these are things that actually narrow the scope of what we're able to do in Nebraska. So there's no land banks gone wild; there's no unaccountability here that I think some people are worried about. In LB424, there's even more limitations on what land banks can do. And that's all in committee statement here. Most importantly, however, I hope you take a look at the committee statement because it really does address the limitations that this bill has and explains why this is something that we really should not be playing to fear here. This is a good bill that a lot of places want. Most importantly, however, the current land statutes passed in 2013, that Mello bill that we have now, it passed on a vote of 47-0, and it was signed by the Governor. Among the senators who supported land banks in 2013: Senator Mark Christensen, Senator Charlie Janssen, Tyson Larson, John Murante, Jim Smith, Bill Kintner. And from what I know about those gentlemen, which is not a lot personally, I don't think that they would support a Communist plot with these land banks. And so I don't think that we have a lot to be afraid of here. Senator Hilgers has been going line by line through statute that Nebraska state senators before us and some of us here worked hard on to pass into law. And he's describing these hypothetical law school scenarios, that unless like 17 things align are never going to happen. We know that land banks address a problem because we've addressed that problem in Omaha. We've had land banks in Omaha since 2014 and they have been wonderful for our community. We have unwanted land that gets redeveloped and put back on the tax rolls, and then it's no longer the responsibility of taxpayers. And that's a really good thing. And it's not that deep. We've had five years to learn how to do this. There was three years of work in the Legislature before that that got us here, and Senator Quick, Senator Stinner, Senator Wayne, the team on the Urban Affairs Committee, they have done great work on this bill. So let's advance it. And those of you who claim to have real problems with it, can work to improve it before Select. Maybe Senator Hilgers can put all his seven amendments, or whatever, into one amendment and work on that with Senator Quick since he's brought these amendments in such good faith. This bill addresses two problems: abandoned and vacant properties, and work force housing crisis in rural communities. There isn't a private market for these properties, that's why they are abandoned, that's why they are a drain on taxpayers. So this bill enables local control to let localities decide what to do with



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these properties, because there's just no private market for them. We did this in urban Nebraska, but Senator Quick brought this bill because people all over Nebraska want this: Norfolk, Blair, Lincoln, Grand Island want this. People came from all over the state to Lincoln to testify in committee about why this bill is going to be great for their communities. Land banks don't, quote, come into a community, unquote,--

HUGHES: One minute.

HUNT: --which is something Senator Bostelman said. Land banks are the community. And this bill gives local communities the ability to form a land bank to keep that community alive. Omaha is ready to help other communities that would like to have a land bank; we're ready to support our neighbors in Nebraska. And I support this bill because I don't believe that we need to tell cities what's best for them when it comes to the opportunity to start a land bank. This bill lets localities decide if they'd like to use this important economic development tool. If there was a market for this land, it would be sold. Land banks do not compete with private enterprise. The fact that private enterprise does not want this land is why we need land banks, and why small towns in Nebraska say they want to do this. When they say they want this, I believe them. It's not a silver bullet; no one said that. It's a tool in the toolbox. And rural Nebraska wants this, and that's why I support it. This land has no taxable value now. So that means a shorter TIF period, so it goes back on the tax roll sooner, which is the whole point of both the land bank and of TIF. So, I--

HUGHES: Time, Senator.

HUNT: Thank you.

HUGHES: Thank you, Senator Hunt. Senator Geist, you are recognized.

GEIST: Thank you, Mr. President. And I stand in support of Senator Hilgers' amendment, but in opposition to LB424 for many of the reasons that Senator Hilgers has listed. And in that vein, I will cede the rest of my time to Senator Hilgers.

HUGHES: Senator Hilgers, 4:42.

HILGERS: Thank you, Mr. President, and thank you, Senator Geist. I want to talk about some of-- and I appreciate all the comments. And if I were to reframe this, it's--if you think that the land-- if you think a land bank is important, and you think there's a problem that needs to be solved, articulate to me why this bill is the bill that we should be supporting, when this bill does

