

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 21, 2021
Rough Draft

HILGERS: Morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-fourth day of the One Hundred Seventh Legislature, First Session. Our chaplain for today is Senator Halloran. Please rise.

HALLORAN: Good morning, colleagues. Good morning, Nebraska. Our world is filled with events and situations that can cause great fear and anxiety. It is easy to become overwhelmed and live imprisoned by fear. We are promised in God's word that he is faithful and will protect us. God wants us to let go of fear and to live life to the fullest. Fear not, God has promised his protection. Amen.

HILGERS: Thank you, Senator Halloran. Senator Murman, you're recognized for the Pledge of Allegiance.

MURMAN: Good morning, would you please join me for the pledge. I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

HILGERS: Thank you, Senator Murman. I call to order the sixty-fourth day of the One Hundred Seventh Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

ASSISTANT CLERK: None this morning.

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

ASSISTANT CLERK: There are, Mr. President. Senator Stinner, amendment to be printed to LB572. That's all that I have at this time

HILGERS: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR95 and LR96. Turning to the first item on today's agenda, 2021 senator priority bills, General File. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB2, introduced by Senator Briese. It's a bill for an act relating to property taxes; changes the valuation of agricultural land horticultural land for purposes of

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certain school district taxes; harmonize provisions; provides an operative date; and repeals the original section. Bill was read for the first time on January 7. Senator Briese opened on the bill. There are pending committee amendments as well as an amendment from Senator Briese, AM868. That's all I have this time, Mr. President.

HILGERS: Thank you, Mr. Clerk. Senator Briese, will you refresh us on LB2 and we'll get started on debate.

BRIESE: Thank you, Mr. President. Good morning, colleagues. My LB2 originally would have taken ag land valuations to 30 percent for payment on school bonds enacted after the effective date of the act. The Revenue Committee amendment takes it to 50 percent and also incorporates my LB79, which in the amendment, the Revenue amendment, would grow the property tax credit fund by 3 percent per year, beginning in 2024. AM868 is what, what we left off on yesterday, would increase the current statutory minimum in the property tax credit fund from the current \$275 million to the \$313 million to match what is in the budget that we recently adopted. Thank, thank you, Mr. President.

HILGERS: Thank you, Senator Briese. Continue debate on AM868. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. Good morning, colleagues. The two amendments listed on the board I have a little trouble with. However, I understand the motivation by Senator Briese to incorporate those two amendments into the bill. When I was running for office in '14, I could-- when I would talk to people that had land in multiple states, Colorado, South Dakota, or even Kansas, the disparity in the rural property taxes was obvious and painful for them. And, you know, they would ask the question, why should I invest further in Nebraska when, when the property taxes are so high? However, LB1107 that we passed last year was a delicate balance. It added a new component, as we well know, and gave property tax relief to some of the urban areas. And for me, that was a good move. Why? Because I have three school districts that I represent. I represent OPS, Omaha, Nebraska. I also represent Westside and also represent Millard. All three of those districts have levies at \$1.05. And that is an issue. Those, those property taxes are something my constituents face. So I understand why Senator Briese introduced those amendments from previous bills. But I think that we need to maintain the balance that we have and move forward and pass LB2. When he brought that bill up last year in the Revenue Committee when I was there, I thought that made sense. And so

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I'll be supporting LB2, but not the two amendments. Thank you, Mr. President.

HILGERS: Thank you, Senator McCollister. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. If everyone would-- the graph I just passed out. If you'd look at that, you'll see why the ag guys are upset. And I'll, I'll talk a little bit about-- we've talked a lot about valuation increases. And I know the urban areas are seeing it now. And I've talked about this for six years. I've said ag land saw this huge spike and I'll talk in taxes paid. It doesn't-- the levy and the levy rate and the valuation, the all end up is how much of a check do you write to pay property taxes? And so I'm going to talk a little bit on that and, and how things have gone over the past ten years. And you'll notice on those graphs that ag land had these huge increases in taxes paid, they had increases in valuation, and the, the rural-- or the residential commercials were relatively flat and especially in the rural areas probably went down. But when we look at-- I've said in the past that eventually we will see the urban housing values spike and maybe ag land values will go down. Right now we're not seeing ag land values drop anymore. They've stabilized and I'll predict that in the future they're going to be kind of trending upwards, but they're not going to have the huge spikes that we had. But I do believe you're going to see the housing values now start to skyrocket. And this is why I always talked about how we need to fix the school funding formula and how we need to either-- we have to either get spending under control and we have to have more state dollars put into how we fund our K-12 system. And so when you, when you look at the dollars that we're spending now, I mean, we're spending right at a billion-some dollars in state aid to schools. But we have schools in the rural areas that get a half a percent of their needs in state funding and we have other schools that get over 50-some percent of their funding in state dollars. And so that disparity in funding is what we are talking about trying to fix. And so as we've watched these values shoot up and like I said, I think the urban areas are in the, in the same position we were 15 years ago before the ag land values started to skyrocket. And so it's, it's just a matter of which sector of the economy is going to be hot at the time that we're going to see this. And so I also understand the need for urban property tax relief. I think what we did last year in LB1107 is provide some of that because it's based on those \$1.05 levies versus the, the lower levies that are in the rural nonequalized schools. And that's why they don't receive as much state aid. So when we look at the fairness issue of

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each child being, you know, the state is responsible for the free instruction of our kids, well, they are in some schools, but they are not in 160 of our schools. So I think that disparity in how we fund K-12 is part of this overall argument and that the reason Senator Briese brought this bill is mainly is when we have these bond issues in rural areas. But, you know, in my district, we haven't had a bond issue for probably over ten years. So it's not an every year issue that we're talking about. It's that rare moment when the school district does have to bond either to replace a building or to do a major renovation of their facilities, that we have these bond issues in the majority of our schools. Now Lincoln here, on the other hand, and some of the other school districts are constantly having--

HILGERS: One minute.

FRIESEN: --bond issues. They're growing school districts. They're having to add new schools to, to take up the new students. So it's a whole different issue in some of these other areas. And that's why I think, you know, if you look at the, the numbers that Senator Briese passed out, we have ag land. There's districts that have 92-some percent ag land and we have districts with just basically none, less than 1 percent. So, again, it doesn't affect some schools the way it affects others. But this is a, a rural issue that where you have that vote, you're totally outnumbered by the urban population. And yet the dollars come from the minority of the people who own land in that district who may not even have an opportunity to vote. So it's an important issue. I'm glad Senator Briese brought this. It highlights some of the issues that we have and we're going to be talking more about the different options we have to help--

HILGERS: It's time, Senator.

FRIESEN: --fix the property tax issue. Thank you, Mr. President.

HILGERS: Thank you, Senator Friesen. Senator Groene, you're recognized.

GROENE: Thank you. I stand in support of the concept of lowering the valuation of ag property to 50 percent from 75 percent and bond-- and for bonding debt. I do not support-- I support AM868. I do not support any mention at all of property tax credit fund in LB2. Points have been made. The Appropriations Committee did an amazing job of throwing more and more money, huge amounts of money at property tax relief. That's enough for this year, for this biennium. The bonding thing is a

problem that needs to be fixed, and I think we can get that through this body, it's a matter of fairness. I'll give you an example. In a small town community, the school administrator might be making \$160,000, living in \$100,000 house that in, in a bigger community would sell for \$250,000 because the market isn't there. When they pass a bond election, which he cheerleads, he might pay \$300 for that bond, less, \$30 or \$40 on \$100,000 house. Because the farmer who is outvoted is, is building the school and the businessman in town and the person living in town who is employed at the school pays very little because of the out-- you've seen the numbers from Senator Briese, it's 92 percent, McPherson County. We need to lower that valuation so there's a little bit of pain to the individual who doesn't own farm property but is doing quite well financially when they decide to vote for a new school building. It's a fairness issue. This isn't a statewide issue. This will be an issue within each school district. Won't affect a lot of-- my North Platte, it won't affect them a lot because 10 percent, only 10 percent of valuation is ag land. But I go to Wallace, I don't have it here, but I'm sure it's in the 90s to 100 percent. The banker in town, insurance agent in town, those folks who live off ag will pay a little more to build a school, the employees at the school. They will have a little harder decision to make about do we build a new school? It's fairness. The property tax credit fund has nothing to do with this bill and that's why I can't support that part of it. It's a major issue that needs to be fixed in how we build and have bond elections. There's another bill that came out of Revenue that addresses the same problem, where now these same school districts are building brand new schools without a vote of the people because they can do it under the bond levy, their-- under their levy authority. That needs to be addressed, too. Because the person in the city gets to vote on a new school because they're up against the \$1.07 levy. But these smaller districts, some of them are building new gyms, new buildings without a vote of the people. That bill fits with this and hopefully it ends up in LB2. But I've talked to Senator Briese that I might bring an amendment to remove-- I want LB-- I want the 50 cents to pass. I want it to pass badly. It's a necessary bill. It has nothing to do with property tax credit fund. We had this thing passed three years ago. Would have passed, but the property tax credit fund raised its ugly head again and was put into the bill and it killed it. Urban senators would understand a justice of the, of the levy of the building of schools if we just let them vote on that.

