

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

FOLEY: I call to order the eighth day of the One Hundred and Sixth Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

CLERK: I have no corrections.

FOLEY: Thank you, sir. Are there any messages, reports, or announcements?

CLERK: Mr. President, a Reference report referring LB1000 through LB1021. Two motions to withdraw bills, LB1000 by Senator Blood; Senator Erdman, LB947. Those two bills-- or those two motions will be laid over. That's all that I have, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Bolz would like us to recognize Dr. Josue Gutierrez of Lincoln, Nebraska, who is serving today as family physician of the day. Dr. Gutierrez is with us under the north balcony. Doctor, please rise. We'd like to welcome you to the Nebraska Legislature. Senator Clements, for what purpose do you rise?

CLEMENTS: A point of personal privilege, please.

FOLEY: Please proceed.

CLEMENTS: Thank you, Mr. President. You'll notice on the bottom of the today's agenda, LR296 congratulates Dwight Clements on the celebration of his birthday. My father's birthday was two days ago, he turned 100 years old. And I'd like to read part of the LR that I had printed up. It says, WHEREAS, Dwight Clements was born in Elmwood on January 19, 1920, and in 1938 he graduated from Elmwood High School and attended the University of Nebraska, and he joined the Army during World War II and served as a platoon sergeant with the Army Combat Engineers, building bridges across rivers on the border between France and Germany until the war ended in 1945; WHEREAS, Dwight married Marjory Horstman in June of 1948, raising three sons, Greg, Richard, and Robert, and were married for 71 years before Marjory passed away in 2019; WHEREAS, Dwight turns 100 years old on January 19, 2020. BE IT RESOLVED that the Nebraska Legislature congratulates Dwight Clements

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

on the celebration of his 100th birthday. I'd like to point out, I had a handout, it's got some photos of my dad and we had a good time Sunday celebrating his birthday. He's still healthy and alert. And on the back I also printed a copy of a letter he wrote from World War II from England that describes a little bit of the conditions they went through in England being stationed there. And then also you'll have a Ziploc bag on your desk, which are some treats that I came up with. There's a Baby Ruth candy bar. I found out that Baby Ruth candy bars are a hundred years old also. Now, these aren't 100 years old, I hope, but they were invented when dad was a little young. He would have been able to buy a Baby Ruth if he had a nickel. Then there's a package of dried fruit. And he mentioned in his letter from England that dried fruit was one thing that they ate. It was easier to preserve back then. So that's-- you're getting some dried fruit from World War II times. And then also there's a macaron. It's a French pastry. And dad spent most of his war time in France. And I don't think he had any French pastries to eat. But I thought when I was looking up what kind of a treat World War II times would be, the most common thing I found was Spam. And I decided maybe you didn't want Spam, so I came up with a French pastry called a macaron, and I thank you for the time and I appreciate being able to honor my father, Dwight Clements, on his hundredth birthday. Thank you, Mr. President.

FOLEY: Thank you, Senator Clements. Speaker Scheer.

SCHEER: Thank you, Mr. President. Colleagues, two things. First of all, just a quick reminder that we have a briefing tomorrow at 9:00, so we will be starting at 9:30. And secondly, I'm going to let Senator Kolterman have the mic in a few seconds, but we need to suspend the rules this morning in relationship to a retirement situation and Mr.-- Senator Kolterman will explain the reason we have to suspend the rules. It has to do with our rules that it has-- it go through a 90-day session versus a 60-day. But I believe this is a federal change or something like that, just came up this morning so I will let you do that. But I'm in full support of suspending the rules in order to add this to the agenda today. Thank you, Mr. President.

FOLEY: Thank you, Mr. Speaker. Senator Kolterman, you're recognized.

KOLTERMAN: Good morning, colleagues. I guess I move to suspend the Rules, Rule 5, Section 15(a), to permit the introduction of a new bill, Requisition 4532. Legislative Rule 5, Section 15, restricts the introduction of retirement bills under specific circumstances. The

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

purpose of this Rule, according to the legislative history, was to place restrictions on when legislation can be introduced if a bill proposed changes to the basic structure of a retirement plan system. An additional purpose of this Rule is to require that an actuarial study is conducted and distributed to the members of the Legislature for consideration if the proposed structural or benefit change will impact the funding of the plan. The text of Rule 5, Section 15(a) states: Commencing with the 1997 legislative session, any bill proposing a structural change which impacts the benefits or funding status provided under the public retirement plan, or any bill proposing the creation of a new public retirement plan, shall be introduced only during the first ten days of a 90-day session.

Requisition 4532 is drafted at the request of the Nebraska Public Employee Retirement System to incorporate changes to state administered retirement structures due to the enactment of the Secure Act, which was signed into law on December 20, 2019 by the federal government. Under these federal changes to 401(a)(9) of the Internal Revenue Code, the age trigger increases from 70.5 to 72 for required minimum distributions and is applicable to the mandatory distribution of benefits to individuals who reach 70.5 on or after January 1, 2020. I take this Rule very seriously. In fact, many of you I've talked to that wanted to make changes to the Rules have asked me about doing that in a short session and I've always said that's a special-- that's only held for special needs. What happened here was the federal government made a change to our retirement plans throughout the country. It happened on December 20. It was signed into law by the President. And we felt that if we could get it done yet this session, it would help our-- our retirees. It allows them to put off their retire-- their required minimum distributions from 70.5 to 72. It benefits a lot of people. Therefore, I ask your support for my motion to suspend the Rules this session in order to incorporate recently enacted federal law changes so the state administered plans remain in compliance with federal law and continue to meet all the requirements for qualified retirement plans under the IRS Code. I ask your support and would try to answer any questions you might have.

FOLEY: Thank you, Senator Kolterman. Discussion of the Rules suspension motion. Senator Chambers.

CHAMBERS: Thank you. Mr. President, members of the Legislature, I would like to ask Senator Kolterman one or two questions.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

FOLEY: Senator Kolterman, would you yield, please?

KOLTERMAN: Yes, I will.

CHAMBERS: Senator Kolterman, if I were opposed to this bill, which part do you think I would be opposed to?

KOLTERMAN: The changing of the Rules, the suspending of the Rules.

CHAMBERS: Mr. President, members of the Legislature, I support this [LAUGHTER].

FOLEY: Thank you, Senator Chambers. I see no further discussion. Senator Kolterman, did you want to close? He waives close. The question before the body is the Rule suspension motion of Senator Klot-- Senator Kolterman. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 41 ayes, 0 nays to permit the introduction of the bill, Mr. President.

FOLEY: The Rules suspension motion has been adopted. Mr. Clerk.

CLERK: Mr. President, new bills. LB1053 is by Health and Human Services. It's a bill for an act relating to Medical Assistance Act. Requires rules and regulations for hospital and nursing facility reimbursement rates. And LB1054 is by Senator Kolterman pursuant to his motion. It's a bill for an act relating to retirement. It defines required beginning date and change deferment of payment provisions of the County Employees Retirement Act, Judges Retirement Act, School Employees Retirement Act, State Patrol Retirement Act, and State Employees Retirement Act. That's all that I have, Mr. President.

FOLEY: Thank you, Mr. Clerk. We will now proceed to the agenda. Motion to withdraw. Mr. Clerk.

CLERK: Mr. President, Senator Brewer would move to withdraw LR285CA.

FOLEY: Senator Brewer, you're recognized to open on your motion.

BREWER: Thank you, Mr. President. Good morning, colleagues. I wanted to briefly explain why I'm withdrawing this resolution. Ever since I came to the Legislature I've been concerned about the issues that we have with Department of Corrections. I volunteered to be on the LR127, Nebraska Justice Task Force on Oversight, and through that process

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

become much more aware of some of the issues with the staffing and overcrowding. I think that Director Frakes and the Department of Corrections has come forward and have done a good job of taking care of some of the needs for the staffing issues. We still have concerns with overcrowding and we still have issues with programming, and the idea behind this bill was to help with that. Unfortunately, after I got to becoming more and more aware of how the Environmental Trust Fund worked, it was obvious that I would impact wildlife, wildlife conservation and youth programs, and that was never my intent. So with that said, I would like to withdraw LR285CA. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. Any discussion of the motion? I see none. Senator Brewer, you're recognized to close, if you care to. He waives closing. The question before the body is the adoption of the motion to withdraw LR285CA. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 38 ayes, 0 nays on the motion to withdraw the bill.

FOLEY: The motion is adopted. Do you have any items, Mr. Clerk?

CLERK: Not at this time, Mr. President. Thank you.

FOLEY: Thank you, Mr. Clerk. We'll proceed then to General File. Mr. Clerk.

CLERK: Mr. President, LB305 is a bill introduced by Senator Crawford relating to labor. It adopts the Healthy and Safe Families and Workplace Act. Senator Crawford presented her bill last Thursday, Mr. President. At that time committee amendments by the Business and Labor Committee were offered. When the Legislature left the issue for the day pending-- I'm sorry, I-- committee amendments are pending, Mr. President.

FOLEY: Thank you, Mr. Clerk. Before proceeding to debate on this, Senator Crawford, would you like to take a couple of minutes, just kind of refresh us in where we left off with this the other day? Senator Crawford.

CRAWFORD: Absolutely. Absolutely. Thank you, Mr. President. Good morning, colleagues. LB305, the Healthy and Safe Families Workplaces Act, would require paid leave to be provided to employees to use for sickness and reasons related to safety. Almost half of the Nebraska work force does not have access to a single paid sick day to stay home

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

when they or a child are sick. And 70 percent of low-wage workers do not have any paid sick days. LB305 creates the Healthy and Safe Family Workplaces Act to ensure that Nebraska workers can earn up to five days of paid sick leave to care for themselves or a family member, or to deal with situations of domestic abuse or stalking without having to worry about losing their jobs. As we discussed last week, 10 states have passed laws requiring paid sick leave. And studies conducted in those states are showing that these laws have worked for both employees and employers in those states. Studies show that offering paid sick leave saves employers money by reducing turnover, increasing productivity and work force stability, preventing the spread of illness, and lowering healthcare costs. A meta-analysis of all states and localities with sick leave laws did not find any evidence that wages or employment significantly changed after the laws were implemented. Colleagues, this bill ultimately comes down to a question of whether you feel like our hardworking Nebraskans deserve a paid sick day and if our victims of domestic violence deserve a paid day to take care of affairs so they can keep themselves safe. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Senator Matt Hansen, if you'd like a couple minutes to refresh us on the committee amendment bill.

M. HANSEN: Yes, I would. Thank you, Mr. President. AM592 is the Business and Labor Committee amendment. Although it is presented as a white copy amendment, it only makes one change and that is it removes the term "domestic partner" from the definition of family member covered under LB305. That arose after discussions in an Executive Session that there were concerns of the definition of domestic partner was not well enough defined. It would be difficult for both the department and for employers to administer. So Senator Crawford agreed to remove that from her bill. With that, I would ask the body to continue their support of the Business and Labor Committee amendment. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Mr. Clerk.

CLERK: Mr. President, Senator Ben Hansen would move to amend committee amendments with FA91.

FOLEY: Senator Ben Hansen, you're recognized open on your amendment.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

B. HANSEN: Thank you, Mr. Speaker. I brought this amendment because there is a time and a place for government rules and regulation on businesses. I don't want anybody to think I'm antigovernment by any means, but I just am a very limited government kind of person. However, I believe that this is not one of those times. I'm going to reiterate a couple of things I mentioned before about this bill that's trying to get passed. And it's my opinion that such laws such as this are actually become more of a burden on employers and it will cause them to reduce staff and benefits while making it harder for other businesses to start or expand. Businesses which benefit for offering employees paid sick leave benefits, they do so voluntarily and they should. I think when you have proper communication between employees and employers, I like to think any-- any kind of instance where there might be some time off by the employee, whether they have it paid or not, is in the best interests of the employer to make sure their employees are getting well taken care of. Otherwise, they won't be able to hire employees and their business would suffer as part of the free market philosophy. Consequently, government mandates tend to have largely negative consequences. In the end, it is my opinion, the net costs outweigh the benefits. And we have to remember mandating laws such as these can potentially result in the closing of a lot of the small businesses that are on our main streets. We have to think the potential of some of these laws that we pass or the mom and pop store that's already getting beaten down by Amazon, by the big box stores. And like I mentioned before, a lot of times we like to think of the-- the victims with good intentions of some of the laws that we pass. But sometimes we kind of fail to remember the victims that we create when we pass bills. And in this instance, it will be the employers. So I think we need to think heavily on the victims laws that we are creating that a lot of times don't have a voice when we're up here debating some of this stuff. And so a lot of times I feel like it's-- it's my duty to be a voice because of being a small business owner myself. This is a time we need to make sure our well intentions aren't creating more victims than we're trying to help. I did just have one question for Senator Crawford, if she would yield, please.

FOLEY: Senator Crawford, would you yield, please?

CRAWFORD: Yes.

B. HANSEN: Thank you. And thanks for answering all the questions that I had before too. I just kind of didn't have time to answer-- get one of them answered last time I was up here. I think I'm just a little

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

more unsure about with what's common in the business place. But I noticed, I think it's line 4, or page 4, you mentioned that a business can loan out paid sick time leave with this bill ahead of time before they've earned it. Is that correct?

CRAWFORD: That is allowed in the bill, yes.