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not even require or does not narrow the power such that it would ever be used to solve the problem we are talking about. There's nothing in this bill, or in the statute, that requires a land bank to do one thing with the vacant property, not one thing. Or why should opponents support a bill when it can be so right for abuse? Now let me go through a couple of examples and restrictions and you can decide for yourself whether or not it's a, sort of, a convoluted, never will occur scare tactic or something that might strike you as something that someone, not everyone, but someone could abuse. So let's go through the conflicts of interest again. The conflict of interest says that there's only basically two restrictions: one, a member or an employee of the land bank, not a family member, not a friend, not a golfing buddy, not a campaign contributor can either have an interest in the real property that's bought or sold by the land bank only, or in the services that are provided to the land bank. Now what is not in there is what, is something I mentioned earlier, which is, there's no requirement that there has to be an open bid for any of the services that the land bank purchases. So the member, the-- and by the way, the member, the voter are not, and I appreciate Senator Moser's comments, because it's illuminating one piece of this, is that these-- the members of the land bank are not the municipi-- they're not the mayor, they're not the city council people, the members of the land bank, the voting members, are really, there's almost no way to remove them, there's no way to dissolve. And I haven't had a chance really to dig in into accountability measures, but it's important to say those members are not accountable in a way that a mayor or a city council person would be. So I think that's really important. So there's no bidding process. There's no requirement of a low bid. There's no restrictions of any kind in who could receive that bid. So a member of the land bank could hire their friend to do the lawn services or the construction services or the remodel services and they could pick whatever they want to do. There's also no restriction in here on the joint venture. So, if you recall, they have the right to be able to create a joint venture with any private entity that they want. And that joint venture can receive, among other things, rent, lease payments. The land bank can't; they have that 12-month restriction, but the joint venture could. So, the land bank could create a joint venture with any friend or family member or golfing buddy or campaign contributor that they would like, and there is no restriction on what the joint venture could do. So it's limited to the land bank but the not the joint venture which it could create. There's also, kind of inexplicably, the land bank has the power to invest. And if you recall, it's not just invest in CD's or the stock market or something that might suggest to us like a pretty well likelihood of cronyism or back scratching, but they can invest in any kind of security that they want. And so you could imagine pretty easily, pretty simply, I think, a land bank selling a property. Again, they don't have to buy the vacant property, they can buy any property they want. They sell it; they get proceeds, income, not taxed; they get half the real estate, the property taxes, doesn't matter what kind of property it was to start, it doesn't matter how much the value was incrementally improved, they get half. So they get all that revenue. Now they can invest that revenue. Well, what can they do with it? Well, they can go and they can invest it in an S Corp owned by one of the members of the land bank, not just a friend of the member of the land bank,--

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HUGHES: One minute.

HILGERS: --but there's no restriction whatsoever on where those investment proceeds can go. So those are just a few areas where pretty simple without spending a lot of time kind of considering how this could be abused when you don't have good tight restrictions on the conflicts of interest, where the powers are so broad, the things that the land bank can do are so broad, that there are gaping loopholes through those conflicts of interest. So, if you-- I appreciate the problem that's trying to be solved. The policy here neither necessarily solves that problem or it has to do anything to move forward to solve that problem, and can be abused in a number of different ways. Those are the reasons I can't support it. Would I like to see this particular problem solved? Is there a tool out there that could help smaller communities solve this problem? I am guessing there is, and I'm open to supporting that kind of a tool. But I can't support a tool that won't either do anything to help it and can be abused.

HUGHES: Time, Senator.

HILGERS: Thank you, Mr. President.

HUGHES: Thank you, Senator Geist and Senator Hilgers. Senator Lowe, you are recognized.

LOWE: Thank you, Mr. President. Every year thousands of pieces of property in Nebraska are bought and sold without the help of land banks. They don't need government involvement. Private people buy the property, and that's the key. We don't need government involvement in this. It was said that we need to do this to break the chain of people or corporations coming in and buying multiple pieces of property on tax day and at the auction. And then picking and choosing the ones that they want so they can turn and burn and sell that property for a profit and then letting the other pieces of property go back. Let's find a solution for that. Let's not start a land bank, let's make those people responsible for that property that they buy. It was said that land banks don't use tax money. Omaha starts with a million dollars from a foundation. Can't we use that million dollars? Can't that foundation go out and buy these pieces of property with that money? It's not the government's responsibility then. The foundation, if they want these properties to make the city look nice, I'm sure that's why they gave the million dollars, why can't they do that? Why can't they take the responsibility? And small cities, small cities want this; that's something else we've heard. It seems to me as if there's a lot of land that surrounds these small cities that don't come with encumbrances. Why isn't that land being bought to build houses on? Well, it's because people aren't moving into these small communities. These small communities are getting fewer and fewer people living in them, which is a shame because the small communities in Nebraska are wonderful. Now, let's take a look at why these pieces of property aren't being bought, why nobody wants them. Could it be the property next door to