HILGERS: One minute.

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GROENE: So I'm asking Senator Briese, let's do that. Let's pass a very good bill. Let's put-- let's keep it simple and address the-- as I said, the Appropriations Committee has addressed the property tax credit and for the, for the next biennium. Let's leave it at that. Let's not look greedy. Because we're looking greedy now. Anyway, so we'll see what happens. I am preparing an amendment if this goes through to take out everything and you can vote it up or down and maybe Senator Briese-- and we've started to have conversations about it. He hasn't said no. He took the 3 percent out so he's willing to talk. But Senator Briese, I'm asking you on the floor, let's get the 50 percent done. Let's get it done this year. Thank you all.

HILGERS: Thank you, Senator Groene. Senator Linehan, you're recognized.

LINEHAN: Good morning, Mr. Speaker. Good morning, colleagues, I promised Senator Briese I'd try to be friendly and happy this morning, so I'm trying. There-- our conversation yesterday got a little unraveled. We'd been here for, I don't know, start at 9:00, it was probably 6:30, 7:00. Tempers were flaring a little bit. Mine certainly did, because I was a bit shocked that somehow the Revenue Committee can't cut taxes because it ties the hands of the appropriators. I was like what? But I thought about it all night and I thought I think maybe we should go back. We passed the budget yesterday. I was very quiet during the budget debate. I have great respect for the appropriators and for Chairman Stinner. They work hard on it and they brought us a budget. But I've just handed out page 37 of that budget just so we can kind of get some checks on who's doing what here. So it is the significant General Fund increases and reductions. So if you go down the line 29, over the two years, appropriators increased spending by \$397 million. Now they could do that because we had significant reductions which are down below, so you can see in total the General Fund change at the very bottom was \$156 million. But if you go back up to the top, we increase provider rates over the two years is \$83 million. Now I think that ties our hands. I don't think we come back two years from now and decrease those. That will be there forever more. They did put money in the property tax credit program, which when I saw that, I was a little shocked by it because I thought taxes belonged in Revenue. But I'm happy for tax cuts. Then you go down and you see Homestead Exemption. Again, we keep running into this. It's line 12. We had to increase our Homestead Exemption over the two-year biennium by \$11,700,000. Why do we have to do that? Because property taxes keep going up, guys. And we talked yesterday about how we couldn't increase property tax credit fund by 3 percent a year because

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it ties the appropriators' hands. Well, this Homestead Exemption is going to get-- that-- that's tying our hands and it's going to get worse. And we're still having people can't afford to stay in their homes. Now if you look at line-- I picked up the wrong glasses this morning, I'm sorry. If you pick-- I think it's line-- what's TEEOSA line there?

CLEMENTS: 16.

LINEHAN: 16. We actually save money on TEEOSA because valuations went up, but we didn't save as much in TEEOSA valuations going up as we had increased spending to take care of the Homestead Exemption. We increased funding in special ed. And all these things are good and I voted for the budget. I think most of us did, but I don't think we should-- we have \$211 million on the floor, which we already know we have passed the military retirement. So that takes like \$35 million of it. So I am going to fight from now until we get through the tax and spend bills to cut taxes, guys. We spent money. We increased-- the appropriators took care of it. We all voted for it. I think it's time to stop spending money and start cutting taxes. We had another conversation yesterday about Senator DeBoer's priority bill.

HILGERS: One minute.

LINEHAN: So I looked this morning, we're not just high on property taxes, we're high on income taxes. Our, our staff here, we start LAs at \$41,000. So like all young people, my children have taught me this, you can go find income tax calculator on the Internet. So we start our staff-- going to lose that one. OK. I'm sorry. Let's use this one, the one that we decided to increase child subsidies yesterday for a family of four making \$49,000. According to the tax calculator-- now, this probably doesn't include all deductions, even though we decide we have to subsidize their daycare, we charge them \$2,350 in income taxes. Why wouldn't we do what the liberal Democrats in Congress do, just let people start keeping their own money? The Biden administration has increased tax credits for children. That's something I'd be all for. What-- I think we need to think about how much we're taxing people--

HILGERS: Time, Senator.

LINEHAN: --before we need to keep providing more benefits. Thank you very much.

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HILGERS: Thank you, Senator Linehan. Senator Kolterman, you're recognized.

KOLTERMAN: Good morning, colleagues. Thank you very much, Mr. President. I rise in support of LB2. Senator Briese's done a good job. He's brought that-- I think this is the second or third time we've seen it, or at least versions of it. But I can't support the amendments as they're currently written. They go contrary to what we negotiated, I believe, last year on LB1107. I think that we as a Legislature last year, and I know some of you weren't here, but we addressed very strongly the property tax issue. And in fact, because of the way we set the property tax issue up, we're actually putting more money into that again this year, way more than we originally anticipated for the first year of the biennium. So I, I, again, I support LB2. The reason I do is, the small communities that we have, you know, we all have them in our districts and many of them have schools associated with them. And in, in some cases, we have school districts that are six, seven miles apart and maybe one school district has 300 kids and another school district has 250 kids. And they're all struggling to survive and yet they, they want to pass a bond issue because they want to keep their school alive in their community. I get that. But at the same time, to pass a, to pass a \$7 or \$10 million bond issue when you got 275 kids or 300 kids doesn't make a lot of sense, especially when you got schools right next door that they could consolidate with and bring down those-- expand the base and, and maybe do a little bit better job. So in many regards, LB2 could, could force us to-- into some consolidation and at the same time take care of the, the unfair disadvantage that agriculture has in paying for those bond issues. So I'd just like to think that in the spirit of what we accomplished last year with LB1107, we are just like Senator Groene said, we have addressed the property tax issue. It'll never be enough. But at the same time, we took a, a real hard look at that. We negotiated that in good faith last year. I believe what we've done is good, solid legislation. We need to let that work itself through. And again, I will support LB2. I've already talked to Senator Briese about that, but I can't, I can't support the amendment that takes it up 3 percent a year. Thank you very much.

HILGERS: Thank you, Senator Kolterman. Senator Lowe, you're recognized.

LOWE: Thank you, Speaker Hilgers, and good morning, Nebraska. Senator Briese, thank you for bringing LB2, it's a great piece of legislation and we need to really seriously take a look at LB2. In my district,

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people are screaming for property tax relief. That is a big concern to all of us. Unfortunately, I cannot support LB2 because I made a promise to my constituents that I wouldn't raise taxes on anyone. And though this will bring down taxes for some, it will cause others to pay more in taxes. But that does not make this a bad bill. That was a promise that I made and I made alone to my constituents. Senator Friesen and Senator Linehan have brought up that we need to control spending, and that's what I came here to do, was to attempt to control spending in our state. That's how we get real property tax relief is to control our spending. It has been a different year this year for us because we have had a windfall of, of cash come in as revenue. And what do we do about this in the future? We need to look at the way we are spending our money and do we need to spend it or do we need to give it back to the people? I think that's our-- what we need to do this year is to give back more money to our constituents, the people in Nebraska, the people who pay our salaries. We just voted on a, a bill yesterday, a budget bill, so we could get paid this year. I did not vote on that bill. I think our people need the money more than we do. For they will spend it wisely. We need to spend their money wisely. This is not our money to give out, it is their money they've entrusted with us to make good decisions. And wise spending should be the top of what we do. Government is not a charity, we should not do charity, and it seems like that is what most of our spending goes to now. Charity should come from the heart and not from the taxman. I support LB2, and if it goes to filibuster, I will let this bill continue on. With that, I'd like to give the rest of my time to Senator Brandt if he would take it.

HILGERS: Senator Brandt, 1:20.

BRANDT: Thank you, Senator Lowe. I guess I didn't see that one coming, but that's fine. Thank you, Senator Briese, for bringing LB2, AM638, and AM868.

HILGERS: One minute.

BRANDT: I am in absolute support of both amendments and LB2. And I guess I'd like to point out a few things. First of all, the majority of the property tax credit relief fund and the income tax refundable credit goes to homes and businesses. Let me repeat that. The majority of the money in these funds in Nebraska goes to help our homes and businesses. The minority of the money goes to help ag land owners. Second point, a levy is meaningless. In a lot of districts, the levy goes up or down every year, but the property owner's taxes stay the

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same or increase. And this is a fairness issue. The majority of voters in town in these small districts obligate the minority of voters to pay for the majority cost of bond issues.