B. HANSEN: OK. I just didn't know. And I'm honestly-- I actually don't know what's commonplace with other businesses. Is that typical, typically commonplace with other business that they loan out PTO ahead of time or, I just kind of wondering why we [INAUDIBLE]

CRAWFORD: We just wanted to make that an op-- an option because an employer might be in a situation where someone may be in desperate need of this, and we didn't want to rule that out. It's-- it again, one of the reasons we're bringing this bill is that not enough employers are providing opportunity for their employees to have paid sick days. So when they do that, we wanted to give them the opportunity to loan it ahead if that is a situation that seems appropriate to the employer. But notice, it is at the discretion of the employer.

B. HANSEN: Yeah. Thanks. Actually, that was an honest question. I just didn't know about that. Thank you for answering that. Appreciate it. I tried to run some numbers that might put this in perspective a little bit for small business owners or people when we're debating this and how it might impact small business owners. If we think of you, of an employer such as myself having five employees and we have to pay out 40 hours a year over the course of this-- assuming the person makes \$12 an hour, over the course of 10 years, that comes out to \$24,000. So in 10 years, we're taking 24-- we have the potential to by making this law, not saying it's going to happen. But again, some of those unintended consequences and, in my opinion, unfunded mandates, because we'd like to talk about unfunded mandates all the time. We talk about cities. We talk about counties. We talk about municipalities. But in my opinion, this is an unfunded mandate on business owners, small business owners too. And so this could come out to almost \$25,000 over the course of 10 years for a small business owner. And that-- those are real world-- real world numbers I think we need to think about. So I appreciate you answering the question, Senator Crawford. Thank you, Mr. Speaker.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

FOLEY: Thank you, Senator Hansen. Debate is now open on LB305 and the pending committee amendment, and amendment to the committee amendment. Long list of senators in the queue. Senator Cavanaugh, you're first.

CAVANAUGH: Thank you, Mr. Lieutenant Governor. Good morning, colleagues. First, I'd like to say happy birthday to Senator Clements' father and thank you for the treats. They're delightful and things that I love. Second, I would like to say thank you to Senator Crawford for using her time serving the people of District 45 and the citizens of Nebraska to ensure that every citizen in this state has the opportunity to work in a safe, supportive, and thriving environment. Senator Crawford has spent her eight years in this body, soon to be eight, working really hard to make sure that the people of Nebraska feel cared for. And I am in awe of your dedication and your mentorship is-- means more to me than I can ever say. So thank you, Senator Crawford, for your work on these very important issues. In a moment, I'd like to ask Senator Ben Hansen to yield to a question if he would, if he's available.

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

B. HANSEN: Yes.

CAVANAUGH: Senator Hansen, you brought this amendment this morning. And first, I'd like to know, on Friday, we had a very robust-- we heard from a lot of individuals in this body about this issue, and you spoke as well. Did you take any opportunity to speak with Senator Crawford about your concerns off the floor before bringing this amendment?

B. HANSEN: No.

CAVANAUGH: Is there a reason why you wouldn't have spoken with her about bringing an amendment to her bill?

B. HANSEN: No, I think it's just the strong opposition that I have to this bill. I don't think there's anything that is going to really reconcile that.

CAVANAUGH: OK. I'm looking over your amendment and it strikes language that really is making it explicit what the department should do, but is actually not necessary to the bill moving forward. So it doesn't do anything to improve the bill, which is unfortunate because it does feel like what everyone was saying on Friday was that they liked this

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

bill in theory, in concept, but that they wanted to see some changes made. And the changes I see in this amendment are not substantive and that is disappointing. I'm disappointed overall in the conversation that we've had around this because people kept saying that they like this in theory and nobody has introduced an amendment that reflects a willingness to work with Senator Crawford on this very important issue. This is the reality that everyone faces in Nebraska. At some point you will need to take time off and it will be an emergency. And the question is whether or not you're going to have to be financially compromised for doing so. And the people that this really impacts are our hourly employees, the ones that don't have accrued sick leave. Last session this body passed and I am grateful for them passing the protection order bill. This bill would mean that if somebody needed to seek a protection order for their safety, for the safety of their family, that they could take the time off of work to go to the courthouse and do that, something that you have to do during normal--normal business hours. And there was a lot of talk about the accommodations that the small business owners here in this body make for their employees. And I commend you for doing so. But the reality is that not everyone does that. And this bill makes sure that if somebody needs that, that their employer will do that. And unless this body wants to talk about real solutions to problems, I find it very frustrating that we're having disingenuous amendments added and people getting in the queue and making vague comments over and over again about the burden of this bill, but no discussion over how to make this bill stronger or where to garner your support.

FOLEY: One minute.

CAVANAUGH: Thank you. I'd like to see this body work harder together. This is a short session. We've got a lot of important things to get done. This is an important bill. This would do a lot for a lot of people, a lot of working people in Nebraska. And I hope that for the next hour or so that we can all come together and find a way to vote this to Select File and work to make this a stronger piece of legislation. So I encourage everyone to think about what it is you need to see happen in this bill, because I'm sure that Senator Crawford, I've always known her to be open to conversation and open to changes, and I'm sure she's open today to have that conversation. So I encourage my colleagues to vote to get this to Select File so that we can work to make it better for Nebraskans. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

FOLEY: Thank you, Senator Cavanaugh. Senator Arch.

ARCH: Thank you, Mr. President. I did not have an opportunity to speak last week on this bill and I wanted to express my concern about LB305 and the-- and the amendment. My-- my understanding, my position of-- of how all this works is that we need to-- we need very strong evidence to interfere with market forces. Market forces being those that we're experiencing right now. Low unemployment, strong demand for employees, creates rising wages, creates a very competitive environment to recruit and to retain-- retain employees, which naturally increases wages, naturally increases benefits. That is how our economy works. And to interfere by artificially placing requirements upon benefits, I think we just need to be very careful about that. There needs to be very strong evidence that this has to be done and I-- and I don't see that. What I see rather, is I see wages rising. I see competition between employers fierce to recruit and to retain. If-- if then this benefit level is required, I think we will see and-- and we see-- we see benefits increasing with employers now where-- where additional benefits are being used to-- to entice employees to come to work. And-- and so that is what the market is-- is doing right now. Mandating benefits, I think has been expressed puts a particular strain on small employers and-- and that requirement makes it increasingly difficult. While we may see increasing wages, those dollars have to come from somewhere when we increase benefits at the same time. So when the wages increase naturally as a result of competition for recruiting and retaining, then those have to slow down so that dollars can be shifted to benefits such as this, mandated benefits such as this, and the cash in the pocket of the lower paid employee then-- then continues to be artificially restrained and-- at-- in order to pay for these benefits. And it, it just doesn't work. And so again, I say very strong evidence has to-- has to be-- be there to interfere with these market forces. I think the best way to see increasing wages and benefits is to keep supporting a strong economy with our policies, which I think by and large that is what we are doing. We want to create a very healthy, growing economy in the state of Nebraska, one that-- one that rises-- raises wages, raises benefits naturally as a result of that demand for good, strong work force that we need. So this needs to be our focus. And that is my concern with LB305 is that it artificially interferes with those market forces and I'm not in support of that. Thank you.

FOLEY: Thank you, Senator Arch. Senator Moser.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

MOSER: Thank you, Mr. President. Thinking through the consequences of this bill brings up a lot of concerns. I agree with Senator Arch in that these benefits should be negotiated between employers and employees. They should not be mandated to the employers. This is another variation of the thought that government and the big businesses owe more money to their workers and that we have to make the world-- well, we won't go there. Back to the bill. One hour out of 30 hours is about 3.3 percent. So you take that times the 20-- 2,080 hours in a typical work year, 69 hours a year that you'd have to offer as paid leave or paid sick time. We already have holidays and vacations negotiated. And to add this to it, I think creates too much burden. There would be another almost two weeks, 69 hours a year. Every employer of four employees or more would have to keep track of how many hours the employees work, then you have to divide by 30 to get the number of hours that you have to allow, and then you have to keep track of those hours as some are used and-- and so it creates a burden to keep track of the bookwork. Again, I think this is intrusion into the workplace. I think the employers and the employees should negotiate this. It should not be mandated by the government. I just-- I couldn't feel more strongly that this is the wrong way to go. Thank you very much.

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

M. HANSEN: Thank you, Mr. President. And good morning, colleagues. I rise in support of LB305, the Business and Labor Committee amendments, and unfortunately opposed to my fellow Senator Hansen's floor amendment. I-- I appreciate the discussion we're having and I-- and I didn't get a chance to talk much last week so I kind of wanted to jump in and make a couple of points. This is something that we hear and we do here. We've looked at business and labor. We've looked at barriers to employment and frankly, just having flexible employers that will let their employees kind of do the day-to-day tasks of living are not, you know, universally common. So I appreciate that there are a lot of people here know employers, are employers that seem very accommodating and very generous. And that's great. And I'm very appreciative that-- that you all do that. But we know that's not universal. Kind of similar with the minimum wage. We know there's a lot of individuals, there's a lot of jobs, there's a lot of positions that obviously get paid significantly higher, but we know there are some individuals who-- some businesses who would pay less than the minimum wage if we didn't have it. And, you know, those are not sustainable wages. So that is why we as a step-- as a state have stepped in there and this

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

is why we as a state are talking about this now. And so-- and so that's just kind of like where we're coming from. So to say that there's you know, there's kind of been some indication that nobody's ever had a problem with their employer or gotten fired for going to the doctor too much or gotten fired for going to court too much for-- because of domestic violence. We know that to be true. I mean, those are [INAUDIBLE] and instances we hear about. We have constituents talk to us about. We know there's a problem. There's an actual problem we're trying to solve here. And that was kind of disputed on Thursday. I get that this-- you've-- I appreciate the position that this is a burden on employers. I think that's a position that is-- is defendable and whatnot, and I appreciate the debate from that. But it's the kind of the assumption or implication or whatever that there's not even a problem to begin with, that we're just making stuff up to feel good. That-- that kind of had the tone undercutting the debate a lot. And that's really just-- I just want to really emphasize, that's not the case. We've talked with people who've, you know, had the struggle to-- have these problems. And this is an actual problem. This is a concern that constituents have come to us about that have really impacted their lives. And so fundamentally, I get that not everybody's going to support LB305. I've heard people speak against it this morning. That's not a shocker for me. But please understand that there is an attempt-- there is a group of people out there who don't have accommodating employers, who don't have savings, who maybe don't have the most marketable skills, who are really trapped and feel like they can't take time off multiple doctor visits or have been expressly told that they shouldn't take time off for multiples doctor's visits, and those are the people we're trying to help and make sure that they just have a minimum baseline of employment or minimum baseline of income so that they don't fall through the cracks and end up in all sorts of different difficulties or on government, needing more government services. So with that, Mr. President, I'd yield the rest of my time to Senator Crawford, should she need it.

FOLEY: Thank you, Senator Hansen. Senator Crawford, 1:45.

CRAWFORD: Thank you, Mr. President. And thank you, Senator Hansen. I just wanted to come back to-- Senator Arch had mentioned the importance of evidence and evidence that this is needed. And I just want to come back and remind you, colleagues, of important evidence that we have. We still have over 40 percent of Nebraskans who don't have a single paid sick day. Think that's significant evidence and 70 percent of our low-wage workers do not have sick days. So there is

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

clear evidence that this is needed. And we also have clear evidence from places that have done this that-- that we do not see a shift in wages. I mean, raise the concern about whether or not that it would reduce wages. And a meta-analysis of all states and localities with sick leave did not find any evidence that wages of employment significantly changed after the laws were passed.

FOLEY: One minute.

CRAWFORD: So, do we have that evidence, colleagues. Thank you, Mr. President.

FOLEY: You-- you have one minute left, Senator, if you, care to use it.

CRAWFORD: Yeah, I thought you said it was time. Thank you. So evidence we do have-- so, colleagues, we do have evidence that is needed in the state of Nebraska. And we have evidence that it is not harmful in terms of chain-- of impacting wages of-- of-- of-- of employees or impacting their employment. It does not-- it has not reduced jobs or has not reduced wages in other places. And so it is important that we do have evidence that it is needed in the state, and we do have evidence from other states and other localities that we can do this without having a negative impact on wages or having a negative impact on employment. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Speaker Scheer announces some special guests today. We have with us 24 members of Nebraska State Volunteer Firefighters and Nebraska Fire Chiefs Association from all across Nebraska. They attended a breakfast this morning over at the Ferguson House. They're all with us over the north balcony. If the firefighters please rise, we can welcome you to the Nebraska Legislature. Continuing discussion. Senator Hunt.