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them isn't in very good shape and the taxes are being paid on the property? And nobody wants to live next to that house. So when the land bank takes over the property of the original piece and tears down the building, are you going to put up a \$200,000 house next to a piece of property that nobody wanted to live next door before? That doesn't make sense. And that's why private investors don't want to do this. They don't want to buy that property. It's not because this piece of property is not any good. Kearney doesn't need a land bank because our property is all pretty good in Kearney; it's very competitive. Each piece of property is worth a lot of money. It's because the neighboring properties. So unless you also buy those neighboring properties, this one piece of property that you are after doesn't do any good to own. So now you are taking one piece of property off the tax roll and another, and maybe there's another property on the other side.

HUGHES: One minute.

LOWE: Thank you, Mr. President. It also has to go off the tax roll for improvement to make this one piece of property worth anything. This is not the purpose of government. Each of us that are landowners have responsibility for our land. I had a house that was next door to me that was vacant for several years. I mowed the property. It wasn't the city's problem. I did it because I wanted my piece of property to look good. Let's take some responsibility and share it and not make it government's problem. Thank you, Mr. President.

HUGHES: Thank you, Senator Lowe. Senator Blood, you are recognized.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I still stand opposed to Senator Hilgers' amendment, but in support of the Urban Affairs, and of course amendment, and, of course, Senator Quick's bill. I'm going to be serious for a while. I do want to respond to Senator Hilgers' request. I know I asked him to read that, and quite frankly I was just trying to use up his five minutes. He asked me in reference to -5201, hey, I'm just being honest, so what he said is technically true. But here is the reality, he's reading it out of context. And so he is reading off the statutes and not the bill. And I thought we were debating the bill, and that's where I find the confusion. And that's why I'm saying it's a card trick. You know, look over here, so you don't pay attention what's going on over here. So I just wanted to clarify that without being silly for a minute. And again, I don't blame him for trying to change people's minds, because apparently he doesn't like the bill. But one of the concerns I had, and I did a little research is, I looked to see when those amendments were filed, because it was my understanding, when I listened to Senator Morfeld and Senator Hilgers that Senator Hilgers said that if every single one of his amendments were to be passed that he might be OK with Senator Quick's bill. And it was my understanding that they're going to try and work things out, maybe find out what he thought was wrong with the bill and how it could be fixed. And so, if he's filing these on the day of our last debate, and

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maybe he met with Senator Quick once, it's my understanding, I don't see a sincere effort to make this a better bill, I just see an effort to maybe filibuster it and make the bill go away. I find that concerning. And I find that that's not the spirit of what I was taught the Legislature should be about. I certainly understand when people are against bills. I certainly understand if people don't agree with a bill. But I'm going to go back to what I started talking about at the end of my last five minutes. So, this is not something new. Land banks started in 1971 in St. Louis, and that happened because, again, they had a large amount of vacant and blighted industrial, residential, and commercial properties, and they wanted to fix the problem, and they did. In 2009 the Department of Housing and Urban Development, and a lot of us that were in municipalities at the time know this, they issued a report and they said embrace land banks as a best practices model, especially during that time, because that was the real estate market's collapse, the foreclosure crisis. And there's a reason they said to do that, because that is a way to flip those properties and make the property values around those properties go up. Which again, benefits the taxpayers. It's all about how you spin it, but I would prefer to talk about facts. And the fact is, is that land banks are used by counties and municipalities to manage and repurpose an inventory of underused, abandoned, or foreclosed properties. Now we can go through statute and not the bill, and cherry pick, and spin, but the reality is land banks have been around for a long time. And, yes, there have been some land banks that have not been successful, but I feel that our legislation has been written in a way that is very responsible. There is a reason multiple municipalities and the League of Municipalities and other entities have come out in favor of this. We don't have a lot of tools when it comes to economic development.

HUGHES: One minute.

BLOOD: And many municipalities are burdened and they don't want to find ways to generate revenue such as raising taxes, they want to find solutions. And land banks, my friends, are a solution. Don't be fooled with the magic trick. Read the bill, not the statute. It's not the boogie man. Thank you, Mr. Speaker.