HILGERS: That's time, Senator.

BRANDT: All right. Thank you.

HILGERS: Thank you, Senator Brandt and Senator Lowe. Senator Briese, you're recognized.

BRIESE: Thank, thank you, Mr. President. And good morning again, colleagues. I'd first like to withdraw AM868.

HILGERS: Without objection, that's withdrawn. Mr. Clerk for an amendment.

ASSISTANT CLERK: Mr. President, Senator Briese would offer FA27.

HILGERS: Senator Briese, you're recognized to open on FA27.

BRIESE: Thank you again, Mr. President. I'm offering LB-- or excuse me, FA27 in the spirit of compromise and to move us off center. FA27 would amend the committee amendment AM638 to remove the 3 percent escalator, but to adjust the statutory minimum in the property tax credit fund to \$313 million beginning in year 2022 to match what the Appropriations Committee has done. And it's my perception that the 3 percent escalator caused the greatest heartburn in this body. And again, I introduce the 3 percent to create a little more parity between the property tax credit fund and the refundable income tax credit created in LB1107 last year. And that refundable income tax credit will grow by probably 4 to 4.5 percent per year beginning in year 2024. But again, to move the needle on debate on this bill, I'm willing to concede the removal of the 3 percent and move forward. As far as the \$313 million, we need to remember, we already have a statutory minimum in place of \$275 million. And that was put in place in LB1107. And the Appropriation Committee budget, which we adopted, takes it to \$313 million by year 2022. This simply codifies what's in the budget. And in all likelihood, in the out years beyond 2022, we wouldn't reduce the appropriation from \$313 million anyway. So this statutory language is likely not going to impact our actions going forward. But it does create more stability in the program, does create more of a guarantee. And I would ask for your support on FA27. Thank you, Mr. President.

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HILGERS: Thank you, Senator Briese. Debate is now open on FA27. Senator Wishart, you're recognized.

WISHART: Thank you, Mr. President. Well, I definitely think this is better and I thank Senator Briese for working and, and trying to negotiate to address some of the concerns we have. I still, colleagues, have issues with FA27. I recognize that the Appropriations Committee was able to get this fund up above what our discussions had been. But this, again, takes away the flexibility from our committee to be able to address the budgets as they come. And for that purpose, I still have concerns with this amendment. And I actually I agree with a lot of what Senator Groene said today. I think we've done very good work on our budget and on increasing property tax relief over the next two years by 65 percent in our budget. Colleagues, we are spending \$1.45 billion over the next two years on these two property tax funds. That's out of a \$9.7 billion biennial budget. That's, that's close to 15 percent of our budget we are spending on these property tax relief funds. And yet what I continue to hear from my colleagues, especially those who serve rural communities where agriculture is a significant portion of their budget-- of their business portfolio, is that it is not enough. It's not even close to enough. We are spending \$1.45 billion that we have carved out in our budget for property tax relief. If that is not working, we need to figure out a different way to invest these dollars so that farmers and business owners and residential homeowners can actually experience that relief. And I actually agree with a lot of what Chairwoman Linehan has said in terms of the need to adjust our TEEOSA formula to better ensure that kids across our state are provided a quality education and that the state is supporting that more than we have in past years so that we reduce the local investment needed and therefore reduce property taxes. Well, we've got \$1.45 billion that seems to me every single year when we talk about these two funds, people are continuously disappointed, yet we want to put more and more money into this, and it's not working, it's not working and it's unsustainable. When, when we made a decision last year to come together and compromise on two issues around tax reform, one for business incentives and the other for property tax relief, the decision I was making when I was deciding and in some cases being dragged across the finish line on this because it's a whole lot of money we're spending, that decision was based off of the numbers that we agreed upon. And this drastically changes this. And I worry that we are walking into a situation that is going to be unaffordable in a lot of ways and unaffordable and not solving the problem, not solving the problem. And so that's why I still have

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concerns with FA27 and AM638. I think that the senators that I've heard so far--

HILGERS: One minute.

WISHART: --speak about LB2 have a compelling argument about why that should pass. And I'll be open to that because it's a, it's a specifically rural issue. And so it's one where I'm willing to learn and, and help out my rural colleagues. But these two amendments here make it very hard for me to be able to vote for LB2 moving forward. Thank you.

HILGERS: Thank you, Senator Wishart. Senator Brandt, you're recognized.

BRANDT: Thank you, Mr. Speaker. And I guess to continue some of the thoughts that I had before, once again, I am in support of LB2, AM638, and FA27. Fairness. How this works in, in the districts and you guys got a handout that shows how many-- what percentage of ag land is in our districts and most of the big districts have virtually none. And just on that first page, I have five school districts that have over 80 percent of the valuation is in ag land. These are small towns. And to be competitive, they have to offer more and more in these school districts. And a lot of times that requires building another gymnasium or updating an old elementary school that could be in an old high school that's over 100 years old or ADA compliant. There's-- there-- the cost in a rural community are almost higher than what they are in an urban community for construction and to update. Every school district in the state, the majority of the voters live in town. The minority of the voters live in the country. You have an election. Everybody's for the kids, but it's about who's paying for it. So you, you have this election. You know, if you have a house in town, your taxes might go up 40 or 50 bucks. But if you own and irrigated quarter section, your taxes might go up \$500 or \$1,000 till that bond is paid off. This puts a reasonable cap on the amount of ag valuation you can use on LB2. I don't see it as a tax increase. If anything, it brings a little more sanity to this because if you're a voter in town now and you have to bear maybe a little more cost to vote for that gymnasium, maybe you're going to think about it. You'll probably still vote yes. But the kids are coming from the houses. They aren't coming from the cornfields. And by putting a 50 percent cap on the ag values that can be used, it, it just moves a little more to those people in town. So this will really help out those ag landowners. Also, in most school districts, there's a high percentage of ag land owners that do not

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live in the district. And when these bonds are passed, they are forced to pay for that school's improvements. And they had no say in whether that bond should be passed. We talk a lot in here about TEEOSA, we budgeted one \$1,040,000,000. About one-fourth of our state budget goes to help about 80 percent of the, of the kids in the state of Nebraska. They-- those 80 percent tend to be in our, our urban schools, our big schools. And there's about 160 school districts in rural Nebraska and they take care of about 20 percent of the kids. And I have 12 of my 13 districts don't receive any TEEOSA funding at all. LB2 would help these districts that are heavy ag districts and don't get any TEEOSA funding. So for you urban senators in here, this bill will not affect districts with no or minimum ag land. So once again, I support LB2, AM638, and FA27. Thank you.

HILGERS: Thank you, Senator Brandt. Senator Kolterman, you're recognized.

KOLTERMAN: Good morning again, colleagues. I, I still have some heartburn with FA27. I was wondering if Senator Briese would engage in a little conversation with me.

SLAMA: Would Senator Briese yield to a question?

BRIESE: Yes.

KOLTERMAN: Thank you, Senator Briese. You, you were with me last year and we negotiated, I think, relatively well. And the \$313 million that we currently have in the fund, in the property tax relief fund, that you want to raise that to the new limit, isn't that as a result-- correct me if I'm wrong, but last year we thought if we could put \$125 million in this year and then any excess money that went into the rainy day fund triggered the amount that would go in, we had a cap at \$275 million, but we're now at \$313 million as a result of the rainy day fund and the way that works. And, and so really, in many regards, we have a windfall because we have a lot of excess money, a lot of excess revenue. Would that be a correct statement?

BRIESE: Well, the increase in what I call the refundable income tax fund would have been the result of unexpected revenue. I, I would concede that, yes.

KOLTERMAN: But, but the reality is-- the other thing is, in addition to the \$125 million, I believe in Revenue, we, we kicked a bill out and it was your amendment that we put any excess monies from gambling,

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the new gambling into the property tax relief fund as well. Is that correct?

BRIESE: Well, I, I would like to take credit for that. But the voters did that. They put the gambling revenue into the property tax credit fund. Now my bill, which was included in LB1107, established a, a \$275 million dollar statutory minimum in the property tax credit fund with any other dollars, including the gambling dollars, to be added there too.

KOLTERMAN: That-- that's the part I remember. So we're on the same page there. What you're attempting to do is raise, raise that statutory limit from \$275 to \$313 million. And, and, and I guess the reason I'm in opposition to that in my new role as an appropriator is we're there because of windfalls that we've had in revenue and, and the way the formulas work. I think that I'm really happy that we're there at the \$313 million. But going forward, I'm not sure that we will be able to sustain that. And if we raise that to \$213 [SIC] million from \$275, that's a \$38 million increase. And in future years, that \$38 million might be very helpful on the floor of this Legislature to meet some of our other obligations. So, again, we're going to give the property tax relief that the formula set up, but I'd like to see the formula continue to work and try it a few years before we raise it to \$313. I, I am in complete agreement with you, Senator Briese, that we need to do LB2 and AM638, but I still am not on board with your FA27 for those reasons. And I, and I, I think you understand my logic behind that and I appreciate your efforts. And I come from a rural district just like you do and I want to see property tax relief,--

SLAMA: One minute.