HUNT: Thank you, Mr. President. I rise in support for LB305 and AM592 and unfortunately in opposition to FA91 from Senator Hansen. To be honest, the conversation about whether or not there's evidence for this, if there's evidence that it's going to help Nebraskans, if there's evidence that this is something that is going to help people who have to care for a sick child, people who are caring for a sick relative, people who are fleeing domestic violence and sexual assault situations, to say that we aren't sure if there's evidence that that's needed, it's not really a good faith argument because we know that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

there's evidence. What this is coming down to in this body is a discussion about whether or not some of you think that anybody deserves a paid day off. This is an ideological question that we have a divide on here in this body. Do you think that if somebody is sick, if their child is sick, if they have to leave their home and create a safe plan so that they aren't getting beaten in their house by someone they live with, should they have a paid day off to do that so that they don't lose their housing, so they don't lose access to food, so they don't suffer these other consequences that we know spirals people down into a cycle of poverty. That doesn't have to happen in Nebraska if we pass this bill. It's going to help people. People in this Legislature on my side, you know, who-- who believe in this kind of thing, we bring these things year after year and they get shot down year after year and I feel like we try to do something a little bit more incremental every time. We say, OK, if we're not going to do like a whole paid sick leave thing-- you know, I was part of a little coalition over the interim that tried to negotiate like a paid sick leave agreement with business leaders in Nebraska to say, you know, this is part of a healthy business climate when we offer these kinds of benefits to workers, because, you know, without a healthy work force, without a supported work force, our revenue suffers and our potential to attract and retain talent suffers. So as part of a group that was talking about, in earnest, in seriousness, putting together a paid sick leave package and there was no movement on that, that wasn't something that there was any support for, not for lack of trying. So now we have a bill that says, hey, employers who have several employees, it's not like the tiniest of small businesses. These are businesses that have made some money, who have some, you know, some stake in the game, who are paying taxes. You need to give your employees five days off a year, five days off a year, five days. And, you know, I'm not sure that there's going to be support in the body for that either. And so I would tell voters to, you know, reach out to your senator and tell them why this is important to you. A cause of a lot of businesses closing in Nebraska is not because their employees need time off to take care of sick children. If your kid's sick, your kid's sick. That's not something that you can change. That says nothing about your work ethic. That says nothing about your desire to work. Everybody wants a job and wants to feel productive and contribute to their communities. And under this bill, this is something that businesses can plan for. This is something that scrupulous business owners will be happy to do. And let's be real. When businesses close, a lot of factors go into that. It's not

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

realistic to say that LB305 is going to be a big factor in the closure of any business, because with the economic realities of this country, with the economic realities of Nebraska, it's just not realistic to say this is going to be a make or break thing for a business. You know what could be a make or break thing for a business? Something like Medicaid expansion and access to healthcare. I've been a business owner in my district for 15 years. If you can do some math, that's like pretty much my whole adult life. And I closed my business on November 1 last year, which was a big blow to like my, you know, self-identity and my ego. And that's been something that I've been processing for a while. And when my employees were sick, take a paid day off--

FOLEY: One minute.

HUNT: When my employees had issues with their kids, take a day off because I knew that when my work force wasn't healthy and happy, they weren't going to do good work for me. That's being a good boss. And a lot of people on the floor have talked about, well, this is something that business owners should do voluntarily. I agree with that. I think that they should. But we also know that that's not normal. And there's going to be many businesses in Nebraska that don't take care of their employees unless the law requires them to do it. That's why we pass laws in this body to ensure that, you know, ethical business practices are being followed by employers. So, you know what might be a breaker for small businesses, access to healthcare. Me, as an uninsured person and a business owner taking care of my employees first, making a lot of sacrifices so I could contribute something to my economy, Medicaid expansion would have been a big help for me. Maybe we should stop dragging our feet on things like that when the voters have told us that this is what they want us to do. We're implementing tiered benefits, all of these working requirements--

FOLEY: That's time.

HUNT: --when we-- Thank you, Mr. President.

FOLEY: Thank you, Senator Hunt. Senator Morfeld.

MORFELD: Thank you, Mr. President. Colleagues, I rise in support of LB305 and in opposition to FA91 for a few different reasons. I mean, first, we're talking a lot about having a healthy economy and that in order to have a healthy economy, we need to ensure that supposedly

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

these employees don't have these benefits, but that doesn't make any sense because a healthy economy starts with a healthy work force. And if we're not ensuring that we have a healthy work force, people that can have time off when they're sick, not go to work and make other people sick within their own work force or make customers sick, particularly in places where there's customer service jobs, then we don't have a healthy work force on many different levels. We don't have a healthy work force at the place that actually is the workplace, and we don't have a healthy work force at other people's places because they're coming in contact with these people because they're forced to go to work when they're sick. In order to have a healthy economy, you've got to also have people who, when they are sick, they can still have money to pay the bills, to pay the rent, because what then leads to an unhealthy economy is when somebody comes to their landlord and says, hey, I can't pay the rent. I've been sick for a few weeks with the flu or some other illness, and I'm not getting paid, so I can't pay you now. Well, now that person can't pay their bills, which then means other people aren't getting paid in the economy as well. So if we're going to have a healthy economy, we need to make sure that our work force is, one, healthy; and, two, has the resources necessary when they're sick. And five days of paid leave is not asking for too much from employers either. And if your business model, remembering that this excludes seasonal workers, if your business model is so weak that you can't give employees, who are bound to get sick because that's what happens to humans, five days, then maybe you need a different business model. This is common sense and yes, there's a lot of employers that do this already. I do it as an employer and many others do as well, but not everybody does. And when we sit back and we say, oh, golly, gee, it's really tough to retain these-- these workers and recruit new workers, and yet we oppose common sense things like this that make Nebraska more attractive and stand out from some of these other states, or in some cases it makes us look bad as compared to other states in terms of not having these protections, then we should stop wondering why a bunch of people don't want to stay here or come here for work. It's more than just about making sure that we have a favorable tax climate. It's about making sure that we have a climate that is successful from not only businesses but also individual employees. And by setting a baseline standard, a baseline standard for Nebraskans who are bound to get sick but are hardworking and want to still be able to provide for themselves and their family,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

a healthy economy starts with a healthy work force. And that's exactly what LB305 does. And I urge your support. Thank you, Mr. President.

FOLEY: Thank you, Senator Morfeld. Senator Clements.

CLEMENTS: Thank you, Mr. President. I stand in opposition to LB305. I was looking at testimony from the hearing and especially noticed testimony of the Nebraska Grocery Association executive director. I'd like to read from that testimony where they said, also I've been asked to testify on behalf of the Nebraska Retail Federation and the Nebraska Restaurant Association opposing LB305. They say our industry is one that runs on profit margins of approximately 1.5 percent. This bill would require us to pay our 14-year-old shelf stockers paid time off. These are high school kids. When you're working on 1.5 percent margin, there is no money to pay time off to high school kids. That's why they're hired, because they don't have skills and we're trying to train them. We do train them. We teach them how to clock into a time machine. We teach them that they have to show up for work. And now what this bill would do would be required that we pay them time off and this is a business killer. Rural stores are small independent stores, can't afford something like this is what they-- they said. As I was reading that I remembered that I worked in a grocery store when I was in high school in Elmwood, Nebraska, and I was living at home. I didn't really need sick time. It was not essential. But I did like the spending money. And if a bill like this would prevent me from being hired as a high schooler to get some more spending money that would-- and with other high school employees, I think that would be detrimental to their experience, and they lose-- also lose the experience of work and training. There used to be two grocery stores in Elmwood. I worked at one of them. They're both gone. There was a grocery store in Eagle where we do business. It's no longer open. The profit margin, even with mom and pops running those stores, is so slight that slightest extra expense is not affordable to them. The proponents have claimed that this also is good for economic development. And I disagree with that. The Department of Labor also opposed this bill. They see the employee needs and regularly statewide and they did not feel this was a necessary addition to the law. I see this. There was growing government bureaucracy in Nebraska having to keep track of the new requirements, adding more Department of Labor employees grows government. Another point I see that the Chamber of Commerce was in opposed to this. They like economic development, but they-- and they need work force and they want economic development as well but they saw more harm than good from this mandate. And the fact

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

that they're only four employees or more, is-- it's going to affect almost all businesses in Nebraska. It's very broad and sweeping. And I think that limit is extremely low, lower than most definitions that we have for employment mandates. And for those reasons, I am not supporting LB305. How much time do I have left?

FOLEY: About one minute.

CLEMENTS: I yield the rest of my time. Thank you, Mr. President.

FOLEY: Thank you, Senator Clements. Senator Crawford.

CRAWFORD: Thank you, Mr. President. Good morning, colleagues. I just want to again, it bears repeating and I will repeat it over and over again, really what we know from other states and localities that have put this in place. I hear a lot of concern about wages or concerns about whether or not this would take away jobs. And colleagues, what we've seen from analysis, one of the great things about making laws at the state level is that we can actually see what's happened in other states. Our states are laboratories of democracy and we can see what happens in other states. And again, I want to repeat what we found in our studies, when we've studied the implementation of paid sick days like-- like as in LB305, in other states and localities, so this is studies of both states and cities that have put in place paid sick leave laws. That we did not find any evidence that wages or employment significantly changed after these laws were implemented. So all these scare tactics about what it's going to do to wages or what it will do to employment, that it will take away jobs, we simply have no evidence to support that. When we see what actually happens when we put this bill in place in states and localities, we have no evidence to support that it will lower wages or that it will take away jobs. In fact, we have the opposite. We have evidence that it's very helpful to employers. And in one state in particular, in Connecticut, that's had the bill for the longest, that's had the law for the longest amount of time, a substantial number of employees now have a positive view of the law. So now that they've had practice with it, it's been in place, they've seen that it actually helps them. And so we have 70 percent of those employers in a state that's had the bill for the longest that have positive impact, that say it has a positive impact on their businesses. So while this is, yes, very much for workers and trying to protect our workers and trying to protect our victims of domestic violence, it also in the end, what we see in other states is that it's also good for business in the end. And so I urge your support of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

LB305. I do just also want to emphasize again that this is for sick leave, but it's also for safe leave and it can be used when someone is a victim of domestic abuse. And so, again, part of this bill is really to try to protect rights of those who have been abused, and that time period right after they've been abused, when they're trying to put their lives back together, is when they're at most at risk. And colleagues, LB305 would help us help these victims put their lives back together in a way that is helpful to businesses as well. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Senator Friesen.

FRIESEN: Thank you, Mr. President. I still stand in opposition to LB305. And I don't-- I will not argue against any of the principles that you've put forward, Senator Crawford. It's-- to me, it's more the principle of mandating that a business has to do something again. And so when you look at Nebraska and you look at the small businesses out there, I think the-- you know, the more progressive small businesses that want the best employees, they will add these things to their benefit package. That will set them ahead of someone else. That's what business practices. If you're-- if you're a cutting edge and you want to grow and you want to provide the best service that your company has to offer, you're going to want the best employees. This is what differentiates them from other employers. And when we have a tight labor market like we have, if you want to attract the best companies or the people to work for you, you're going to offer some of these benefits. But if we mandate that everyone carries these, now you've put them all on the same playing field again. And next, we'll have to, though-- I mean, a good business will come up with some other ideas and how to differentiate them from the other businesses. The effort to attract employees isn't always just higher wages. I think we have a new group of young people coming up where wages is probably the second thing on their list. They're looking at the benefit package and they're looking for flex time. They're looking for different hours where they can enjoy themselves, maybe bicycling during the day. They'll-- they'll demand other things and who knows what that might be. But the more we start to set the playing field level for all these businesses, it just makes them all the same again. And so I still think business will do what they have to do to attract employees. You know, if we had unemployment rates at 10 percent, not enough jobs, too few or too many workers, things would look different. But right now, the employee is in the driver's seat. They can be demanding now. They can ask for these things and their business is going to have to make

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

that decision whether or not they want to keep that employee by offering these packages that others don't. And so I still think when we start to mandate things again, I'm just let businesses run. I'm more than happy to just let's see how it goes but I know there's businesses out there offering a lot of different ideas and they do attract the best of the best. So by mandating this, I still think we-- we just level the playing field and it doesn't really in the end make much difference. We drive up the cost of doing business. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Senator Blood.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I've stayed silent and listened through two days of debate, and there are several things I'm not hearing that I think should be on the record. So the FMLA, first of all, it requires that an employee has worked at least 12 months or 12-- 1,250 hours and 12 months to request to leave. So if you're a new employee and you need time off to take care of somebody who is sick or disabled, you don't necessarily have that ability and I believe this bill will help those individuals. But more than that, what a lot of people don't understand are the families that are dealing with children or adults in their home who have disabilities. And you have to take time off because you have nobody else that can help you. And I'm sure we all have a long list of people that we can talk about who have lost jobs because they couldn't take time off, they couldn't get paid time off to take care of that individual that had a disability. So employees are asking for time to care for disa-- disabled relative and it's actually under the ADA and they're essentially making a request for reasonable accommodations. And so my concern is I look at not only the people that are caring for people with disabilities, but I look for at-- many of the employees that work for organizations like Goodwill. We all pat ourselves on the back when we give them money and we think we're providing excellent jobs for people with disabilities. And no offense to this nonprofit, because I believe in some cases that they do an excellent job, but in other cases, for people with certain types of disabilities, they are working for not awesome paying jobs without benefits. And so they get sick. They don't get paid. So what are we really doing and what message are we're trying to give people with disabilities? Are we saying that, you know, we want you to work and we want you to contribute to our tax base, but we think you are less than-- we think you are less than and not deserving of having the ability to take time off to care for yourself when you're sick, to take time off to care

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

for somebody else in your home who also may be disabled. And we don't care if you are in an abusive situation because we know that-- that chances are that you may even be in a position where you are more likely to be abused and taken advantage of because of your disability. That's why I like this bill, Senator Crawford. I think we talk a lot about people with disabilities, and we all like to put the money into the jars by the register, but we really don't think about what their lives are like. And in many, many, many cases, their lives are really tough and they're not getting good pay and they're not getting benefits. And as a parent who spent yesterday, my recess day, between juggling legislative issues and constituents, I was juggling doctor's appointments with my son, who has a disability, my adult son. And I can tell you that I don't know how people do it when you have complex problems and you get referred from doctor to doctor to doctor, how many days can you afford to take off? And then how-- how many-- how do you pay your bills when you take those days off without pay? So for me, Senator Crawford, and all-- the data, this is a data-driven bill. And there is a reason that Senator Crawford is a professor at Creighton University because she is a smart cookie and she doesn't just fly things with make believe topics that it's going to hurt some there. It's not going to hurt something, it's going to help something, it's not going to help something.

FOLEY: One minute.