HUGHES: Thank you, Senator Blood. Senator Bostelman, you are recognized.

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

HUGHES: Senator Quick, will you yield?

BOSTELMAN: Senator Quick, as you are walking down to the mike, I'll start the question if you'd to listen in. My question is and my curiosity is, Omaha has land bank, or has in the past, and as we are talking about the need and how much properties out there that has been or has not been or the need to purchase vacant lots, abandoned property, if you will, do you know in the

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city of Omaha how much utilization the land bank there has had. In other words, how much property has been bought, how much property have they then turned around and sold, kind of, so I understand better this process? And quite frankly we are talking about the bank buying it-- or the land bank buying it, redeveloping it, and then selling it, then moving through there. Do you know the numbers on that or not?

QUICK: I don't know the numbers, and I don't know if Senator Wayne if he would be willing to answer that question. But one of the other things is that the land bank doesn't redevelop the property, they just acquire it, secure it, then they clear the title, and then they try to get it to a developer, a private developer, to redevelop the property or to a Habitat for Humanity.

BOSTELMAN: And would that private developer then purchase it?

QUICK: [INAUDIBLE]

BOSTELMAN: Would that private developer purchase it if it went in that direction?

QUICK: Yes, they would purchase it from the land bank.

BOSTELMAN: OK, thank you. And I'll ask-- see if Senator Wayne would yield to a question, if he knows. Senator Wayne, would you yield?

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes.

BOSTELMAN: Do you have any idea about-- as I talked to Senator Quick, in Omaha, how much has this been utilized, land bank? Do you have a--?

WAYNE: How much it's been utilized? A lot. Currently, I think there's about 591 properties. I'm going to get you the exact number here in a second. I got my light on, so I'll say it. But they are moving properties. They go through an auction, bid auction; you can publicly go out there and bid on. And then after that, they try to find developers who deal with high risk areas and try to move those properties that way.

BOSTELMAN: And are those-- are many of those properties, do they set for a long time, or they move fairly quickly, are they utilized, redeveloped fairly quickly, do you know?

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WAYNE: All the above.

BOSTELMAN: All the above. OK.

WAYNE: I mean, because it depends, right? I mean, some of it is Habitat for Humanity's houses that they sit for a year or two as they gain funds to help put those out. There are other houses that recently got acquired, and I think within six months I have seen them sold, and remodeled within another three. So it varies on location.

BOSTELMAN: That makes sense. OK. Thank you. And we can talk off mike if you find that information I'd appreciate it. I wonder if Senator Hilgers would yield to a question.

HUGHES: Senator Hilgers, will you yield?

HILGERS: Absolutely.

BOSTELMAN: I'm going to follow up with something that Senator Blood was talking about. The bill is actually amending-- addressing the statutes, is that correct?

HILGERS: That's right.

BOSTELMAN: So what we are talking about is what is within the statute itself; we're just looking to change or amend that statute, is that correct?

HILGERS: That's right. Every thing-- every reference I've made to the statute is relevant because the bill extends-- the statute defines what the land bank is, and the bill extends who can take advantage of the land bank. So every statutory provision I've referenced is impacted by LB424.

BOSTELMAN: OK, thank you. I yield the rest of my time to Senator Hilgers if he'd like it.

HUGHES: Senator Hilgers, 1:20.

HILGERS: Thank you, Mr. President. Thank you, Senator Bostelman. Throughout the course of this debate, and I appreciate all the comments, I have tried to focus on the language of the bill, which does modify the current statutes. So I've read the statutes, but if we extend the bill, if we extend the authority by passing LB424, what we are doing is giving more people access to the statute I've read. So every statute I've read, it's not sleight of hand, every statute I've read has

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been directly on point. Not one person so far has said that anything I have said that has been taken from the statute is wrong. No one has said that it's been taken out of context. No one has said that there's something I'm missing. I am more than willing in listening to some perspective or some statute or some provision that I have missed, there's no pride in being right. I'm trying to get it right. And all the proponents of this bill continue to say is, we want a land bank as a tool and they won't grapple with the language of the statute. What the land bank is is in the statute. It's in the bill. Respond to the bill-- respond to the powers of the bill. We cannot continue to just say land bank is great, land bank is great and ignore the powers, authorities, and ability for abuse of what the land bank as this statute actually implements.

HUGHES: Time, Senator.

HILGERS: Thank you, Mr. President.