KOLTERMAN: --but I think that this, this is the wrong way to go. So thank you and good spirits. Support LB2 and AM638 and let's leave the, let's leave the limit at \$275. Thank you.

SLAMA: Thank you, Senator Kolterman. Senator Briese, you're recognized.

BRIESE: Thank you, Madam Chair. We talked-- someone talked earlier about maintaining flexibility. We have to remember, you know, the, the \$275 is already there. We have a statutory minimum of \$275. This only would increase it another \$38. And I say another \$38, that's still a lot of dollars. But those are important dollars to our property

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taxpayers. And Senator Wishart pointed out the amount of dollars that we already dedicate to property tax relief. And I appreciate her comments there. And they were great comments. But we still have to remember that we currently collect roughly \$950 million more in state, local, and motor vehicle sales taxes and roughly \$800 million more in corporate and in-- excuse me, in property taxes and state, local, and motor vehicle sales taxes and roughly \$800 million more in property taxes than corporate and individual income taxes combined. And that is net of credits. That's after the credits we put into place in LB1107. Those numbers, I wouldn't take them to the bank, but they're going to be pretty close. And I agree with Senator Lathrop's comments last night that urban homeowners need property tax relief, too. Tax Foundation data suggests that the average urban homeowner in Nebraska living in a modest home pays roughly \$100 more a month in property taxes than their counterparts would across the border in neighboring, in neighboring states. So as we try to recruit a workforce in Nebraska, we have to tell them, oh, by the way, your property taxes are going to be 60 percent higher than what they would be if you located in the average of a neighboring state. And that's not conducive to growing our population in our economy. And tomorrow we're going to, we're going to be discussing a bill that can help protect all Nebraska property owners, urban and rural alike. But Senator Lathrop is right on the fact that urbanites need help also. And there-- and then we need to remember, though, that the property tax credit fund is guaranteed property tax relief for all Nebraskans, including us homeowners. And Senator Brandt had a great point about the majority of the property tax credit fund going to non ag destinations. And we also need to get past this business about what-- what's in it for me or what about my people? I mentioned this bill last week to an urban colleague and the response was, well, it does more for your people than mine. And so I can't support it. And that reminds me of a hearing in Revenue. I think it was on Senator Friesen's LB454. He'd have to correct me on that. But at that hearing, I asked someone there representing OPS if they oppose sending dollars to rural unequalized districts, and he admitted that, yes, they oppose that idea. And anyway, we need to get past this what about me mentality and do things that can benefit the entire state. And from my perspective, the property tax credit fund is still fair, effective, it's efficient. But it's not perfect. And it may be weighted towards ag, towards rural Nebraska. But I can recite a laundry list of things that we do in this body, things that we pass in this body weighted towards urban Nebraska. You know, where do I start? The Imagine Act, the UNMC NEXt project, TEEOSA aid, LB544. Senator Wayne has a bill

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here coming up at some point to provide an exemption for sales tax on municipal water. And that's not going to help ag, but I, I intend to support it at this point. And so the point is, just because it's not a perfect system, just because it doesn't help your own constituents, maybe to the extent that it helps someone else's constituents is not a reason to oppose it. And so I would, again, ask for your support of FA27, AM638, and LB2. Thank you, Mr. President.

SLAMA: Thank you, Senator Briese. Senator Linehan, you're recognized.

LINEHAN: Thank you, Madam President. OK, several things have been said this morning. I just-- because working with numbers, I get very kind of particular. So it's \$736 million in property tax relief per year. The billion, \$1.47 billion is over the biennium. So that is a lot of money. I've been saying that it's a lot of money so we get straight here. It's \$736 million a year. And that includes the Homestead Exemption. On the two bills, tier one, tier two, they're both now at \$313 million. And then somebody referred to this as spending. I don't really think tax cuts are spending. It's not our money until we get it. So if, if we're cutting taxes, we're not spending money. At least I hope we all still think that way. It's my understanding during negotiations with the Governor, and maybe I'm wrong on this, that part of the agreement to increase provider funds-- provider rates, excuse me, over the biennium by \$83 million, part of the agreement with the Governor was to increase the property tax credit fund by \$38 million. Now maybe I'm wrong on that, and I'm not going to ask any appropriator, but I welcome them to correct me, but I thought that was part of the agreement on getting the budget to the floor. So unless we're going to sunset the provider rates, why would we not put in statute the increase in the property tax credit fund? It was the agreement. So I don't-- we've talked a lot about agreements here, so it seems to me fair, we have \$83 million in spending for \$38 million in property tax relief. It seems like that wasn't greedy. I don't, I don't see how you think that's greedy. And, and though I've been a critic, as Senator Briese and Senator Friesen both know, I've been a critic of the property tax credit fund. I've actually-- I felt a little guilty yesterday when people are explaining how it worked and I'm thinking, yeah, I think I told them that. So it-- it's better to ag. But let's don't forget, it is also helpful for residential. There's a little get your property tax statement, and right up there at the top, at least in Douglas County, it says how much I don't have to pay in taxes because of the property tax credit fund. So it doesn't go just to ag. I think actually the vast majority of it does go to residential. It's just there's a lot more residential than there is

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ag. So voting against this is voting against property tax relief for everybody, just so we're clear. Thank you, Mr. President-- Madam President.

SLAMA: Thank you, Senator Linehan. Senator Wishart, you're recognized.

WISHART: Thank you, Miss President. Colleagues, again, I rise in opposition to FA27 and the amendments. And as I said before, our Appropriations Committee and the budget that our Legislature has voted on is putting \$1.45 billion over the next two years into property tax relief between the two credits. And that is close to 15 percent of our budget. And one of the issues I have is that we are treating this fund-- and it is one of the fundamental issues I had last year with the \$275 million when we were negotiating. And in the spheres of negotiation, I was on more of the periphery, but still when I had a chance to put my two cents in. We treat this fund very differently than we treat any other budgeting item. And the reason I call this spending is because this is specifically an appropriations issue. I recognize it results in a revenue decrease. Excuse me, I realize it results in revenue back to people, back to Nebraskans, but it is still a fund that the Appropriations Committee needs to put money into. And so we treat that like any other fund with our budget. We treat this so differently than anything else. With provider rates, we don't require a statutory base that goes on past our biennial budget. We don't require that. We don't require that with any other fund in our budget. And frankly, and I talked about this last year, I think we looking at whether we're even allowed to obligate future Appropriations Committees past a biennial budget, I think is up in the air as well with this type of statutory requirement. And we don't do it for any other fund in our budget, not any other fund. And we made one exception last year during negotiations, and those numbers meant something. We projected out, are we going to be able to handle this? Are we capable of being able to manage all of the requirements in state services that we have for seniors, for people with disabilities, for roads, for public safety? Are we able to manage that while increasing the amount of money that we are appropriating that goes to direct property tax relief? And those are the numbers we came out with. We didn't pick them out of thin air. Those are numbers that we thought through and figured out whether we could manage this sustainably. And what you're hearing from, from Appropriations Committee members is that, yes, we did well this year. Some of that is likely due to the significant amount of stimulus that is coming in. And frankly, we may be finding ourselves at a cliff in a couple of years, very similar to what I found myself in when I came in as a

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freshman senator, which, by the way, we did across the board cuts of 4 percent. We cut, and that's the thing with allowing flexibility in the appropriations process is you can meet the contemporary needs of a budget. You can cut. You can pull that lever down. And we should not start moving in a direction where we are removing that flexibility so that we as a Legislature can meet our statewide obligations, many of which--

SLAMA: One minute.

WISHART: --colleagues are statutory obligations, many of the things we fund. And when I look as an, as an Appropriations Committee and I have basically a list of things that I look at when I'm deciding whether to move forward on something, whether to say, yes, we can, we can afford this. One being that we're not covering federal funds. So that's on my list as an Appropriations Committee member and still will be hearkening back to our debate yesterday. But the other is, is there a statutory requirement for us to fund this? For example, we have caseworker requirements in terms of the caseloads in child welfare that each caseworker has. Those are statutory obligations and that comes with money. And if we don't want to spend as much money, then we need to pull back those statutory obligations, because most--

SLAMA: That's time.

WISHART: Thank you.