BLOOD: It is based on data from other states. And to pretend that you don't hear it while you're putting snacks in your mouth means that you're not really listening to the debate. So remember that this is going to help the least of us. Yeah, I can see you guys-- the least of us. And what are we here for if it's not to take care of fellow Nebraskans? And so for that, I stand opposed to the floor amendment, but in favor of both the committee amendment and the bill, and thank Senator Crawford for her hard work.

FOLEY: Thank you, Senator Blood. Senator Halloran.

HALLORAN: Thank you, Lieutenant Governor, colleagues. I, too, will commend Senator Crawford for the intent-- for intent. I don't think anyone ever challenges her intent on this bill. Again, I think there's been a lot said and I'm gonna be-- belabor and repeat some of that. But this whole idea that business owners, particularly small business owners, are-- how would you say, mean ogres and are-- aren't willing to work with their employees when they've only got four or five

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

employees? I know it may be a stretch for some of you to believe this, but in many cases, those employees are just like family and we treat them that way. Are there exceptions? There may be exceptions. There's exceptions to everything. But in the real world of small business, it goes back to the earlier discussion. There's two different demographics that we're talking about here. We're talking about urban and we're talking about rural employers. Back home there's employers that continuously ask me or comment to me about the difficulty in finding a work force. And what they're doing-- what they're doing is many, many people, when they need-- employers, need employees, they pirate them, or maybe that's a harsh word, but they try to recruit employees from other employers in the community. And so that ends up being a vicious circle and it's not healthy for a business environment. And I think this is just one more mandate that makes it a challenge for people who are struggling in a work force that's short and-- and the-- and the-- and challenged in a-- in an environment where help wanted signs are everywhere. And not just low-income minimum wage help is needed. There are a lot of jobs that go wanting that are good paying jobs. And employers are very conscious of the fact that they have to treat their employees well and with understanding. But again, in a rural environment where you might have five employees, four employees, as this bill states, if you lose one, you lose 25 percent of your work force. That leaves the rest of that work up to the balance of the work force, the 75 percent, the three employees that remain. So it's-- it's a challenge, I think, to come up to a-- to come up with a bill on this issue that one size fits all because clearly in Nebraska, it doesn't. Thank you, Mr. President.

FOLEY: Thank you, Senator Halloran. Senator Murman.

MURMAN: Thank you, Mr. President. I haven't spoke on this bill yet, so I appreciate the opportunity. And I, too, want to thank Senator Crawford for bringing this bill. I think the intent of it is excellent. The intent is to provide-- have a work environment that is conducive to families and disabled people and-- and those that are in a bad situation. So I think that's very good. I-- I just have to speak a little bit from my own experience. I was the dairy farmer for 50 or so years and had-- at one time had up to six employees and-- and some part-time also. It just wouldn't have worked very well in my situation. I think most of us are close enough to agriculture and livestock to realize that it's very difficult to get time off, especially in dairying. The cows have to be milked at least twice a day or more, and calving year-round, night and day, holidays. So it's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

very difficult to schedule time off, especially when you're a small business and don't have very many employees to move the work schedule around. Also, when I hired someone, I-- I did tell them that, you know, it would be difficult to get time off and I encouraged them to work with the other employees to schedule their time so that whenever it worked best between them, they could maybe work it out so they could get certain time off. I had several people that milked cows at 3:00 in the morning and the reason they did that is so they could have afternoons off for high school sports or-- or college sports so they could attend activities with their children. So, you know, we worked together. I did pay very well. And the reason I-- I did pay very well was, of course, I wanted the best employees, but I compensated. And-- and I did tell them that also when I was hiring them, that it's difficult to get time off so I would pay a little better than anybody around me just so-- because just for that reason. So, you know, when we have government mandates like this, it-- it just makes it more difficult for small employers to do those kinds of things to-- in special circumstances, to work with their employees to, you know, exchange one benefit for another, possibly. I do believe in limited government and I just think this is a government overreach. It's just-- it makes it more difficult for employers to work with their employees when they're mandated to do certain things and it limits sometimes some other benefits that they could give to-- to compensate for benefits that they are mandated to give. Thank you, Mr. President.

FOLEY: Thank you, Senator Murman. Senator Morfeld. Question has been called. Do I see five hands? I do. The question is, shall debate cease? Those in favor of ceasing debate vote aye; those opposed vote nay. A request has been made to place the house under call. Those in favor of placing the house under call vote aye; those opposed vote nay. Record, please.

CLERK: 19 ayes, 8 nays to place the house under call.

FOLEY: The house is under call. All senators please return to your desk and check in. The house is under call. Senator Bolz, Hilkemann, Groene, Linehan, Chambers, Arch, please return to the Chamber and check in. The house is under call. Senator Bolz, Linehan, Chambers, and Arch, please return to the Chamber and check in. The house is under call. Senator Morfeld, when we have everyone present, you could take call-in votes or we could do a roll call, your-- your choice. All right, when we have everyone here, we'll do a roll call. Waiting for Senators Linehan and Arch. Senator Morfeld, we're lacking Senator

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

Linehan. We can wait, if you care to. That's fine. Waiting for Senator Linehan. All unexcused members are now present. The question before the body is whether or not to cease debate. There's been a request for a roll call vote in reverse order. Mr. Clerk.

CLERK: Senator Wishart.

WISHART: Yes.

CLERK: Voting yes. Senator Williams.

WILLIAMS: Not voting.

CLERK: Not voting. Senator Wayne. Senator Walz.

WALZ: Yes.

CLERK: Voting yes. Senator Vargas.

VARGAS: Yes.

CLERK: Voting yes. Senator Stinner.

STINNER: No.

CLERK: Voting no. Senator Slama.

SLAMA: No.

CLERK: Voting no. Senator Scheer.

SCHEER: No.

CLERK: Voting no. Senator Quick.

QUICK: Yes.

CLERK: Voting yes. Senator Pansing Brooks.

PANSING BROOKS: Yes.

CLERK: Voting yes. Senator Murman.

MURMAN: No.

CLERK: Voting no. Senator Moser.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

MOSER: No.

CLERK: Voting no. Senator Morfeld.

MORFELD: Yes.

CLERK: Voting yes. Senator McDonnell.

McDONNELL: Yes.

CLERK: Voting yes. Senator McCollister.

McCOLLISTER: Yes.

CLERK: Voting yes. Senator Lowe.

LOWE: No.

CLERK: Voting no. Senator Linehan.

LINEHAN: Not voting.

CLERK: Not voting. Senator Lindstrom.

LINDSTROM: No.

CLERK: Voting no. Senator Lathrop.

LATHROP: Yes.

CLERK: Voting yes. Senator La Grone.

LA GRONE: Not voting.

CLERK: Not voting. Senator Kolterman.

KOLTERMAN: Not voting.

CLERK: Not voting. Senator Kolowski. Senator Hunt.

HUNT: Yes.

CLERK: Voting yes. Senator Hughes.

HUGHES: No.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

CLERK: Voting no. Senator Howard.

HOWARD: Yes.

CLERK: Voting yes. Senator Hilkemann.

HILKEMANN: No.

CLERK: Voting no. Senator Hilgers.

HILGERS: No.

CLERK: Voting no. Senator Matt Hansen.

M. HANSEN: Yes.

CLERK: Voting yes. Senator Ben Hansen.

B. HANSEN: No.

CLERK: Voting no. Senator Halloran.

HALLORAN: No.

CLERK: Voting no. Senator Groene.

GROENE: No.

CLERK: Voting no. Senator Gragert.

GRAGERT: No.

CLERK: Voting no. Senator Geist.

GEIST: No.

CLERK: Voting no. Senator Friesen.

FRIESEN: No.

CLERK: Voting no. Senator Erdman.

ERDMAN: No.

CLERK: Voting no. Senator Dorn.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

DORN: No.

CLERK: Voting no. Senator DeBoer.

DeBOER: Yes.

CLERK: Voting yes. Senator Crawford.

CRAWFORD: Yes.

CLERK: Voting yes. Senator Clements.

CLEMENTS: No.

CLERK: Voting no. Senator Chambers.

CHAMBERS: Yes.

CLERK: Voting yes. Senator Cavanaugh.

CAVANAUGH: Yes.

CLERK: Voting yes. Senator Briese.

BRIESE: No.

CLERK: Voting no. Senator Brewer.

BREWER: No.

CLERK: Voting no. Senator Brandt.

BRANDT: No.

CLERK: Voting no. Senator Bostelman.

BOSTELMAN: No.

CLERK: Voting no. Senator Bolz.

BOLZ: Yes.

CLERK: Voting yes. Senator Blood.

BLOOD: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

CLERK: Voting yes. Senator Arch.

ARCH: No.

CLERK: Voting no. Senator Albrecht.

ALBRECHT: No.

CLERK: Voting no. 18 ayes, 25 nays on the motion to cease debate.

FOLEY: The motion is not adopted. I raise the call. Return to the discussion on the bill. Senator Matt Hansen.

M. HANSEN: Thank you. Oh, excuse me, ouch, staticky in here. Thank you. Thank you, Mr. President, and good morning, colleagues. I'm glad we're still continuing to have this debate on LB305, and I want to just take a moment to thank Senator Crawford. She has worked so tirelessly on issues facing working families throughout her career and LB305 was just the latest in that. And I do want to kind of address some of the debate and some of the discussion. You know, I don't think business owners are ogres. I don't think business owners, you know, are doing this mean spirited maliciously. But there are sometimes, some, where there is clearly kind of a failure to kind of take into consideration the health needs of some of our constituents. And that is all we are trying to do here. If you find that burdensome, I-- I-- that's something I guess it's a matter of perspective and I understand that. But this isn't from some sort of hammer we need to crack down on small businesses, we need to punish small business. This is we need to make sure people have the ability to go to a doctor and not worry about losing their job, losing their rent because they can't afford it and so on and so forth. I-- this is going to be an issue that I know isn't going to go away and I hope that everybody who is supportive of the concept or supportive of the intent, as a few people have talked about, can help us learn and find a way as to what that looks like to you. What does that bill look like? What version of that bill can you support? With that, Mr. President, I would yield the rest of my time to Senator Crawford.

FOLEY: Thank you, Senator Matt Hansen. Senator Crawford, 3:20.

CRAWFORD: Thank you, Mr. President. And thank you, colleagues, for those of you who are supportive of ending debate and voting on this bill, and I appreciate the ongoing debate we're having. Again, I just want to stress how important it is that we pass a bill like this in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

our state. I know there are some great employers out there who offer wonderful benefits to their employees; but frankly, again, we just have too many Nebraskans who are hardworking Nebraskans who don't have access to those benefits no matter how hard they work. And I just want to remind you again that of our lowest wage workers, 70 percent of those workers do not have access to a single paid sick day. So, colleagues, this is not something that's hypothetical. It's not something that's just high school kids. These are hardworking Nebraskans who are working in our-- in our workplaces day after day and not having access to the paid sick leave that they need. And it's an important issue and I know that-- that-- that this year will not be the end of this debate. We'll come back to this debate year after year until I think we actually build a momentum to-- to make the change that's needed in our state to really take care of our workers. We-- in this morning in the prayer, we talked about the importance of speaking for those who are voiceless, and colleagues, this bill, this is a part of that effort to speak for those low-wage workers who don't have access to sick pay, to speak for those victims of domestic violence who are trying to put their lives together but need a day off to go get a restraining order or to deal with their own health needs. Colleagues, this is a bill to speak for those who have no voice in our workplaces. And it's important that we-- we step up to the plate and do what's necessary to make sure their needs are taken care of. We do interfere with the workplace when we think there's a minimum standard to be met, and that's an important part of our law. We have that for minimum wage. We say that it's critical for workers to have a minimum wage when they're working. And this is a similar recognition, that there's a minimum standard that we have for our workers and for our people, people who maybe become sick or need to take care of someone who's sick or who may find themselves, unfortunately, in a situation as a victim of domestic violence. This gives them a chance to say we have a minimum standard in our workplaces in Nebraska and that minimum standard is that you can earn-- you can earn up to 5--

FOLEY: One minute.

CRAWFORD: --sick days, colleagues, up to 5 sick days total in a year, and those don't accumulate. And so this is just setting an important minimum standard for the workers-- for the workplaces in our state. And it's an appropriate minimum standard when you recognize how valuable this work-- it is for workers to have access to this leave. And again, I want to repeat that we've seen in other states and localities that have put this in place that it has not negatively

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

impacted wages or employment so the-- we can do this in our state and we can have a positive impact on our employ-- on our work force and a positive impact on both our employers and our employees by making this minimum standard, a minimum standard in our state. And it's healthy and for our work forces and healthy for our employees and healthy for our hardworking Nebraskans. So I urge your continued attention to this debate and your continued attention to this issue as we-- as we continue to press for this change in our work force in Nebraska. Thank you, Mr. President.

FOLEY: Thanks, Senator Crawford. Senator Walz would like to announce that Kaci Jumps, the office intern for Senator Walz, is with us as a guest under the north balcony. Kaci, if you could please rise, I'd like to welcome you to the Nebraska Legislature. Continuing debate. Senator Lowe.