HUGHES: Thank you, Senators Bostelman, Quick, Wayne, and Hilgers. Senator Slama, you are recognized.

SLAMA: Thank you, Mr. President. I rise still opposed to LB424. And before I yield my time to Senator La Grone, I would like to share my favorite Ronald Reagan quote that I think is very fitting on this bill. This was said on the 12th of August, 1986. Quote: the nine most terrifying words in the English language are: I'm from the government and I'm here to help. And with that, I would like to yield my time to Senator La Grone.

HUGHES: Senator La Grone, 4:20.

La GRONE: Thank you, Mr. President. Eventually I'm going to have a question for Senator Morfeld, but I wasn't quite ready with this, so I need to pull up the part of the bill to direct him to in all fairness, so I'm just going to talk for a little bit while it's coming up here, and I, apparently, can't figure out my password on my computer, so we're not going to do that. Would Senator Morfeld yield regardless, even though I cannot point out the specific provision of the bill.

HUGHES: Senator Morfeld, will you yield?

MORFELD: Yes.

La GRONE: Senator Morfeld, I apologize for not being able to direct you to the line to accurately quote which class of city I'm talking about, but there's a provision in the bill that says



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it's actually 25 percent in certain cities, not 7 percent that these land banks can own. So would you agree that that is still not 100 percent and therefore still not communism.

MORFELD: Didn't do great in math, but I think that's still not 100 percent, therefore not communism. But I'm not quite sure what the threshold is for communism.

La GRONE: I agree. I think that's getting quite close to critical mass, but still short thereof it. Thank you, Senator Morfeld.

MORFELD: Thank you.

La GRONE: Would Senator Lowe yield to a question?

HUGHES: Senator Lowe, will you yield?

LOWE: Yes.

La GRONE: Thank you, Senator Lowe. Senator Lowe, I didn't quite catch your last few comments on this bill, so I was wondering if you could walk me through those again.

LOWE: That every year thousands of pieces of property are bought and sold in the state of Nebraska. And there is no government involvement was one of my points.

La GRONE: OK. So, you're saying, essentially, this is unnecessary because the private sector has the ability to take care of these, which I think to your point, if you want to expand on this, feel free to, and also correct me if I'm wrong, but I think to your point is essentially that let's say the automatic bid provision where a land bank can come in and say that it wins regardless of what the offers for the private sector is, that that's not necessary. Would that be correct? And feel free to expand.

LOWE: That would be correct. Whenever I have gone to an auction that's been on the courthouse steps, there's been multiple people there ready to bid.

La GRONE: OK.

LOWE: So, I don't believe government needs to be involved and step in that process.

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La GRONE: OK. I definitely appreciate that clarification, and I would definitely agree with that assessment. I think that-- in many of these properties, the private sector is more than equipped to handle this. I think the automatic bid provision is unnecessary and kind of-- is-- well, not kind of, is an over-stepping of that authority. How much time do I have left, Mr. President?

HUGHES: 1:36.

La GRONE: OK. Would Senator Hilgers yield to a question?

HUGHES: Senator Hilgers, will you yield?

HILGERS: Absolutely.

La GRONE: Senator Hilgers, it's been a while since we discussed the conflict of interest provisions on this bill. Could you walk me through those again.

HILGERS: Absolutely, Senator La Grone. So, basically, there are a few conflict of interest provisions, and they are limited. They are limited to only a member or an employee of the land bank, so none of the ancillary businesses or joint ventures that the land bank could create, and only limited to an interest in the property itself, or a contract. So, it's not limited to where they can invest the funds, it's not limited to-- it doesn't say a word about bidding, it doesn't say a word about low bids, it doesn't say a word about not giving it to your friend or campaign contributor or anyone else, it doesn't say a word about where they can invest money, they didn't say anything about the joint venture. Does that-- I could keep going, does that answer your question?

La GRONE: Yeah. And that, actually, raises a question in my mind that I hadn't thought through yet. Let's say there's a member of a land bank who has a series of trusts, and one of those trusts has a stake in one of these land properties. And through the trust, at the end of the day, it's not technically the member of the board, but it's really the member of the board that has that interest, does that make sense? Would that be allowed, assuming that you could set it up properly?

HILGERS: There's a direct and indirect phraseology in the conflict of interest provision. Probably, but even if it wasn't allowed, and it would be very easy to get around given the loopholes in the statutory structure.