SLAMA: Thank you, Senator Wishart. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Madam President. Good morning, colleagues. I haven't had a chance to talk on LB2 yet at the moment. And I will say, I will say at this point, I am planning on opposing LB2. This seems to be an issue that listening to based on the conversations here, as we all know, this is two different bills kind of touching two different subjects put together. And each set of bills has its own group of detractors. And I bring this up to say as I brought up an amendment to strike Sections 1 and 3. And by the time I got up here, I saw another senator had an amendment already filed to strike Section 2. And between those three sections, that's everything but the, the operative date, I believe in the bill. So you could see this is where we're operating from on LB2. And I bring that up to say is I think this bill is a good example, fundamentally, some of the struggles we have to address taxes on the floor of the Legislature. And I say that not

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necessarily as a swipe at any individual senator, certainly not at Senator Briese who's worked really hard and I think explained his position and his issue well. But some of the conversation we've had yesterday and the days before and days on the budget has kind of gotten to some of the fundamental issue that is a perspective and a world view that I just struggle with. And it's fundamentally, you know, why should I pay for schools if I don't have kids? Why should my farmland pay for schools at all? And that's, that's a perspective I struggle with even responding because that so fundamentally challenges how I view us as a society. Of course, people who don't have children pay for schools. I'm a person without children who pays for schools because I want a future generation of doctors and first responders and teachers and all sorts of things to contribute to society going forward in the future. And if we're starting to get down this approach apportion where we're saying, hey, in addition to what we've already done, just kind of on the base in terms of ag land valuation, we're taking away extra funding from schools on the concept or on the principle of I don't use schools, I don't have to pay for them or, or rather maybe this particular piece of land doesn't produce children, therefore it doesn't have any ties to schools. There are all sorts of things that all of us commit to and all of us pay for that we don't use or we don't utilize. That is a fundamental thing. We see this at the county level. We see this at school level. We see this at the state level. There are all sorts of things in the budget we passed yesterday that are programs and services that I will never directly use. I will never directly touch. I'll never directly see. And it's important and I voted for the budget because fundamentally we live in a state where we agree that the 49 of us get to come together and decide joint priorities for everyone. Sometimes, you know, an individual proposal wins or loses, sometimes it doesn't. Sometimes the budget's unanimous, sometimes it isn't. But that's fundamentally a process, just like the process that we decide and we empower local school boards to make the education decisions for a group of area. And further, we've reconfirmed that when they want to do a bond issue, not only does the school board have to propose the bond, they have to get the approval of the voters. And now we're getting at this point where we were saying, well, some voters are more invested than others. So the voters that are less invested have to pay less, have to contribute less for the sheer fact, for the sheer fact that they are not necessarily raising children on that ground. I can go and tell you what I propose that and explain that to some of my non ag home owning individuals and say, hey, we let other people contribute less to schools, that maybe they do have children going to maybe, you know, as

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everybody's indicated your houses are taxed at 100 percent and maybe you got a couple of kids there.

SLAMA: One minute.

M. HANSEN: Thank you. But we said they don't have to pay as much less because they don't, they don't feel like they are connected to schools as much. They don't like schools as much as you do. So we just gave them a tax break for that reason and very likely raised your own taxes because it's not like we're actually changing anything else in school funding or school things, very likely raising, you know, homeowner taxes to give ag taxes a break here. I don't know how I go home to my constituents and pitch that as a good idea. So that's kind of my fundamental opposition to the provisions of LB2 and even just kind of the concept behind it. With that, I realize I'm out of time. So thank you, Madam President.

SLAMA: Thank you, Senator Hansen. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. It's nice to say, Madam President, two days in a row. I rise in opposition to the floor amendment, though I am interested in the amendment coming after the floor amendment, so I hope that we get to a vote soon on FA27. And I wrote down a few notes about some of the things that have been said this morning. So I do view our property tax credit fund as spending. And here's why. The state does not levy property taxes. And so we are spending income tax revenue and sales tax revenue and corporate tax revenue that the state collects. Any taxes that the state collects, we are spending that money. We are making a choice, and we are allocating those dollars to a fund that goes to a specific population in the state and that is spending. So we are not cutting a tax. We are spending a tax revenue and it does not benefit 100 percent of the people that are paying the tax to begin with. It benefits the people that are paying a different tax. Now some of the people who are paying property taxes, also are paying income taxes. But not everyone who pays income taxes is paying property taxes. And I've stated numerous times I do not care for property taxes one bit. I would happily work on eliminating property taxes in the state. It is not indicative of ability to pay. It's not a good way to fund government. It is where we are right now. But I don't think it's where we have to remain. And I would love to work with my colleagues on that if there was a genuine desire to, to work towards that end. And one way to work towards that end is to fund public education 100 percent at the state level and to

fund county and city government and to eliminate corporate tax incentives and to increase the minimum wage and eliminate tipped wage and to fully participate in federally-funded programs. We leave so much federal money on the table every single year. That means that the state has to pick up more. We have \$90 million in a TANF fund that has been unspent and accrued year after year after year. We have not been the best stewards of taxpayers' dollars that we could possibly be. And I hope that we can work together. And I appreciate this has been a very robust conversation that I think is just beginning this morning. And I'm looking forward to the remainder of the conversation. And I will be voting no on FA27 and I am looking forward to the discussion on Senator Groene's amendment. Thank you, Madam President.

SLAMA: Thank you, Senator Cavanaugh. Senator Wayne, you're recognized.

WAYNE: Thank you, Mr.-- Mrs. President-- Mr. President. Sorry, Mrs. President. I'm just-- Madam President. Oh, I'll get it right one of these days. I'm sorry. I do apologize to my colleagues. Just want to remind everybody that right now the statutory scheme is \$275. But due to the constitutional amendment that was just changed by the voters, it's also going to be plus gambling money. And I think we're, we're missing that. And while I understand the amendment is to move it to \$313, I just think that's right now better use of money that we should probably have on the, on the floor. And I know Senator Briese brought up the residential water bill that will be coming to the floor. But I just want to remind people that, that bill is not favored to urban. That's actually equalizing or leveling the playing field to our ag counterparts. Our ag counterparts don't pay taxes on their water. The water they drink inside their home, they don't pay taxes. So all that bill is actually doing is creating a, a level playing field. And I look for any bill that will create a level playing field for ag versus non ag. If we can, if we can just stick to truly tax exempting inputs, I'm fine with that. But I think water and food are different in my mind and will always be different in my mind that we shouldn't tax. In fact, food is one of the few things that we don't tax throughout the entire system from inputting into the farmer all the way through the system to the, to the sales tax is not taxed. I do believe water should be the same because those are the two essential things that you need to, to live, water and food. Everything else, I think we need to move to a completely different type of system where we maybe, maybe only a tax inputs, true inputs for businesses or not tax inputs for businesses or we look at Senator Erdman's idea. I think we need to look at it. I don't know how it plays out money wise, but I got to see the math on it. But I guess my point is, is that we are putting into

this money, into this fund that we know is inherently off balance and we're, we're saying, OK. I don't understand that. I'm trying to be equitable and equal to everyone across the state and I'm trying to get there. I've never brought up the urban and rural divide as we should just do that. Because in the end, I don't think it benefits anybody. I think when you look at property tax, yeah, that's probably a, a rural ag issue. But if you look at sales tax, occupation tax and all the other taxes we pay inside the cities, that's probably a city issue. So we got to find balance. But I don't think inherently putting dollars into a fund that is inherently favoring one or the other is the way we should be doing business. We should really find a way to, to solve the, the real issue. And my other issue is just consciously, if I make a deal on the floor, I hope we stick to it. I wasn't a part of the deal, so I'm not going to speak to the deal. But there are specifically people who are supporting this bill who said they-- there was enough substantial property tax relief last year that they would not do anything this year and we're doing something this year. That's in the transcripts. And somebody else can read the transcripts because I wasn't part of that deal. But I do think that's a fundamental problem, that if we're going to say things on the floor, we should hold ourselves accountable to what we say and, and at least try to live, live by that. Furthermore, what else can we talk about? I already talked about gambling and talked about residential water, talked about the inherent problem. I guess that's all, Madam President.