LOWE: Thank you, Lieutenant Governor. I'd like to thank Senator Crawford for bringing LB305. And I'd like to thank Senator Hansen for his FA91. I thank Senator Crawford for bringing-- bringing LB305 because it brings into this discussion how important small businesses are to this state. Small businesses are the backbone of Nebraska. And why did they get into business? It's because they have a dream. They have a dream of growing a thought, a thought that might help somebody, bringing a service to somebody, not of mandates by the state. And that's what this is, is a mandate by the state that they will treat their employees with no less than this floor. Small businesses treat their employees a lot better than this floor. But by placing a mandate on them, some will say, I'm just not going to go into business. I'll work for somebody where I can get all the benefits and not have the worries, not have the financial burden. Businesses won't develop, ideas won't develop, and that's what we take pride in, in Nebraska. It was brought up earlier that we need this for every citizen of our state to have the right to work and apply. We already have that. We live in the United States of America. We live in Nebraska, where you can go out, you can start a business, you can work for anybody if you're qualified. Now, that's something amazing. The United States is one of the greatest countries in the world and it's because we offer the freedoms, the freedoms to businesses, the freedoms to employees, and the ability to grow a business without the government saying, you need to do this and that before you do this. Our employees are the most important part of our businesses but that is not why we got into business. Our employees help us achieve our goal. And that is an important part of our business, knowing that we have our employees'

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

backs, knowing that they have our back in growing our businesses. We don't need the government stepping in and saying we need you to give sick days off. Even in my smallest business, I had more-- more than four employees. If they were sick, we'd work out a deal where they had the time off that they needed. If their family was sick, we'd work out a time off so they could attend their families. Why? Because we need those employees back the next day because we don't want to train new employees because one has left because we were not nice to them. We don't need the state government telling us what we need to do. We value our employees. They're like family to all of us.

FOLEY: One minute.

LOWE: Thank you, Mr. President. We need to get out of the way of business, let it develop, bring it to Nebraska. That's the only way we're going to grow Nebraska. We're not going to grow it by having two children for every family that just replaces us. And that's kind of what we're doing now. We need people to move to Nebraska to work. We need businesses to move to Nebraska to bring in new people, especially in the Third District. And we will help those in the First and the Second Districts to grow. Because we are Nebraska, we are united. We're a great state. Thank you, Mr. President.

FOLEY: Thank you, Senator Lowe. Senator Cavanaugh.

CAVANAUGH: Thank you, Mr. Lieutenant Governor. Again I want to say thank you to Senator Crawford for bringing this bill and for her advocacy on behalf of the work force of Nebraska. It is truly inspiring to see one dedicate themselves so passionately to ensuring that every Nebraskan has the opportunity to live a healthy and happy and thriving life and have a safe work force. This is a lot of what our unions have fought for over the decades and history of America and we're fortunate to have someone here in Nebraska working to ensure that we continue to do better by our-- our citizens. While we were doing our house under call, I had a call from my child's school that she's sick and has a fever. So I am now scrambling, and I felt like it was poignant to share that with everyone since I'm in Lincoln and she's in Omaha. And these are things that impact everyone every single day. But I will figure it out with the support of my husband and my parents, and we'll make sure that Della is well-cared for and I hope that every child has that opportunity. And I'd like to yield the remainder of my time to Senator Crawford.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

FOLEY: Thank you, Senator Cavanaugh. Senator Crawford, 3:45.

CRAWFORD: Thank you, Mr. President. And again, good morning, colleagues, and thank you, colleagues, for our spirited debate on LB305. I am honored to have brought the bill to really try to address a great need that we have in our state for our work force. And again, it's important that we recognize that we still have over 40 percent of our work force that does not have access to paid sick days. And in our low-income work force, 70 percent of those workers do not have access to paid sick days. And so I want you to imagine being in that situation where you're hard at work without access to a single paid sick day for yourself or to take care of someone in your family. And, colleagues, I think this is clearly a minimum to provide an ability to earn a week or five days of paid sick days is a minimum standard that we should set in our state for small businesses, even for small businesses, to be able to allow a worker to leave if they need to take care of themselves or to take care of someone in their family, or if they are a victim of domestic violence and need to take care of things to make themselves safe. It's important that we have this minimum standard in our state. And again, what we've seen time and again in other states is when this has been put in place, this is a minimum standard that has been put in place in other states and other localities and when it's put in place, we see no impact on wages or employment. So this will not lower wages. It will not reduce employment. In fact, it creates an incentive for workers to come to the state. They know we have paid sick leave. And it provides a minimum standard that is not harmful to our employers. And, in fact, what we find in the states and localities that have passed it is, is that it has not had an impact on wages nor on employment. So we can be sure from evidence from other states that it's OK to put this minimum standard in in our state for the-- and we will not be harming those businesses that are in our state and we will not be reducing job opportunities in our state. There's simply no evidence to support those concerns that have been raised in this debate. So, colleagues, this will be the end of the debate in this session and end of the debate in my term, but I'm sure we will have this debate continue and others will bring this issue. And I-- I am confident that eventually we will get to the point where people will see this as a valuable minimum standard for our work-- our workers and that it's important for our workers who work hard in the state of Nebraska to be able to have a paid sick day to take care of themselves or their families, and that those who are so unfortunate in our state to be victims of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

domestic violence, that they are able to have a day to go get a restraining order or take care of the business that they need to take care of to keep themselves safe. So, again, I ask for your continued openness as we-- if we continue this debate in future years--

FOLEY: One minute.

CRAWFORD: Thank you, Mr. President-- to recognize what the evidence says about the need for this bill in the state and what the evidence says about how it can be implemented in a state with positive impacts on employers and employees and businesses alike and urge your continued openness and future debate to-- to look at this issue and recognize that this is an important minimum standard for workers in our state. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Speaker Scheer.

SCHEER: Thank you, Mr. President. We've exhausted the three-hour limit, initial limit on this bill, and we will move on to the next bill on the agenda. Thank you.

FOLEY: Thank you, Mr. Speaker. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following 5 legislative resolutions: LR287, LR289, LR290, LR291, and LR293. Items for the record, Mr. Clerk.

CLERK: Mr. President, thank you. Enrollment and Review reports LB322, LB740, LB741, LB582 to Select File, some having Enrollment and Review amendments. Hearing notices from Urban Affairs and Education Committee. LR297 by Senator Hilkemann. That will be laid over, but I have a communication from the Speaker regarding referring that resolution to Reference for purposes of conducting a public hearing. And Mr. President, new bills.

ASSISTANT CLERK: Mr. President, LB1055 by Senator Brewer. It's a bill for an act relating to the Election Act. Changes provision relating to voting by mail in certain counties and repeal original sections. LB1056 by Senator Lowe is a bill for an act relating to the Nebraska Liquor Control Act; change provisions relating to farm wineries; provide for temporary expansion of licensed premises as prescribed; provide powers and duties, and repeal the original section. LB1057 by Senator Lowe, a bill for an act relating to counties; changes provisions relating to appeals of decisions by county planning commissioners or county boards regarding conditional use or special

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

exemptions. LB1058 by Senator Howard, a bill for an act relating to public health and welfare; to adopt the Population Health Information Act. LB1059 by Senator Howard, a bill for an act relating to the Health Care Facility Licensure Act; change provisions relating to an application for licensure to operate a healthcare facility or a healthcare service and repeal the original sections. LB1060 by Senator Cavanaugh, a bill for an act relating to Fair Employment Practice Act; to define a term; to harmonize provisions and repeal the original sections. LB1061 by Senator Crawford, a bill for an act relating to the Child Protection and Family Safety Act; change provisions relating to the handling of reports of child abuse or neglect and alternative response; provide powers and duties from the Nebraska Children's Commission and the Department of Health and Human Services; provide standards for the assignment or transfer of reports or alternative response or traditional response for temporary living arrangements in non-court-involved cases. LB1062 by Senator Lathrop. It is a bill for an act relating to treatment and corrections; provide for predischarge reentry pilot program; provide a termination date; to exempt the program from Private Prison Contracting Act; harmonize provisions; repeal the original sections. LB1063 by Senator Lindstrom, is a bill for an act relating to the State Treasurer and treasury management; change how certain disbursements, reimbursements, and distributions are made; change and eliminate duties for the State Treasurer; rename a fund; change provisions relating to proof of financial responsibility, warrants, distribution of cigarette tax proceeds; unused property tax credit, payments into the state treasury, State Treasurer Administrative Fund; to eliminate obsolete provisions, and provide powers and duties for county treasurers; harmonize provisions and repeal original sections. LB1064 by Senator Briese, a bill for an act relating to tobacco; provide provision relating to the sale and use of tobacco products, to electronic nicotine delivery systems, alternative nicotine products; provide an operative date; repeal the original section and declare an emergency. LB1065 by Senator Halloran, a bill for an act relating to prescription drugs; change provisions regarding supervision of pharmacy technicians and pharmacy interns; transfer prescriptions between pharmacy; provide, change powers of pharmacy technicians; to authorize communication of prescriptions for practicing [SIC] practitioners. LB1066 by Senator Erdman, a bill for an act relating to school districts; change provisions for school district boundaries; harmonize provisions; and repeal the original action. LB1067 by Erdman, a bill for an act relating to motor vehicles; provide for the crossing of a controlled access highway of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

all terrain vehicles and utility-type vehicles. LB1068 by Senator Hunt, a bill for an act relating to the interior designers; to adopt the Interior Design Voluntary Registration Act; to provide penalties; harmonize provisions and to repeal the original sections. LB1069 by Senator Bolz, a bill for an act relating to appropriations; to appropriate funds to the Board of Regents for the University of Nebraska. LB1070 by Senator Murman, a bill for an act relating to revenue and taxation; changes a sales tax exemption relating to ag machinery and equipment; provide an operative date; to repeal the original sections. LB1071, by Senator Hughes, to adopt the Wildlife Damage Recovery Act; to state intent regarding and provide for transfer of funds as prescribed and to repeal the original sections. LB1072 by Senator Hughes, a bill for an act relating to natural resource districts; to change provisions relating to the flood protection bonds and use of bond proceeds as prescribed; to harmonize provisions and repeal the original sections. LB1073 by Senator DeBoer, bill for an act relating to school finance; to add a new type of aid; changes adjusted valuation for school district and educational service unit aid; change the local effort rate; change determination and certification date relating to distribution of aid, certification of certain budget limitations prescribed and duties of the Appropriations Committee of the Legislature. LB1074, by Senator Linehan, a bill for an act relating to revenue and taxation; change provision relating to improvements on leased land and the collection of certain fees and taxes; harmonize the original section; declare an emergency. LB1075 by Senator Linehan, a bill for an act relating to revenue and taxation; change the net book value of property for taxation as prescribed; to provide an operative date; repeal the original sections. LB1076 by Senator Bolz, a bill for an act relating to Community College Gap Assistance; change provisions relating to eligible programs; provide for contracts with two-year colleges as prescribed; remove a limitation on awards; harmonize provisions and to repeal the original sections. LB1077 by Senator Wayne, a bill for an act relating to cities and villages; change legislative declarations and findings relating to traffic congestion and repeal the original sections. LB1078 by Senator Wayne, bill for an act relating to cities; to adopt the Municipal Inland Port Authority Act; provide a duty for the Revisor of Statutes. LB1079 by Senator Wishart, a bill for an act relating to appropriations; to appropriate funds for the Nebraska State Patrol for processing of sexual assault forensic evidence. LB1080 by Senator Lathrop, a bill for an act relating to schools; to define terms; to prohibit sexual contact with students and former

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

students as prescribed. LB1081 by Senator Morfeld, a bill for an act relating to criminal procedure; change provisions relating to limitation periods for certain claims for postconviction relief; provide for withdrawal of a plea as prescribed and repeal the original sections. LB1082 by Senator Morfeld, a bill for an act relating to courts to amend section 33-156 to increase the indigent defense fee and to repeal the original sections. LB1083, Senator Morfeld, a bill for an act relating to postsecondary education; change provisions relating to Meadowlark Program as prescribed and repeal the original sections. LB1084 by Senator Kolterman, is a bill for an act relating to economic development; to adopt the Nebraska Transformational Projects Act and to provide an operative date. LB1085 by Senator Howard, a bill for an act relating to Public Counsel; change terminology relating to the Public Counsel and repeal the original sections. LB1086 by Senator Matt Hansen, a bill for an act relating to the Election Act; to define the term; provide for poll watchers; provide powers and duties; provide a penalty; harmonize provisions and repeal the original sections. That's all I have at this time, Mr. President.

FOLEY: Thank you, Mr. Clerk. We'll now proceed to the next bill on the agenda, LB76. Mr. Clerk.

ASSISTANT CLERK: LB76 was introduced by Senator Matt Williams. It's a bill for an act relating to revenue and taxation; amends Section 77-6202; changes provisions relating to nameplate capacity tax; provide an operative and repeal the original sections. The bill was introduced on January 10 of 2019, referred to the Revenue Committee, placed on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Williams, you're recognized to open on LB76.