La GRONE: Thank you, Senator Hilgers, How much time do I have left, Mr. President?

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HUGHES: Three seconds.

La GRONE: Thank you, Mr. President.

HUGHES: Thank you, Senator Slama, La Grone, Morfeld, Lowe, and Hilgers. Senator Erdman, you are recognized and this is your third opportunity.

ERDMAN: Thank you, already, OK. I appreciate that. You know, Senator Hilgers has explained how that works with the bill and the comment was made, read the bill. Well, what it says of references those statutes that the bill corrects or affects, and that's why he was reading those statutes, you can't just read the bill, you have to read the statutes that are implicated in the bill. That's the way it's been for a long, long time. It's not the way you feel. It's not what you think is right. It's what the statute says. So I have a question, if I could ask Senator Quick, I would appreciate that.

HUGHES: Senator Quick, will you yield?

QUICK: Yes, I will.

ERDMAN: Senator Quick, thank you for taking a question. Senator Quick, I think earlier on the mike you described that the money that is placed in a land bank is not tax dollars. Did I understand that correctly?

QUICK: Yes, there are some foundation dollars. I know like Omaha land bank had over a million dollars donated to the land bank.

ERDMAN: OK. So, where did that foundation money come from?

QUICK: It would be like a Peter Kiewit or maybe a Buffet, someone like that, some of the bigger foundation. I don't know all of them.

ERDMAN: OK. All right. Very good, thank you. So then, what would prohibit someone with those kind of dollars from doing what the land bank does without us establishing a land bank? Could they do that?

QUICK: I think the problem that everyone comes across is that they can't clear the title. So there's a big problem, and the land bank has expertise, you have people on the board who have

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expertise in clearing the title and what kind of properties to acquire. So, I don't think that the foundations want to or can deal with some of those issues.

ERDMAN: So what in this statute, what in this bill gives them the authority, their expertise in clearing titles?

QUICK: You mean the land bank?

ERDMAN: Yes.

QUICK: You know, I couldn't tell you that, I'm not an expert on the land bank. But I know along with the board and the-- and Marty Barnhart is the director of the Omaha land bank. They are able to clear those titles. Don't ask me how they do it, but they are able to clear those titles so that they can pass them off to a developer.

ERDMAN: I don't believe that is an answer that is adequate, because clearing the title is a legal thing, and any lawyer that you would hire in that regard could do that. The land bank may have lawyers that they have contracted with to clear the title, but clearing the title does not require us to set up a land bank. So the point I'm trying to make is if they collect the money from whomever, grants or whatever they get, they could do the same thing a land bank does without the land bank being formed, is that true?

QUICK: Yeah. Sorry, I wasn't-- I'm reading part of the statute which defines how that's done, how they clear the title, and it's in Section 16, subsection (1).

ERDMAN: And does it give you an opportunity to clear the title, other than someone else can't do something different than someone else can't?

QUICK: Yes.

ERDMAN: Can you tell me what that is?

QUICK: No, I cannot.

ERDMAN: OK, that's fine. Well, the point is, people could get together, pool their money and do this without having a land bank. It is peculiar that we have to have a land bank to do that. I have a question I would like to ask Senator Hilgers if he would yield.

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HUGHES: Senator Hilgers, will you yield?

HILGERS: Absolutely.

ERDMAN: Senator Hilgers, as I have been thinking about what a land bank can do and the authority that they have, let's say that a land bank is formed and they violate one of these statutes, what is the penalty that would be enforced against those people for violating the statute?

HUGHES: One minute.

HILGERS: Great question, Senator Erdman. I'm aware of no penalty.

ERDMAN: OK. So they can do whatever they want, buy any land they want, form partnerships with whomever they would like, and if they do something wrong, there's really no penalty, they just say oops and move on. Would that be fair to say that?

HILGERS: That's my interpretation, Senator Erdman.

ERDMAN: That is peculiar. And we are going to vote for a law like that? And Senator Chambers was talking about the prairie dog law being unconstitutional. This is amazing. I am not in support of LB424, and I would hope everybody else would agree with me. Thank you.

HUGHES: Thank you, Senator Erdman, Senator Quick, and Senator Hilgers. Mr. Clerk.

ASSISTANT CLERK: Mr. President, priority motion: Senator La Grone would move to bracket the bill until June 5.