SLAMA: Thank you, Senator Wayne. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. A couple of things that Senator Wayne was discussing. And I guess we can look at some things differently. So the, the disparity, I guess, in the first tier property tax, the reason that's there is there were three tax bills moving forward, I think it was probably my first or second year here. One of them dealt with the property tax credit relief fund and how money would be put into it. And I forget what the other two were. But I think there are some sort of tax bills that probably dealt with more in the urban areas. So the agreement was that these three tax bills would move forward together and they were going to make sure that ag got a disproportionate share of the property tax credit relief fund and it was supposed to be \$30 million. And so the agreement was that these three bills would move forward. But scheduling makes a big difference. And so the other tax bills went first and they got passed. And when it came to the property tax bill, they trimmed it back to \$20 million and that was an agreement too reached back in the day. So it

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was a negotiated settlement and, and kind of in recognition that ag land taxes were skyrocketing. So that, that was the agreement. But if you want to talk the bigger picture of taxes and taxing food, in the past, I've had bills that put a sales tax on food. But what this property tax on ag land is, is basically it's a tax on food. You're just taking a long way around to get there. But if you raise the cost of production, you obviously raise the cost of food. So it's a-- it's an interesting concept when we talk about the different taxes out there. And I will say that, you know, the difference between the urban water tax and, and my rural, if I drill a well and put in a well, my own well, I pay sales tax on it. I paid sales tax on the delivery portion to get that water. And I'm-- I voted in favor of getting rid of the sales tax on water. I understand that issue. I was willing to do the turn back tax to help out Omaha sewer water connection fees. So I'm-- I understand that. And I'm supportive of getting rid of the sales tax on water because that helps my small communities too in, in rural areas. It'll, it'll lower that cost of the delivery of the water. But again, none of us are paying a tax on water. Thank you, Mr. President-- Madam President.

SLAMA: Thank you, Senator Friesen. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Good morning, Madam President. I rise today in opposition to FA27, AM638, and LB2. I was here for the grand bargain last year, as most of us were, and we were told that this was the, the brilliant bargain of all time, people were going to be happy about it. I was able to find some of the transcripts from last year. And I want to remind you all of some of the questions that were asked and answered. And, and just, just to start off, I get that it's a priority for rural people to continue to fight to have lower property taxes. I get that we all have our priorities. And I have supported Senator Briese on his previous bills before in-- on property taxes. Two years ago, I was in complete support. I wasn't thrilled about last year's, but because everybody came together and made this amazing bargain that this was going to work and satisfy so many people, I voted for it. I believe-- I, I guess I was naive enough to believe and hold people at their words. But I'm-- you know, I'm-- number one, as I'm talking through this, I'm, I'm wondering what has changed. What changed significantly from last year? Now somebody may say COVID, COVID's really changed, but we got rural Nebraska to a point where the rural senators were satisfied as a whole and said this will, this will be a really good place and then COVID hit, and then now we've got people and we can't get funding increased for people to eat, for children to

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eat, for housing. All these things where these people who were not put at a comfortable spot are now being asked to step back some more. So I will, I will quote some of this information. Last year in the debate, I asked-- first I asked Senator Briese to yield and I said, thank you, Senator Briese. So do you feel this does a sufficient amount for on property taxes that we don't have to be rehashing this issue again about needing to increase or decrease property taxes again next year? I presume Senator Briese remembers this. Senator Briese said this is-- this is talking about LB1107, this is a very substantial amount. And I would predict that there would not be a concerted efforts to add to these dollars. But I predict that there may be some efforts to try to reallocate some of those things and adjust how, how we would utilize some of the dollars. My question was, so is that a yes or a no? Senator Briese said I'm not sure what that was, but my response exactly, exactly what I'm worried about. Then Senator Briese went on and said, but, but to clarify, this is a substantial amount and folks will be talking about repurposing this, talking about education funding. But actually adding to these dollars, I would predict that there will not be a concerted effort to do that at this point. I said you do not intend to bring a bill too next year? Senator Briese: No, I do not. Then I asked to decrease? Oh, OK, thank you. How about Senator Scheer? So then Speaker Scheer yielded. And I said, OK, Speaker Scheer, yes, I, I know you're term limited, but you've--

SLAMA: One minute.

PANSING BROOKS: --been in the discussions for LB1107. So I'd like to know from Speaker Scheer is-- in your ongoing discussions on this bill, do you believe and do you think that there is an intention not to continue bringing back property tax reductions because this handles a lot sufficiently? Senator Scheer said-- Speaker Scheer said I would say that is correct. The one prefacing I've not talked to every farm organization, but those that I have talked to and those people have, have talked to other groups all believe that this is substantial and are satisfied with the product that we've got on the floor if that answers your question. And I said so the groups you've spoken with feel this is substantial? He said, sorry, I didn't hear that. The groups with whom you've spoken and dealt with feel this is substantial? Yes, Senator Scheer said, by all means. I asked what groups might they be? Senator Scheer said the Farm Bureau, Cattlemen's, Dairy Association, and many others.

SLAMA: That's time. Thank you, Senator Pansing Brooks. Senator Hunt, you're recognized.

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HUNT: Thank you, Madam President. I, I also haven't had a chance yet to speak on LB2 and the problem that we have around property taxes in Nebraska, as we all know and understand, is obviously a big web of problems of lots of things that are interrelated to each other that have to do with the priorities in our state and where we allocate our budget. Over the past several decades, we have created a structural deficit and we have eroded our revenue with special interest exemptions and carve outs and tax credits and incentives that are designed to grow our economy in Nebraska and attract more people to the state, high income people, attract businesses, help farmers. And all of these things in themselves are always well-intentioned. And the, the process that we have here in the Legislature to get to those compromises and get to those agreements, I think is often very short sighted. Part of that might be term limits. You know, it might be that we're thinking in four-year increments or eight-year increments instead of, you know, 30- and 50- and 100-year increments for the long-term sustainability of people in Nebraska. And when we look at all of these carve outs and write-offs and credits that have eroded our tax base and eroded the, the revenue that we get in Nebraska, we see that that really cuts into the resources that we have to provide property tax relief. And so, to my mind, we're really nickel-and-diming into property tax relief by creating things like the property tax relief fund and saying, oh, we put \$50 million into it, we put \$80 million into it. But then that doesn't actually result in any relief for property owners because maybe their valuations go up or maybe they see they only get, you know, a \$25 or \$50 amount of relief on their property taxes. And when we're doing these things that chip away at the revenue we have in our state, at the same time as policymakers, we aren't doing anything to grow our state, to grow the population in our state or to support the people that we do have here by giving them the things that they're telling us they need. So we need to look at new revenue sources for Nebraska, not only so we can provide property tax relief, but so we can make sure that we have fair public school funding and a fair public school system that Nebraskans can access the public services they need, whether they're in, you know, Omaha, Nebraska, in my district in the middle of Omaha, where a lot of our classrooms are a bit overcrowded, where a lot of teachers are spending out of pocket with their own money to get things like dry erase markers and pencils and notebooks and Kleenex for their students. And then we look out in western Nebraska in our smaller rural communities and we see that these classrooms and teachers have the same problems that not only are they spending out of pocket, but they're not getting enough resources from the state at all. And as all

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of us know in here, Nebraskans know Nebraska is one of the lowest states in the country for state aid to schools. And the way that we can decrease property taxes, in my mind, is not to keep nickel-and-diming away the resources that we have as a state to continue growing our economic base, but to grow the base by supporting our public schools and by passing policies that we know will not only grow revenue for our state, but attract people to our state. I will bring up the things that I always bring up, things like controlling a woman's reproductive health. People don't want to live in a state where they can't access contraception, where they can't access reproductive healthcare.

SLAMA: One minute.

HUNT: Things like raising our tipped minimum wage. Nebraska has the lowest tipped minimum wage in the country at \$2.13 an hour. And colleagues, we have a bill on the floor every single year to change that. And we know that that will attract people to our state, people who are taxpayers, expanding our, our tolerance and our laws and our nondiscrimination policies around migrant Nebraskans and our newest neighbors who are taxpayers and who do contribute to our communities, making sure that we're-- making sure that everyone who is eligible for SNAP can access that. That's federally funded. And that helps people who otherwise move out of the state to support their families. Caregiving, unemployment for caregivers, affordable housing, healthcare, legalizing cannabis. These are things that not only can bring revenue into our state and attract people to our state, but actually fill up our coffers so that we can provide tax relief and lower the property taxes because we actually have more people who want to live here. It's a bigger problem than what percentage we're going to put--

SLAMA: That's time.

HUNT: Thank you, Madam President.