WILLIAMS: Thank you, Mr. President, and good morning, colleagues. LB76 addresses an issue brought to our office by a constituent who realized that his solar panel array was not being taxed in the same manner as other renewable energy generation facilities. As technology evolves, solar panels will continue to grow in popularity among landowners. Currently in Custer County, which is in my legislative district, there are eight solar arrays selling power into the grid. That's one of the highest concentrations in the state. LB76 per-- proposes to resolve the inequity in taxation between solar and other renewable energy generation facilities. By way of background, renewable energy

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

generation facilities are taxed under the nameplate capacity tax that was enacted in 2010. The tax is based on a capacity to generate electricity measured in megawatts and is set at \$3,518 per megawatt. In 2010, renewable generation facilities were fueled primarily by wind. Solar fueled facilities were added to the nameplate capacity tax a few years later. The reason solar and wind are taxed differently lies in the fact that wind facilities produced alternating current or AC electricity, which connects directly to the grid. Solar, on the other hand, produces direct current or DC that must be converted to alternating current during which a percentage of megawatts are lost before connecting to the grid. Therefore, solar energy facilities pay tax on megawatts that they are not able to deliver to the grid. And that's simply not fair and that's what we're trying to correct with LB76. LB76 proposes the nameplate capacity be determined on a facility's alternating current capacity, thus leveling the playing field. As stated in Nebraska Revised Statute Section 77-6201(1) the purpose of the nameplate capacity tax levied is to replace personal property taxes currently imposed on renewable energy infrastructure and depreciated over a short period of time in a way that causes local budgeting challenges. The nameplate capacity tax replaces the personal property tax. The nameplate capacity tax does not replace any other taxes that are owed. The tax is remitted to the state and is distributed to the county treasurers of the counties in which a renewable energy facility is located. The county further distributes the revenue to each political subdivision in the county. Real property, and we're concerned with property taxes, real property associated with the renewable energy generation facility is still taxed. Land under the renewable energy generation facility continues to be classified and valued as if the facility did not exist. I want to highlight that when the taxing system on renewable energy generation facilities was originally enacted in 2010, the Legislature included intent language in the bill that is now codified in-- in statute in section 77-6201, subsection 2. And it says in that said section, "The nameplate capacity tax should be competitive with taxes imposed directly or indirectly on renewable energy generation and development in other states." Through our research it was discovered that every other state that has a similar taxing system on renewable energy taxed solar panels on their AC rating, not their DC rating. As I mentioned, in Custer County, in my legislative district, there are currently eight systems selling power into the grid. The total nameplate capacity tax paid by those eight systems is currently \$14,000. With this minor change, that would be lowered to \$11,000. So

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

the entire county, when you distribute that would lose \$3,000 to those different taxing authorities. We would note that there is no fiscal note concerned with LB76. And again, these facilities pay property tax. If they are making money, they pay state income tax and the nameplate capacity tax replaces personal property tax, and this equates to a leveling of the playing field with other renewable energy sources. This bill was voted out of committee. The hearing was in February last year. And I would encourage your green vote on LB76. Thank you, Mr. President.

FOLEY: Thank you, Senator Williams. Before proceeding, Mr. Clerk for an announcement.

ASSISTANT CLERK: Thank you, Mr. President. The Health and Human Services Committee will meet in Room 2022 at 11 o'clock.

FOLEY: Thank you, Mr. Clerk. Now debate is open on LB76. Senator Bostelman.

BOSTELMAN: Thank you, Mr. President. Good morning, Nebraska. Good morning, colleagues. I want to take some time just for some information I think is important that you all don't necessarily receive on energy issues as they come out, and when we talk about things like this. So let's talk a little bit about what LB76 is doing here, especially when we talk about inverters. So conversion of DC to AC power, both, as Senator Williams said, both wind and solar generation use direct current, which is DC and alternating current, which is AC power inverters. An inverter has to be used for power conversion prior to it being put on to the tran-- on to the transformer and/or on to the grid. An inverter takes DC power and converts it to AC per requirements of the grid operator. The figures shown illustrates the inverter use and if you look at-- I have a handout there, it's one, number one of two and that basically shows the process of the inverter, the importance of the inverter. The top, you see where the solar panels are creating the DC power, it goes to the inverter, then goes out to the transformer, on to the grid, or if there happens to be batteries out there, the same process goes with that. It goes through the inverter-- has DC power through the inverter, change to AC, three phase, goes out on to the grid from there and it's important thing that has to happen. Inverters are never 100 percent efficient for conversion-- conversion of AC or DC to AC power. Due to loss of energy during the conversion process, the power output from the inverter will never match its power input. So whatever

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

is generated when it goes into the inverter does not necessarily equal what comes out. This is due to loss in the conversion. The way to figure out how efficient an inverter is for DC power conversion to AC is to typically look at the inverter specification sheet and it will have the DC power rating and the AC power rating. If you do the math conversion, you will see that the AC power rating is less than DC power rating with a conversion. The overall ratio of AC power rating over the DC power rating is the overall efficiency of the inverter. So if you take the AC rating of the inverter unit, that is true AC output of the unit, it already incorporates the losses of the conversion from DC to AC. The ratio then of this AC rating of the DC rating-- to the DC rating will be the overall inverter efficiency. As long as the solar site is able to produce what the DC rating of the inverter is, all you need to do is use the inverter's AC rating as the output to calculate what the inverter efficiency is, which can change due to degradation in environmental conditions. There is a lot of wind units also use inverters as means of creating a three-phase AC power. So these units would basically be the same as the solar units. Some state-of-the-art inverters today for solar operations can have a power conversion efficiency of 92 to 99 percent in realistic operating conditions. And if you turn to page 2 of the handout, 2 of 2, what you're going to see is what is actual stated by the companies and actually what the realistic laboratory tests show. So the inverter specifications may say it's at 95 percent, but laboratory testing is-- says it's lower and that's just for informations for you to know. So that is to say that when a 100 megawatt DC power is generated by a solar farm and all inverters installed had the same conversion efficiency of 98 percent--

FOLEY: One minute.

BOSTELMAN: --the amount of AC power going to the grid would be 98 megawatts. However, the highly efficient conversion inverters can only be obtained at great expense and are a function also of environmental conditions and the required grid requirements. A low-cost quality inverter may only achieve efficiencies of 70 percent as stated in testimony at the hearing. So in the case of above, the DC power output is 100 megawatts. Then if using a low-quality inverter, the A-- the actual AC output would be 70 megawatts. In other words, a 30 megawatts loss which was testified at the hearing. So that's why on page 2, the importance of the difference between what laboratory tests have actually shown to what the inverter says in the specification. The inverter efficiency is a function of several things. A sensitive

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

microelectronics can be affected by atmospheric temperatures and humidity. State-of-the-art inverters require cooling units to maintain stable environmental temperatures within the inverter-- inverters so as not to have effect-- to affect the inverter conversion dramatically.

FOLEY: Time, Senator.

BOSTELMAN: Thanks.

FOLEY: Thank you, Senator Bostelman. Senator Dorn.

DORN: Thank you, Mr. Speaker. Would Senator Williams entertain a question?

FOLEY: Senator Williams, would you yield, please?

WILLIAMS: Yes, I would.

DORN: If-- trying to follow along with Senator Bostelman's thought here a little bit, in this bill then do we go by a known number that we will now decrease this or do we let the companies come in and basically say, I have this converter or this converter or this converter? Is it a set rate what we are changing this amount by?

WILLIAMS: Thank you for that question. And I really appreciate Senator Bostelman's explanation. He's much more technical than I certainly am in this area. As I understand and according to this legislation, the nameplate plate capacity on the device is listed now, both the-- the DC capacity and the AC capacity. After the inversion process or conversion process happens, the amount of electricity being sold into the grid is different. And currently solar is being taxed on the higher end, the DC side, and they're selling it on the AC side. But as I understand it, it's based on the the label on the device.

DORN: Thank you. Also, this goes into any-- any structure that's also out there and any new structure this will affect.

WILLIAMS: Yes. Yeah.

DORN: Thank you.

FOLEY: Thank you, Senators Dorn and Williams. Senator Albrecht.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

ALBRECHT: Thank you, President Foley. I guess I need a few answers too. I know that there's only like one sentence in this bill that's changed, but-- and it's basically just says the "nameplate capacity shall be determined based on the facility's alternating current capacity." So I understand it would be covering renewables, including wind, solar, biomass, anything like that. So my question, if Senator Williams would yield.

FOLEY: Senator Williams, would you yield, please?

WILLIAMS: Yes, I would.

ALBRECHT: So at this time, these folks that are putting up these wind towers or putting in solar or biomass, are they currently paying personal property tax on their equipment?

WILLIAMS: They are paying [SIC] a nameplate capacity tax in lieu of personal property tax and this legislation changes nothing with wind or biomass. They are already paying a nameplate capacity tax based on AC. This lines solar up with that same level playing field that those other renewable energy sources are currently being taxed at.

ALBRECHT: And where would we be able to find how much that nameplate capacity is worth to whether it be wind or solar, biomass or any others that would-- where would I be able to find that number? I know you gave us an example in your area.

WILLIAMS: If you would look at the fiscal note that is on the bill--

ALBRECHT: But there is nothing.

WILLIAMS: --it lists the total nameplate capacity tax being collected by numerous counties in the state of Nebraska. And that is the total nameplate capacity tax, so it would include wind, solar and any of the renewable energy facilities.

ALBRECHT: OK. When you said there wasn't a fiscal note, I didn't open that, so I will look at that and thank you for your time. I yield it back to the President. Thank you.

FOLEY: Thank you, Senator Albrecht. Senator Bostelman.

BOSTELMAN: Thank you, Mr. President. Now, since you are totally thrilled with learning about inverters, let's talk about capacity a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

little bit. So what is capacity when you talk about capacity? And that's on the next two pages that I handed out. That's number 2 and number 3. So every generation facility that we have has a capacity. And what capacity means is during the year, during a time how many, how long or how often that generation facility actually generates that power that it said it's going to. So if it's going to-- and if you look at this capacity factors by fuel type, it goes down, and I took it from NEI's website because it's the easiest place to actually put it into a -- into a graph. The information comes from the U.S. Energy Information Administration. And if you want current numbers, I have those here. And so when you're looking at this, if you look at the different generation sources that are out there, this list at the top, nuclear at 92 percent. What that means at 92 percent of the time through the year, that generation facility is generating electricity at its capacity what it says it's going to. And if you go down to oil, for instance, it's at 13 percent of the year that it will actually generate electricity of what it says it's going to generate during the year. There's gas, geothermal. So it goes-- so capacity is-- is what the ratio of actual electricity generated versus the maximum possible in that year. So if you have a 10 megawatt facility out there and say it's a nuclear facility, it says it's going to generate 92 percent of that 10 megawatts. If you have, in this case we're talking about solar, if you have a solar facility out there, generation facility at 10 megawatts, it's going to produce 22 percent of that 10 megawatts during the year. So capacity deals specifically with the generation capacity of that facility. And I think that's important for us to understand as we go forward through this session and as we-- it's good background information for us to know in general as we look at generation in the state. Coal and gas is 55 and 54, 4 percent. And a lot of times you ask why is that. Say for gas and coal, there's a lot of maintenance. There's a lot of maintenance involved with that, so that drops their capacity down to-- to 55 and 54 percent. Some of the things when you get wind and solar, it's physics, strictly physics. It cannot create or produce any-- generate any more electricity than what it's doing. It's a physics issue. So those are things I think is important as we go through this, we understand. I think Senator Dorn asked an important question that I-- that to Senator Williams that I would ask as well as to how this would affect our county taxes. The last thing I have for you is on the last sheet is the U.S. nuclear capacity factors. As you see, that's increasing over the year and over the years it's becoming more and more efficient and especially now with SMRs and modulars, that's going to increase even further on-- on

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

generation capacity of what it actually provides us. So those are things as we continue to legislate and discuss energy over this-- this session and in future years, please keep this in mind because it's very important to understand if we're going to take a 10 megawatt facility out, look at your capacity chart here. That's going to tell you with whatever--

FOLEY: One minute.

BOSTELMAN: --is to replace that, how many of those type of facilities it's going to take to replace it. So if you're at 22 percent of 10 megawatts, it's going to take a lot of facilities to replace, say, a geothermal at 76 percent. So I just provide this as information for you so you have that as a background as we move forward. But I would encourage you to vote green on LB76. I do support Senator Williams, even though this is-- this will take some money from our counties. I have another bill out there that would do a little bit as well. I think that's something to take in consideration. And if there are some issues with that, we can discuss it on Select File; but going from General to Select, I would-- I'm going to vote green. Thank you, Mr. President.

FOLEY: Thank you, Senator Bostelman. Senator Albrecht.

ALBRECHT: Thank you again, President Foley. Senator Williams, again, could you just yield to a couple of quick questions?

FOLEY: Senator Williams, would you yield, please?

WILLIAMS: Yes, I'd be happy to.

ALBRECHT: Well, I appreciate you taking me to the fiscal note and knowing that, you know, up in my neck of the woods, if you will, has quite a bit of wind and solar going in. And I don't see in the fiscal notes any of the counties being listed. But if this effect on these counties, you know, would that-- I mean, would you have an idea of the type of dollars that-- and I'd kind of like to meet with you, if you will, in-between, possibly the-- this particular time and Select, to see if we can discuss it a little bit. Because if the counties are going to be getting less after these wind energy projects and solar come in and they aren't generating, you know, what they could or should and-- and the dollars taken away, I just don't want to see the counties turn around and have to figure out a way to pay for other things. So I'd like to visit with you a little bit about that. So I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

won't ask any questions on that particular part of the-- that until in-between time. But what would you say overall, the state did you take a look at the number that at this point in time, how much it would change from one year to the next?

WILLIAMS: Yes.

ALBRECHT: And what kind of a--

WILLIAMS: First of all, LB76 has no change with wind and any other renewable source other than solar. OK. If you would look at the fiscal note and look at Custer County, which is the county in my legislative district--

ALBRECHT: Uh-huh.

WILLIAMS: --they are currently deriving \$477,000 a year in nameplate capacity tax. Of that amount, \$14,000 is all that is a portion of solar. That's the only portion we are touching. So the amount of revenue that would be lost to Custer County will be about \$3,000 a year under LB76. And I would guess it is the same in nearly all counties because of the development. Wind generates so much more power, thereby generating much more nameplate capacity tax. So again, nothing in LB76 would reduce county revenue from wind or any other renewable energy source except for that minor reduction in solar.

ALBRECHT: Thank you, I yield my time back to the President.

FOLEY: Thank you, Senator Albrecht. Senator Clements.

CLEMENTS: Thank you, Mr. President. I wondered if Senator Williams would answer a question.