HUGHES: Senator La Grone, you are recognized to open on your bracket motion.

La GRONE: Thank you, Mr. President. This is so Senator Hilgers and Senator Quick can both finish their remarks right before we get to cloture. Would Senator Hilgers yield to a question, and feel free to start his final arguments on the bill?

HUGHES: Senator Hilgers, will you yield?

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HILGERS: I would, yes. So, thank you, Senator La Grone. As I understand, I appreciate the opportunity to give Senator Quick the last word, but I appreciate you letting me have a few minutes of your time just to say a few closing words. And let me say again thank you to Senator Quick for the work that he has done on this. We have met; we tried to reach compromise. We did talk to Senator Stinner; I appreciate his work, his words. We tried to reach compromise. Ultimately, this goes to a foundational issue, one for which-- sometimes we can't reach compromise. In my view, you can either believe what a land bank should be, could be, or might be; or you can believe that the land bank as described in these statutes. I started this day, I started the first round of debate going through the language of the bill. I have spent many times talking about Chapter 19-5201 through -5221, talking about the wide power given to a land bank; talking about how they can get into private development. They don't pay income tax. They can get involved in joint ventures. They can invest in their own properties. The conflict of interest provisions are weak. There's loophole after loophole after loophole. There is nothing in that statute that requires a land bank to ever, not once, ever actually do one thing to help a vacant property. There are, however, plenty of opportunities for a land bank and those members who are unaccountable, who cannot be fired, who can only-- the land bank can only be dissolved with their approval, to use their position for gain. Now, you could believe that what I said and the statute was wrong; and we've had six hours of debate, and it's been a good debate, but not one time that I can recall has anyone pointed to the statute and said, Senator Hilgers, what you said was wrong or you missed this or you should have considered this, not one time. What I did hear was land banks are good tools that could help us, this will be good, my community wants it. I have no doubt that there's a problem that communities want to solve. The tool that we are giving them, if this passes, is not the tool that we should be giving them. It's right for abuse. Now, you could think, well Senator Hilgers, this is, you know, come on, this is not going to be abused, you're just being-- you're being fearful, you're being-- you're being ridiculous. And if you think that, I think you are saying something that flies in the face of millennia of human history. We have a whole bunch of laws, and all sorts of context, from campaign financing to fiduciary duty to governmental restrictions, conflict of interest rules that recognize a very simple truth which is, if you give people access to someone else's money, you don't have any way to hold them accountable, you don't have a real good mechanism for having any transparency, and there's really no restrictions on their use of that money, that in some cases they are going to use those for improper end. And in this bill, as it extends the statute, there are no meaningful restrictions, from those land bank members hiring their buddies to do the redevelopment, whatever it costs. There's no restriction from them investing in their own companies, from forming a joint venture for their own private gain. There aren't those restrictions. At the end of the day, I am willing to be corrected. I am willing to be shown that I'm wrong, because I would like for them to have a tool that could help them solve this particular problem. This bill, which extends the statutory authority is not it. It just isn't it. I appreciate the debate. I appreciate the dialogue. It's been a great discussion. I appreciate Senator Quick's work. I wish we could come to an accord. We have tried. If there was a way, after this debate and the discussion of the amendments, for us to come

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together, I certainly would be open to it. He knows that. And ultimately, I urge you to vote no on cloture and if we get there, to vote no on the underlying bill. Thank you, Senator La Grone.

La GRONE: Thank you, Senator Hilgers. Senator Quick, would you yield to a question? Feel free to do the same.

HUGHES: Senator Quick, will you yield?