SLAMA: Thank you, Senator Hunt. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you, Madam President. OK, so I'm, I'm going on. I understand that we have, we have to take care of the farmers in our state. I understand that. I've been supportive. I voted for LB1107. I voted for Senator Briese's bill. I think it was two straight years and helped, helped him on his bill. But now I'm feeling duped. And I, I, I

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quoted you the words from Senator Briese last year. I also quoted you what Senator Scheer said, saying that, saying that the groups that they've spoken to feel it's substantial by all means. Then I asked Senator Friesen and Senator Friesen, I said, I have a question for you. He said-- and I said, I know that you have been concerned about property taxes since day one. So is what's going on here happening here going to be sufficient, in your opinion? And we aren't going to hear more, more efforts to decrease property taxes if this were to pass. And then he said I for one, I have two years left. Not the question, but I said yes. And then Friesen said, I will not try to put more money into the property tax issue. This is substantial, but I'll look at how we reallocate and how we deal with ag land. I mean, ag land has experienced 180 percent increase in taxes paid. And then he said you have people paying 50 percent of their income in property taxes. I said yes. And then he said there has to be something done yet. But more money? No, not necessarily. And I said, do you remember that people in my district are being evicted and unable to pay for their food and their children's medical needs? Senator Friesen said yes. And I have people who are being evicted as well. I said, OK, thank you and I'll ask Senator Stinner as well if he has a minute. And Senator Stinner, I asked him the same question and he said if there is a contention that this isn't enough, you'll see my reaction to it. I haven't heard Senator Stinner's linebacker voice yet, but maybe we got a little bit of it yesterday. So I guess I would like to ask-- the other thing that I wanted to say was, again, I feel duped. I feel like I wasn't exactly dealt with appropriately. I do want to say that Senator Erdman, when he, when, when he was asked about this, he said, no, this doesn't do enough. It's a decrease. It's a-- let's see, I've got to find the exact wording. Dang it. But-- let's see, here it is. He also said he sat and listened to Senator Hughes and he said you shouldn't kiss your sister too often, that might be a rule in Venango. We have to have a little humor in here. But he talked about how it's a increase of a-- oh, here, here it is. So it'd be far better if we would say this is a decrease in the increase. That's what Senator Erdman said. So I should have just listened to Senator Erdman because he was speaking truth. He was telling the truth. And I believed all of the other people, Speaker Scheer, Senator Briese, all the people who told me, no, this is enough, this is substantial on LB1107. We all have our priorities. I'd like to ask Senator Briese a question, if I might?

SLAMA: Senator Briese, do you yield?

BRIESE: Sure.

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PANSING BROOKS: Senator Briese, what has happened in the past year that has made this necessary?

SLAMA: One minute.

BRIESE: Well, when you consider that we collect over \$900 million in property taxes, more than we do sales taxes, and over \$800 million in property taxes, and we do incorporate individual income taxes, we still have a property tax issue. We still have what I would consider a property tax crisis. We have ag burdened by the third to fifth highest property taxes in the country and residential property owners burdened by depending on who you believe and who you read,--

PANSING BROOKS: Thank, thank you.

BRIESE: --fourth highest and maybe eighth highest. So we still have a crisis, this type of legislation--

PANSING BROOKS: Thank you. May, may I?

BRIESE: Go ahead.

PANSING BROOKS: So are you surprised that this happened? And so why did you say to me, this is substantial and this will make a huge difference?

BRIESE: Well, I thought it did, but 6 percent of your school taxes, you can argue about the efficacy of that and the importance of that and the significance of that. There's kind of two sides to that story there.

SLAMA: That's time. Thank you, Senators Pansing Brooks and Briese. Senator Linehan, you're recognized.

LINEHAN: Thank you, Madam President. So I'd like to thank Senator DeBoer because she just asked me a very legitimate question. Why, why are you for this? Because she knows because we've had many conversations about school funding and property taxes and I'm not a huge, huge fan of property tax credit fund. But here's why. Because we all know we have a problem with property taxes. We all know we face the challenge with school funding, as Senator Friesen said yesterday. And he said many times since we've been here and Senator Groene said it, well, the real problem is school funding. So, yes, I believe that every dollar that we put in these funds gets us closer to be able to solve the real problem, which is lack of state funding for our

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schools. It's complicated, 244 districts, almost that many different levies. And then you've got buildings. It's very complicated. What we tried to do last year was to big. But a couple of things here, I don't recall being happy last year, and it wasn't like some, you know, great celebration. LB1107 was what legislatures do. It was a huge compromise. Nobody was happy. There were senators that wouldn't talk to me. And there were senators I didn't want to talk to until we came back this year. So to say that somehow we were all thrilled with LB1107 last year, that was not-- we-- it was like we were in a bind. We were out of time. We were not going to have an incentive package. We'd been one of the only states in the country without a business incentive package. We had the CARES Act tax cut that we had to deal with, which was for business and we had the school funding bill. Several of us walked away from the school funding bill not happy. We were not happy. So I don't know. I've asked Senator Wayne if I'm in the transcript saying I was happy. Senator Wayne, can you yield for a question, please?

SLAMA: Senator Wayne, do you yield?

WAYNE: Yes.

LINEHAN: Senator Wayne, did I seem happy last year when we were passing LB1107?

WAYNE: No, I was one of the senators you didn't want to talk to.

LINEHAN: Right. Because you mentioned I got rolled, I think.

WAYNE: Yeah, I learned that I shouldn't say that.

LINEHAN: Yeah, even maybe a little bit of it was true. It was a little bit of rolling. I wish Senator McDonnell was here because he had and I had a couple of conversations where [INAUDIBLE].

WAYNE: My wife wasn't happy either that I said you got rolled. So it was, it was a-- yeah, I wasn't talked to by a lot of people that week.

LINEHAN: But there was not a lot of happiness. Did you feel a lot of happiness last year?

WAYNE: No, no, I did not.

LINEHAN: There were a lot of people who got up and said we need to pass it because it's what we could get to. Right?

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WAYNE: Correct.

LINEHAN: Yes. And you were strong and said we're not doing this. Right?

WAYNE: I don't know about strong. I got rolled over and backed up a couple of times by the bus, but I tried.

LINEHAN: But you weren't happy. Were you happy?

WAYNE: No, I was not happy.

LINEHAN: I don't, I don't know who was happy last year. How much time do I have left? I'm sorry.

SLAMA: 1:38.

LINEHAN: So I'm just going back when I was up last time and then I'm going to-- hopefully, we get to a vote here and move on. But I asked the Appropriations Committee, there's nine of you, and maybe you weren't all in on it because Senator-- there was an agreement to increase provider rates and put-- and maybe I wish the Governor-- we don't want the Governor here, but I thought that was kind of the agreement that we're going to increase provider rates and we're going to increase property tax credit program. So unless we're going to sunset the provider rates, I think it's only fair that we ensure that we keep the property tax credit fund at \$313 million--

SLAMA: One minute.

LINEHAN: --until we finally decide to do something significant and fix the problem in a holistic way. Thank you.

SLAMA: Thank you, Senators Linehan and Wayne. Senator Briese, you're recognized.

BRIESE: Thank you, Madam President. I think it was about a year ago or so, maybe a little more than a year ago, my wife told me, you're not going to bring another tax bill again. And I usually listen to my wife and but, but go out and talk to the folks in my district and see if they're happy with their property taxes and what we've done on property taxes. And they're not. Listen in on a Revenue Committee hearing and listen to the anger that I believe Senator Flood mentioned last night and I witnessed also. And you can see why we continue to bring property tax bills. Last year when Senator Pansing Brooks asked

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me about three times on the mike about my thoughts on LB1107 and what I was going to do going forward, I, I guess I did say that my intent was not to bring one, to bring another bill. Well, my intentions have changed, and it's mostly due to what I perceive out in the district as to the angst and anger over the property tax crisis and what I perceive as the need for property tax relief and reform. And so with all due respect, you know, I'm not going to stand down on my commitment to property tax reform and I'm not going to apologize for pursuing that. So thank you, Mr. President or Madam President.

SLAMA: Thank you, Senator Briese. Senator Erdman, you're recognized.

ERDMAN: Thank you, Madam President. I appreciate that. I listened to the comments that Senator Pansing Brooks made, and, and I appreciate her recognition of that. What our issue was, what my issue was last year with LB1107 was it was a decrease in the increase. Let me give you an example. My wife and I have several rental properties in Bridgeport, Nebraska, and the county assessor raised our value 16 percent, the mill levy stayed the same. So our taxes went up 16 percent. But I received about a 2.9 percent decrease in my taxes, so it only went up 13.1. So it was a decrease in the increase. I, I understand what Senator Linehan said. It was late in the day and that's what we needed to do to move something forward. And I asked Senator Wayne if he knew who voted no against LB1107. I'd like to ask him a question if he would yield?

SLAMA: Senator Wayne, would you yield?

WAYNE: Yes.

ERDMAN: Senator Wayne, I went back and reviewed the record. Do you remember how you voted on LB1107?

WAYNE: I voted against it.

ERDMAN: You voted present, not voting.

WAYNE: I was present, not voting?

ERDMAN: Yes.

WAYNE: Oh, I should have voted against it.