FOLEY: Senator Williams, would you yield, please?

WILLIAMS: Certainly.

CLEMENTS: Thank you, Senator Williams. You mentioned that this is an alternative or a replacement for personal property tax. And over how many years then is this tax paid?

WILLIAMS: It's paid forever or until we change the law. In 2010, the Legislature adopted the nameplate capacity tax in lieu of personal property tax. The problem with personal property tax is it is depreciated over a very short period of time so there would be a big

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

uptick in revenue and then it would fall off substantially. And each megawatt is taxed at \$3,518 per megawatt and that's what the current legislation that we passed, or this body passed in 2010.

CLEMENTS: All right. Thank you. You know, I was-- I'm familiar with personal property tax that it does and in over the period life of the equipment, like in farming, five years, seven years, but this is continuous. And the \$3,518, is that rigid or does it have an inflation factor?

WILLIAMS: I believe that is set in statute.

CLEMENTS: And only--

WILLIAMS: Without an inflation factor is my-- I believe that's the case.

CLEMENTS: All right. So only the Legislature would be able to change that amount.

WILLIAMS: That's my understanding, Senator Clements.

CLEMENTS: All right. Well, I just wanted to clarify that that wasn't expiring the way personal property tax does, because I know that it would really affect revenues. And with that, that's all the questions I had. Thank you, Mr. President.

FOLEY: Thank you, Senator Clements. Senator Williams, you're recognized to close on the advance of the bill.

WILLIAMS: Thank you, Mr. President. And thank you for those questions from different senators. And thank you for-- Senator Bostelman explaining in more detail the conversion factors. Again, nothing in LB77 [SIC--LB76] changes the taxation nameplate capacity on wind or other renewable sources. It just simply levels the playing field with solar so that it is taxed at the-- its AC capacity. This will have very minimal reduction to the taxing authorities based on what I told you in-- in Custer County. And again, these facilities continue to pay property tax, they pay income tax and the nameplate capacity replaces personal property tax. I would encourage your green vote to advance LB76. Thank you, Mr. President.

SCHEER: Thank you, Senator Williams. The question before us is the advancement of LB76 to E&R Initial. All those in favor please vote

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

aye; all those opposed vote nay. Have all voted that wish to? Please record.

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

SCHEER: LB76 is advanced to E&R Initial. Mr. Clerk, next item.

ASSISTANT CLERK: LB236 was introduced by Senator Crawford. It's a bill for an act relating to revenue and taxation; to change provisions relating to access to sales and use tax information by municipalities and repeal the original sections. The bill was introduced on January 14 of last year, referred to the Revenue Committee, placed on General File with no committee amendments.

SCHEER: Thank you, Mr. Clerk. Senator Crawford, you're welcome to open on LB236.

CRAWFORD: Thank you, Mr. President, and good morning, colleagues. LB236 makes a simple but important change to the Nebraska Advantage Transformational Tourism and Redevelopment Act, or NATTRA, for short. The change allows municipalities to access tax information in a secure electronic format. The bill does not change the information to which municipalities have access. It simply changes the way they can gain access to that information. NATTRA, which passed in 2010, allows municipalities to commit a portion of their local option sales and use taxes generated from a development to be paid to the developer as an incentive for a specific tourism or redevelopment project following a vote of the people. LB236 would provide that in cases where a municipality has adopted NATTRA, the Department of Revenue will provide copies of the sales and use tax returns for retailers located within the redevelopment area to the municipality via a secure electronic means if requested. So far, the cities of Gretna and La Vista-- La Vista have adopted NATTRA and they have asked for my help in bringing this bill. As administrators of the NATTRA program, it is crucial that these municipalities have timely access to accurate sales and use tax information in order to pay the developer the incentive portion of tax returns. At the hearing we heard from the city of Gretna administrator about the issues the city is facing with limited timely access to sales and use tax infor-- data from the Gretna Outlet Mall and the hassles involved in the current process. Because the city approved the use of NATTRA, the one point-- the 1.5 percent sales tax is levied throughout the city and remitted to the city from the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

Department of Revenue on a monthly payment. It is then the city's responsibilities to separate the amount that's owed to the developer from the amount retained by the city. This is accomplished by computing the sales tax generated by the 70-plus businesses at the Gretna Outlet Mall and separating out the amount owed the businesses from the amount to be kept by the city. Currently, this process is exceedingly tedious and time consuming as the city's designated person has to manually copy all the necessary information down from the Department of Revenue Office. This information includes gross sales, net taxable sales, sales tax, city sales tax and city use tax for each store requested per month. The current process for getting this information involves municipalities sending-- writing down all the necessary tax-- the necessary tax information on a piece of paper as dictated by the Department of Revenue Office staff member. This requires the municipality to spend tax dollars to send a staff person to Lincoln to copy down the information. This method also creates room for human inefficiency and error in the information that is taken back to the municipality. LB236 simply allows these municipalities to request electronic copies of the necessary sales tax return information and directs the Tax Commissioner to determine the means of secure electronic transmission. The individual receiving the information on behalf of the municipality is bound by the same requirements that an employee of the Department of Revenue is bound by when it comes to confidentiality. Commissioner Fulton indicated at the hearing that the department has been in discussion about this problem since the last time the bill was introduced, and they are willing and able to work out a method of secure information transformation when the bill passes. LB236 advanced with no opposition from the committee. Please vote green on LB236 to provide efficiency and accuracy of information to our municipalities who choose to adopt NATTRA. Thank you, Mr. President.

SCHEER: Thank you, Senator Crawford. Seeing no one wishing to speak, you may close on LB236.

CRAWFORD: Thank you, colleagues. I appreciate your attention to this issue. This is-- again, it does not change the information that is available to municipalities. It simply allows it to be available through electronic means. Thank you, Mr. President.

SCHEER: Thank you, Senator Crawford. The question before us this morning is advancement to E&R Initial of LB236. All those in favor

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

ASSISTANT CLERK: 30 ayes, 0 nays on the motion to advance the bill, Mr. President.

SCHEER: LB236 is advanced to E&R Initial. Mr. Clerk, we will pass over the next bill and move to LB734.

ASSISTANT CLERK: LB734 introduced by Senator Hunt is a bill for an act relating to the Nebraska Liquor Control Act to provide for licensure for charter bus services, to provide for procedures and fees, harmonize provisions and repeal the original sections. This bill was introduced on January 23 of last year, referred to the General Affairs Committee. That committee placed the bill on General File with committee amendments attached.

SCHEER: Thank you, Mr. Clerk. Senator Hunt, you're welcome to open on LB734. Senator Hunt, we are waiting for you to open on LB734. Senator Hunt, you're able to introduce LB734.

HUNT: Thank you, Mr. President, and thanks for waiting for me. I didn't know if you guys wanted to hear about a bill today, so here I am to introduce that. I've actually been working with representatives from the transportation industry, from VIP limos, with the Liquor Control Commission, with people in my office to come to a really great amendment that we've agreed on. And I've sent that up to Drafters and that should be coming down whenever they get that done, but I just want to preface this by saying I know a lot of you have been getting feedback from the transportation industry. They've been reaching out to your offices and we have come to an agreement, so I would encourage you to be open-minded as you listen to the debate today. Today, I'm presenting LB734, which provides for the licensure of charter and party buses under the Nebraska Control-- Liquor Control Act. I want to thank my fellow members of the General Affairs Committee for voting this out. And I want to thank Senator Briese, the committee Chair, for cosponsoring this bill with me. The public safety issue addressed by this bill was brought to my attention by the Liquor Control Commission and the State Patrol. In 2011, the Legislature passed LB281, which I think was a great common-sense law which decriminalized the consumption of alcohol on a public highway while in a chartered bus. This is a great thing because when you're getting married and you want to celebrate, you can crack open a bottle of champagne with your

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

wedding party. I think that's a good thing. I think it was a great law. But unfortunately, this law opened the door for the unintended consequence of party buses as, quote unquote, rolling bars. And we know that these spaces have become havens for overconsumption and underage drinking because we've seen the news stories over the years about underage drinking on party buses, people in fraternities and sororities having issues with underage drinking. And we are aware of the challenges that this poses to public safety and public health. You may be familiar with the young man from Wesleyan University who was tragically killed on I-80 after the party bus he was on stopped at a gas station and he got off. Not long after this, an underage woman was pulled off a party bus who was so overserved she had to be admitted to the hospital. In Nebraska, I'm not saying this is the fault of the operator, but in Nebraska, we have this precedent that when consuming alcohol is part of your business plan, that it's appropriate for the Liquor Control Commission to have a role and accountability for your business. The scope of regulation of the Liquor Control Commission has grown over the years to address the existence of new and changing businesses that serve alcohol. And when we changed the Nebraska law to allow public consumption in charter buses, we open the door for this type of business and it's time for us to regulate it for public safety. I think these businesses are a good thing. I think that responsible operators keep their riders safe. They get them home safe. But under current statute, we lack an enforcement mechanism to make sure that underage people are not consuming on these buses. A license from the Liquor Control Commission is required for the consumption of alcohol in pedal pub vehicles, riverboats, airplanes, trains; and party buses, because of their business model, are no different from these other vehicles. When alcohol consumption is part of the business model, we need to make sure that we have a regulatory mechanism in place to ensure that the Liquor Control Act is being followed, so that's what this bill seeks to do. You'll see on page 8 of the bill that the licensure fee for charter buses to allow consumption shall be \$75. That's per year per business. That's not per vehicle. And that's there because without any licensure regulation, we're setting up a situation where our state doesn't have the ability to deal with unscrupulous operators who are putting the well-being of minors at risk. I also want to be clear that nothing in this bill prevents minors from being on the bus. So when there's a wedding or a prom, there's something that underage people are participating in, they're still going to be able to do that. They just wouldn't be able to consume alcohol on the bus, of course. Another frequent question I've

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

received is about liability. Reporting underage drinking will be a complaint-driven system, just like for pedal pubs and bottle clubs; and if complaints are received, an underage minor may be cited criminally. If there are party bus companies that have a whole lot of complaints against them, which would not be typical for most, you know, party bus companies in Omaha, they're very reputable, but if that happens, the business may be cited administratively before the Liquor Control Commission for allowing a minor to consume or possess. It would not be a criminal citation. It would be administrative. And it's the exact same administrative process that is in place today for pedal pubs, riverboats and bottle clubs. I'll also add that these are among the most difficult cases to prove before the commission, and it's unlikely that one would be brought except in a very extreme case, like I said. So this isn't about targeting a business or an industry. It's about making the law consistent with the way that we regulate other businesses that operate the same way. So I have an amendment that, as I said, I've recently-- I just sent up just a couple minutes ago actually that we've come to an agreement on. And what the amendment does, I'll just tell you about before I have it here but the Public Service Commission will define what a party bus is so that charter buses and other types of buses aren't targeted under this law. And it also stipulates that inspections can be performed when the bus has been stopped for the purpose of allowing passengers to embark or disembark. So the industry likes this amendment because it prevents them from being targeted by law enforcement. So once again, I thank Senator Briese for the support as a cosponsor. I thank the committee for voting it out. This is a straightforward bill that harmonizes statutes for businesses that allow the consumption of alcohol in vehicles. It's a business model that I appreciate. I think it's great. I support it and I support the Liquor Control Commission and the State Patrol in their goal of public safety. And I would be happy to answer any questions people may have. Thank you very much.

SCHEER: Thank you, Senator Hunt. As the Clerk noted, there is a committee amendment from General Affairs. As Chairman, Senator Briese, you're welcome to open on your amendment.

BRIESE: Thank you, Mr. President, and good morning, colleagues. The committee amendment would have altered the green copy to insert after the word, charter, the words, or special party, relative to the buses. But the committee amendment is really moot at this point. I think we're gonna have a compromise amendment coming here. I appreciate Senator Hunt working on that with some of the stakeholders, and I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

don't know if we'll get it here this morning yet. I assume we will. But for me, this bill was-- was really about public safety and keeping our young people safe. And I think Senator Hunt gave some examples where we failed in those efforts. And under 60-6,211.08 it is generally illegal to possess open containers in motor vehicles on streets and public roads. However, this does not apply to passengers of a limousine or a bus being used in a charter or charter or special party bus service as defined by the Public Service Commission. And one testifier at the hearing called some of these special party buses rolling nightclubs. And this exception for alcohol on party buses, you could argue it's being abused. And as an opponent-- one of the opponents in there testified there's other bus operators that are a, quote, haven for minors drinking alcohol, unquote. And when this is happening, I don't think we should look the other way. It's up to us to address this issue, if we can, in a-- in a reasonable manner that doesn't negatively impact our small businesses. Another testifier suggested at one of the local detox centers, you know, they take data on where the last drink was consumed, and more and more, some of these party buses are showing up in that data. These buses and charter services do fall under the purview of the Public Service Commission. But a liquor license is not required. The Public Service Commission only looks at road safety and things of that sort, not the activity that's going on. As Senator Hunt indicated, you know, these-- the pedal pub-- pedal pubs are already under the purview of the commission. And the proposed oversight we're talking about here is arguably not a whole lot different than what we did with the bottle clubs last year. It would place some responsibility on the company to prevent overconsumption and consumption by minors. Minors could still be on the bus, just not consuming. So this bill would not upset the business models currently in place unless your business model is to target underage drinkers. And if you're doing things the right way, I don't see that what we're proposing here, what Senator Hunt is proposing here, is going to affect you a whole lot. And there are some, I'm sure, that may object to the additional regulation here. And, you know, I fall into that category also. I'm not one to want to regulate and overregulate our small businesses. But-- but like in many other situations, you know, it's kind of a balancing approach. You know, we have to weigh the impact on our small businesses, which I think in this situation is fairly negli-- negligible. We have to weigh that with public safety concerns. And I think as we look at this, public safety concerns do outweigh the negatives that we're talking about. I look forward to the discussion. But at this point, I'm

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

generally supportive of the concept, and I think I've seen the language that is going to be in this amendment. And it does address some of the-- what you might consider shortcomings in the green copy and it looks to me like a fairly good-- fairly solid proposal, but be anxious to see the amendment when it gets up here. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. Debate is now open on LB734 and the pending amendments. Senator Brewer.