QUICK: Yes, I will. And thank you, Senator La Grone, I really appreciate that. And I feel like I want to express this, and actually I would like to, more or less, answer Senator Erdman's question before I go much further. But I want to address that the only political subdivisions can clear-- can do the liens, can clear the-- can discharge and extinguish all liens. The private sector cannot do that. So that is an answer to your question. And like I said, if you read that Section 16, subsection (1), it has that all outlined in that part. Now, the one thing that I want to talk about here is the fact that I am willing to work, and I'm still willing to work with Senator Hilgers, with anybody who has opposition to the bill, and to work on ways that we can fix some of the issues that are presented within the bill, that they have issue with. I know the automatically accepted bid may be one that we can look at, making changes to, and I'm willing to sit down and work on that. But the only way we can do that is if we get it to Select File, and that allows us to make those changes, because this is an important bill to out-state Nebraska. It's important to Lincoln. Lincoln would really love to see and have a land bank here. Grand Island would love to have a land bank. Scottsbluff, Gering would love to have a land bank. There are smaller communities across the state, Norfolk, Nebraska, would love to have a land bank. There's so many communities that have contacted-- I have been contacted through the League of Municipalities. They have told me about all these communities that need a land bank and a way to deal with some of these problem properties that they are not able to deal with right now. And it takes down whole neighborhoods. Once you get a property that starts deteriorating, and no one wants to deal with that property, and the private sector says we can't afford to take that property on, and then the houses around it start deteriorating, this is a way that we can redevelop that whole neighborhood, revitalize that whole neighborhood and actually we'll raise more property tax dollars. As those homes-- as that one house comes back up, those other homes will come back up in value, and people will start to take care of their homes as well. I can tell you that from my experience seeing in Grand Island, you have one home that's vacant, abandoned, the homes right next door to it aren't kept up that well because I think people just at some point don't feel the need or they just-- and they're going what good is it going to do me to keep my property up. And I think they get downhearted about it. And so revitalizing that one home would allow them homeowners to revitalize there and put money back into their own property and maybe help their property values go up as well. And it could, like I say, it's going to make safer neighborhoods. It's going to reduce some of our tax dollars going to take care of those properties, to service some of those properties through code enforcement, law enforcement, and solve some of those

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problems that we have, especially, you look at Grand Island, we do have a code enforcement. And they're going to these properties all the time, so is our law enforcement. And so, the smaller communities, I mean, they can join with a larger community; I think they can make this work out in out-state Nebraska. I've heard nothing but good things from them and saying we really want to try this, because we want it to work for us. And you know what, if it doesn't work for them, they're probably going to pull out of the land bank, and then you're going to have a larger community is going to have to seek another community to join them. So it's an option for communities. It's a tool for communities. It is not a requirement that anyone belong to that land bank. And I think it's really important for us to listen to our constituents, listen to our communities, because they are-- I have not been contacted by anyone who is opposed to the land bank, except for maybe some certain groups, and I will say in the Lincoln area, but it's not been from municipality. It's not been from a property owner himself. So I think this is too important of an issue to let this slide and not allow me to work on it into the next round. And so I would appreciate your green vote on-- to invoke cloture. I'm going to vote against AM1401--

HUGHES: One minute.

QUICK: Thank you, Mr. Speaker. --I would ask that you vote no on AM1401, approve AM509 and move LB424 as amended on to Select File so we can continue working on this bill and make the changes necessary for it to work for the state of Nebraska and our constituents. Thank you, Mr. President. And I would-- oh--

La GRONE: Thank you, Senator Quick. I withdraw my bracket motion.

HUGHES: So ordered. Mr. Clerk, do you have a motion on the desk?

ASSISTANT CLERK: Senator Quick would move to invoke cloture pursuant to Rule 7, Section 10.

HUGHES: It is the ruling of the Chair there has been full and fair debate afforded to LB424. Senator Quick, for what purpose do you rise?

QUICK: I would like a call of the house, a roll call vote in reverse order.

HUGHES: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.



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ASSISTANT CLERK: 31 ayes, 5 nays, Mr. President.

HUGHES: The motion to go under call. The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All authorized personnel please leave the floor. The house is under call. Senator Linehan, please check in. Senator Wayne, please check in. Senator Quick, all unexcused senators are here, and you wished a roll call vote in reverse order. Mr. Clerk.

ASSISTANT CLERK: (Roll call vote taken.) Vote is 31 ayes, 10 nays, Mr. President.

HUGHES: The motion to invoke cloture is not adopted. Mr. Clerk for items. I raise the call.

ASSISTANT CLERK: Mr. President, new resolution: LR118 by Senator Hunt and others; accompanying that resolution is a communication from the Speaker to refer the bill to the Exec Board for reference to the appropriate standing committee. Amendments to be printed to LB424 by Senator Hilgers, and LB462 by Senator Friesen. An announcement: the Appropriations Committee will hold an Executive Session immediately in Room 2022.

And a priority motion: Senator Walz would move to adjourn until 9:00 a.m. on Friday, May 10, 2019.

HUGHES: Senators, you've all heard the motion to adjourn. All those in favor say aye. All opposed nay. We are adjourned.