BREWER: Thank you, Mr. President. We were just having a discussion, so I will kind of share that discussion and my concerns. It had been a scourge on Nebraska for over 100 years, the situation that we had in Whiteclay. My concern is that you can come up with a reason for a party, whether it be a birthday or whatever. And if you have a bus that can legally sell alcohol and you're one of the unscrupulous individuals who had their liquor stores closed, my concern is that you then simply park it where the liquor stores used to be and have it available. And in-- and yes, there's a concern for underage drinking. The problem there was just drinking, period, and the ill-effects of it. And there was all kinds of concerns that the end of the world was coming if we-- we close the liquor stores. And since then, a number of new businesses opened. There's been more employee opportunities when the new businesses than there ever was when the liquor stores had closed. The fears of-- of all the accidents and all the horror that was supposed to come never happened. And what's happened is a community just to the north of there has had a complete transition of the crisis they were going through with infant alcohol, fetal syndrome and all the other issues. So to now open Pandora's box and give the possibility of that returning, I'm struggling with. So I'm going to be open to hear about any safeguards in there that that couldn't become a reality. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. Senator Vargas.

VARGAS: Thank you very much, President. Colleagues, I-- well, I want to thank Senator Hunt for bringing this bill and Senator Briese and the committee for working with her on it and the Liquor Commission. I stand in support right now with-- to the amendment. I will confess earlier upon reading it over the weekend, I had some concerns. My concerns are addressed with the amendment that Senator Hunt proposed in particular, because sometimes when we paint a broad brush on how we might treat a different entity or a business, and we're obviously

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

doing this balancing act as Senator Briese said, in regards to public safety and regulation, I wanted to make sure that the actual entities that are the ones that are more likely to be the bad actors in this are actually the ones regulated. And there is some deference to that. And so in the amendment, this does react to actually one of my business constituents in my district. And I want to thank Senator Hunt for that and thank members of the committee for supporting the amendment, which I think addresses my concern. I want to thank Senator Hunt again for being willing to work on that. With that, I ask your support of the amendment and the underlying bill, and I appreciate everybody. I will yield my time to Senator Hunt, if she would like it.

FOLEY: Thank you, Senator Vargas. Senator Hunt, 3:30.

HUNT: Thank you, Mr. President. Thank you, Senator Vargas. I've been trying to go around and address questions as quickly as I can from people so that hopefully we can get to a vote this morning and just put this on to General or Select File. As you know, through some--some conversations and negotiations, we have reached an agreement with the people who had previously been in opposition in the hearing. A lot of the question was just around the liability. You know, how do we define what a party bus is? How do we define the difference between a party bus and a charter bus? How do we make sure that law enforcement isn't targeting party buses and just pulling them over and thus hurting the business? Because, you know, they'll be-- they'll be cutting into the time that people are paying for. And with the amendment that I'm going to be introducing, all of those problems go away because it defines what a party bus is. It stipulates when they can be inspected. And I'm grateful to the operators and to the Liquor Control Commission for being so open-minded about finding solutions here, because I think we do all agree that there is a public health problem. There's an inconsistency in the law when you can legally go on a bus and drink. You can have open consumption on a bus and you don't have to have a license for that. That prevents law enforcement from being able to enforce other parts of the Liquor Control Act, such as underage drinking and things like that. So once again, I don't want to overcomplicate something that's actually very simple, so I'd yield my time back to the Chair. Thank you.

FOLEY: Thank you, Senator Hunt. Senator Albrecht.

ALBRECHT: Thank you, President Foley. And thank you, Senator Hunt, for bringing LB734, and I'm anxious to take a look at the amendments. But

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

in our conversation off the floor, I wanted to make certain that whoever owns that bus, even though he has to pay a fee, I guess I'd like to understand what that fee will-- will cover. And if-- if you're at a wedding reception and everybody jumps on the bus after the wedding and jumps on the bus before the reception and you have a niece or a nephew that's underage and that underage person is given a beer and-- and, you know, he gets off and has an accident or whatever and they say, hey, where did you get the-- who's liable? So that's kind of what I'd like to know. Is it the person who rented the bus, is the person who owns the bus? I mean, I'd like to yield some of those questions to Senator Hunt and hopefully she can-- and I had another question for you that you actually did have the Department of Motor Vehicles, excuse me, the Liquor Commission bring this bill to you, correct? So, and were they having a lot of problems with this?

FOLEY: Senator Hunt, will you yield, please?

ALBRECHT: Thank you.

HUNT: Yes. Thank you, Senator Abrecht. Yes. This was in the legislative letter that the Liquor Control Commission sent at the beginning of last year. Senator Briese also had interest in this bill and that's why, you know, he and I both talked about introducing it-- and I ended up introducing it and that's why he's a cosponsor, because we both saw the need for this. It's also a bill that's been introduced in the past. And I think that with this amendment that's coming up, it'll address a lot of the questions that was preventing the passage of this in the past. As far as the liability, I want to stress that-- that this bill does not allow buses to sell alcohol. Nobody on the bus will be selling alcohol. That's a completely different business. That's a different license. It just allows for the consumption. So the liability, if someone is very overserved or very overintoxicated or drinking underage, the liability is not on the bus driver, it's not on the operator. It's on either the client of the charter who is responsible for their party, or it's on the person who is drinking underage. And they can be criminally cited, of course, because that's illegal. But it was very important to me that we not, you know, punish operators who I think are providing a very important service in Nebraska, getting people home safely, keeping people, you know, keeping extra cars off the streets when, you know, especially out right now that conditions can be very dangerous, especially if you've had a couple drinks. So this is a very important service. I wanted to draft the bill in a way that does not punish the people who are

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

providing that service. And that's what we've accomplished with this bill.

ALBRECHT: Thank you. I yield the time back. Thanks.

FOLEY: Thank you, Senators Albrecht and Senator Hunt. Senator Hilkemann.

HILKEMANN: Call the question.

FOLEY: Out of order. Senator Brewer.

BREWER: Is mic hot-- there we go.

FOLEY: Senator Brewer.

BREWER: Thank you, Mr. President. I just had a chance to talk with the Nebraska Liquor Commission, and I figured I owed it to Senator Hunt to come back and share our conversation. The way it will be set up, the Nebraska Liquor Commission will not allow any off sale, so that concern I had is not a concern. So I just want to make sure folks understood that that-- that issue is no longer an issue. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. Senator Briese, you're recognized to close on AM545.

BRIESE: Thank you, Mr. President. And again, that amendment is most likely moot pending the new amendment forthcoming. But I guess at this point I'd urge your green vote on it for the time being, but anxiously awaiting the new amendment. And the issue of liability was brought up. Thank you. And I don't-- I don't agree with that concern. You know, these folks are profiting from renting their buses and if they're allowing minors to drink now or overconsumption in general, they're playing with fire already and they better be loaded up with liability insurance. And this bill doesn't really add to that exposure, in my view. So it helps to ensure that these operators try to do what's right and take steps to ensure against underage drinking. But at this point, I would urge your green vote for the time being, but this is all going to get replaced with an amendment here shortly anyway. Thank you.

FOLEY: Thank you, Senator Briese. The question before the body is the adoption of the committee amendment, AM545. Those in favor vote aye;

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 30 ayes, 0 nays on the adoption of committee amendments.

FOLEY: Committee amendment is adopted. Senator Hunt, you're recognized to close on the advance of the bill.

HUNT: Thank you, Mr. President. Thank you for advancing that committee amendment. The amendment that I've worked out with the transportation folks who had had concerns with the Liquor Control Commission, I've been trying to answer questions on the floor, and I think that we've pretty much covered it. Once again, this is just a public safety bill that makes sure that when we're allowing for the consumption of alcohol in vehicles, that law enforcement has the ability to make sure that underage drinking isn't going on. And I would appreciate your green vote. And if you have any other questions about it, we can address those between General and Select. Thank you.

FOLEY: Thank you, Senator Hunt. The question before the body is the advance of LB734 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, please.

ASSISTANT CLERK: 33 ayes, 0 nays on the advancement of the bill, Mr. President.

FOLEY: LB734 advances. The A bill, Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB734A introduced by Senator Hunt. It's a bill for an act relating to appropriations, to appropriate the provisions of LB734.

FOLEY: Senator Hunt, you're recognized to open on the A bill.

HUNT: Hello, colleagues. This is just the A bill to pass LB734. LB734 amends the Nebraska Liquor Control Act to provide for licenses for charter bus services to allow consumption of alcohol for individuals 21 years of age and older. The costs of the license will be \$75 annually per business, not per bus. The Nebraska Liquor Control Commission estimates revenue from the new license to be \$5,640 each fiscal year, and they will be distributed to the General Fund to the Nebraska Liquor Control Commission Rule and Regulation Cash Fund, to the Temporary School Fund for distribution to schools in accordance

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

with section 79-1035.02. The Nebraska Liquor Control Commission estimates a one-time expenditure in this fiscal year to update their existing mainframe for the new license type. Just a small fee and we expect this to be making revenue for the state over the next fiscal year. So I'd appreciate your green vote on this A bill so we can work on LB734. Thanks. Bye-bye.

FOLEY: Thank you, Senator Hunt. Any discussion of the A bill? I see none. Senator Hunt, you're recognized to close on the A bill. She waives closing. The question before the body is the advance of LB734A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 29 ayes, 0 nays on the advancement of the A bill, Mr. President.

FOLEY: LB734A advances. Items for the record, please, and bills.

ASSISTANT CLERK: Mr. President, new bills for introduction. LB1087 by Senator Friesen. It's a bill for an act relating to revenue and taxation; change provisions relating to partial payments of property taxes; harmonize provisions and repeal the original sections. LB1088 by Senator Friesen is a bill for an act relating to motor vehicle registration; provide for personalized message specialty license plates and a fee; to provide an operative date and repeal the original sections. LB1089 by Senator Vargas is a bill for an act relating to schools to add a graduation requirement and provide for waivers as prescribed. LB1090 by Senator Blood, a bill for an act relating to the Nebraska Liquor Control Act; to authorize local governing bodies to suspend license for nonpayment of taxes, fees and special assessments; provide duties for local governing bodies and Liquor Control Commission. LB1091 by Senator Vargas, is a bill for an act relating to privacy; to adopt the Face Surveillance Privacy Act. LB1092 by Senator Stinner. It's a bill for an act relating to appropriations; to change and transfer provisions relating to contracts for services under the Medical Assistance Program; to create a fund; harmonize provisions and declare an emergency. LB1093 by Senator Stinner, a bill for an act relating to appropriations; state intent regarding appropriations for contracts for nursing facilities under the medical assistance program and declare an emergency. LB1094 by Senator Murman, a bill for an act relating to child support; change lien provisions on support order judgments as prescribed and repeal the original sections. LB1095 by Senator McDonnell, a bill for an act relating to counties; to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate January 21, 2020

authorize counties containing a city of the metropolitan class to establish juvenile justice programs and services; to require reports and repeal the original sections. LB1096 by Senator McDonnell, a bill for an act relating to appropriations; to appropriate funds to the Department of Correctional Services. LB1097 by Senator McDonnell. It's a bill for an act relating to appropriations; to appropriate funds to-- for problem-solving courts for young adults. LB1098 by Senator McDonnell. It's a bill for an act relating to appropriations; to appropriate funds to the Department of Economic Development. LB1099 by Senator Pansing Brooks. It's a bill for an act relating to the Nebraska State Capitol Preservation and Restoration Act; to create a fund; to harmonize provisions and to repeal the original sections. LB1100 by Senator Bolz, a bill for an act relating to appropriations; to state intent regarding appropriations for mental health services. LB1101 by Senator Halloran. It's a bill for an act relating to workers' compensation; to change the schedule for compensation for loss or loss of use of more than one specific part of the body from injury or illness resulting in disabilities prescribed; and to repeal the original sections. LB1102 by Senator Walz. It's a bill for an act relating to appropriations; to provide an appropriation for volunteer emergency medical care providers. LB1103 by Senator Matt Hansen. It's a bill for an act relating to workers' compensation; to change requirements for lump-sum settlement approval or release by the Nebraska Workers' Compensation Court. LB1104 by Senator Arch. It's a bill for an act relating to Health Care Quality Improvement Act; to redefine terms; and to repeal the original sections. LB1105 by Senator Ben Hansen. It's a bill for an act relating to Medical Assistance Act; to restate findings; to state intent; to define and redefine terms; to prohibit extrapolated overpayments; to change provisions regarding recovery audits and to repeal the original sections. In addition to that, Mr. President, a motion from Senator Wishart to withdraw LB953. That will be laid over. Appropriations Committee gives notice of public hearing. New A bill: LB310A by Senator Vargas would appropriate funds to carry out the provisions of LB310. Name adds: Senator McDonnell would add his name to LB1084.

And finally, Senator Walz would move to adjourn until Wednesday, January 22, 2020, at 9:30 a.m.

FOLEY: Members, you heard the motion to adjourn until tomorrow morning at 9:30. Those in favor say aye. Those opposed say nay. We are adjourned.