ERDMAN: Yeah, but there was-- there were four no votes. It was Halloran, Erdman, Hunt, and Senator Chambers and Senator Cavanaugh and

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Senator Wayne voted present, not voting. So I'm not disappointed we passed LB1107. What I'm-- what I was concerned about then and still am today is we called it property tax relief. So as I shared with you what my tax, how much my taxes went up, it was a decrease in the increase and I am thinking that I am not the only one that's in that position. If you own a home in Lincoln or Douglas, Lancaster or Douglas County, I'm sure that it was the same for you. Now is that better than a poke in the eye with a sharp stick? Yes, it is. But it wasn't property tax relief. And so we say many times on the record and some elected officials say that we've given a billion dollars in property tax relief over the last four years. What they don't say is that property tax went up \$900 million in the last four years. That's the issue. And so this morning again, we have heard numerous people comment about the broken tax system we have. And I am in complete agreement that this tax system is broken. And if I walked in today and laid on your desk, the 3, 4, 500 pages of tax policy of the state of Nebraska has and I said, Senator Aguilar, would you vote for this? And he would say, absolutely not. So then the question becomes, if you wouldn't vote for it, why do we keep it? And so we need a complete revamp of our tax system and we're going to get a chance to do that next week. And so I appreciate everyone who stands up and talks about how high property taxes are and what the solution is, because next week we will have an opportunity to discuss it. And I hope in a way that I can explain to you the concept of what we're trying to do to fix the problem that we've been trying to deal with for 54 years. We can't continue to kick the can down the road and come back year after year and talk about what we're talking about here today. If you can only imagine if we didn't have to talk about property tax relief and all those things that we talk about here every year over and over and over, we could eliminate half the bills we introduce and we can get to doing things that really make sense. So I appreciate the comments this morning. I appreciate the conversation. But every time you stand up and talk, it leads me to believe that the real answer and the only answer is a consumption tax. Thank you for your time.

SLAMA: Thank you, Senator Erdman and Wayne. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President. Members, I am in support of what Senator Briese is doing here. And I think we all know that the minute you run for office, you pick the issues that you are going to advocate for. And I would have to think that a great majority of us have heard our share on property taxes. And that's, that's one of the things that I stood up and said I was going to be for and I was going to fight for

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and Senator Briese's district and mine about each other on several different fronts. And he's doing, trust me, what the people want done in our area. I hear it not just in cities that I live in like Norfolk, but I hear it in places like Newman Grove, where we share a common border. And this is the number one issue. And although Speaker Scheer last year spoke on behalf of Madison County, I'm here today to tell you that this is the number one issue in my district. And I would argue in a majority of your districts. Last year, the way I look at LB1107 is that you set up a framework similar to the property tax credit fund that was set up in 2007. And to me, LB2 at its core isn't a continuation of LB1107. It's a policy decision about how to value ag land for purposes of school bond issues, which was never contemplated last year. This bill has been introduced several different times. It's been around for a long time. It is different. This is a question about a school bond issue and how do you value the ag land, which I think we have to remember that's the underlying core of the bill. And so regardless of what the discussion was on LB1107, we're making a policy decision about how to value certain types of land for purposes of a school bond issue for bond and indebtedness for a K-12 school district. That couldn't be more different in a lot of ways. Yes, it does go to the central question of property taxes, but it's not an extension of LB1107. It's not an extension of whatever agreement or nonagreement or discussion there was last year, the question that Senator Briese has presented with changing us from \$275 to \$313 is a recognition that what happened last year was building a base that was contemplated at the time to increase over time. And so in my mind, it's like when we created the learning community, right or wrong, every year we came back to remodel the learning community and to make the changes necessary. I think that the Legislature made a serious commitment last year to more property tax relief and now there's almost a billion, half of a billion dollars committed to it. If anybody thinks that you can start a program that puts a half billion dollars in the, in the property tax funds and not come back each year and maintain it legislatively with whatever gymnastics necessary to make sure you're accomplishing the mission of the goals of LB1107, then I don't think we're being honest about our responsibility here. Bottom line is that I, I respect what Senator Pansing Brooks and others are doing by calling attention to what occurred last year. One of the lessons that I learned, having been here and gone, is that whatever you-- this is me, whatever I worked on from 2005 to 2013, the Legislature takes a mind of its own. And every year it responds to the needs and the concerns of the districts. I would be, I would be disappointed if this bill didn't advance. I'd be disappointed if we

didn't deal with issues like this because I ran on this issue in rural areas specifically. And they are contacting me, talking to me about this LB1107, about LB2, about LB408. And they want to see something done. And I think Senator Briese is being very responsive to his district because we live in the same world. And that is the number one issue. And I just--

SLAMA: One minute.

FLOOD: --I want to, I want to finally-- I want to end with this, underlying everything, LB2 is about valuing ag land for purposes of school bond issues, which is not a property tax issue. It's a policy issue related to property tax that has to do with fairness and equity for the people that pay the bills on the new facilities. And that is far more complicated than just property tax relief because it's still-- we're talking about an increase in your property taxes there. And the second part of this that I want to emphasize is that, you know, Senator Briese is talking about going to \$313 million is essentially recognizing what the Appropriations Committee has done and not wanting to lose ground. And I will tell you, there's a lot of people out there that know that if we want real property tax relief, we have to draw a line in the sand and we have to keep climbing higher in the mountain to make sure that it's effective. Because if we lose our way, everything gets watered down and the taxpayers lose again. Thank you.

SLAMA: Thank you, Senator Flood. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Madam President. And good morning again, colleagues. A couple of things. Since we're discussing LB1107, I do remember all of the speeches, some of which have been directly quoted that framed it as kind of a definitive solution and a final answer on terms of taxes. And there was some-- Senator Wayne's brought it up in terms of people believing that or I've had other people, you know, in the community contact me whether or not I actually believed that. And the answer was when those speeches happened was, no. I wouldn't go so far as to go out and say outright anybody was lying. But like I knew that wouldn't be the final answer. I knew that wouldn't be the final tax bill that we would debate in our tenure. And that is, and that is not why I voted for LB1107. I didn't get duped into voting for LB1107 at the end. To use the metaphor that we've been talking about today, it got to a final point where you either had to get, get on the bus or get run over by the bus. I appreciate the people who chose to get run

over by the bus. And that is a very kind of noble and, and consistent position. For my part, it's the fundamental problem. It's like what I have and some of the budget bills. What do you do when you really like one section or two sections of, you know, an eight or nine section bill and you really don't like another one? Do you vote for it? Do you present, not voting? Do you try to explain that to your constituents? Do you vote for it and explain you weren't super excited about it? Do you vote against it on principle? And that's one that I think we all struggle with on time to-- time for time for time. I was present, not voting on the Capitol construction bill because of my hesitations on one or two provisions just yesterday, but didn't necessarily think it rose to the point of voting against just for context. So I bring that up. And to Senator Flood's point, I appreciate him trying to refocus on the, on the context and meat of LB2. But to say that that's what we should be focusing on, I think forgets or dismisses the pretty substantive amendments that we are having. And this is something we're going to see consistently is when you try and add a bill, when you try and combine bills and I, and I, I don't have a problem with that. I-- I've done that. I stand by that. But when you try an add that you can't necessarily just dismiss the committee amendment and say what we're really trying to solve is a policy issue in schools when there's a committee amendment dealing with hundreds of millions of dollars there. That's not something that I think anybody in this floor can directly look past. That's not anything I think anybody can directly look past. Hearing today, I think we're kind of talking about this. I know we've got a series of, of votes coming up potentially soon. I do want to raise and flag everybody, you know, this could be a situation where, granted it's a Christmas tree with one item on it, but, you know, the one ornament that tips over the Christmas tree might be the first ornament if you get a little depending on the size of the tree. So I wanted to kind of frame-- give up and frame and frame that for this situation, because fundamentally, I do understand where everybody is coming from and I do understand the desire to fix property taxes. I've tried really hard to understand that there's been proposals like LB1107 that I've ended up supporting because I thought on the balance they were a good step forward. But then when you have a provision like LB2 that in my mind if you want to frame it as a policy goal, that's fine. But my mind fundamentally goes against or goes at or weakens the understanding that we have as a community of how we come together to fund education.

SLAMA: One minute.

M. HANSEN: Thank you, Mr.-- thank you, Madam President. Excuse me. How we come together to fund education. And that's fundamentally I guess the last point I'll make in my few seconds is the people who directly benefit from education, of course, are our children and they are not our taxpayers. And so we as the taxpayers have to stand up and support them. If that's a duty we want to make and switch totally to the obligations of parents, that's actually going to take a constitutional amendment because we have to provide for the free public education of our schools. So with that, I know I'm out of time. Thank you, Madam President.

SLAMA: Thank you, Senator Hansen. Senator Pansing Brooks, you're recognized and this is your third opportunity.

PANSING BROOKS: Thank goodness. Thank you, Madam President. So I'm again, just I guess I mischaracterized the passion and emotion with which people embraced LB1107 last year. Maybe they weren't happy, but I do think some people might have gone out afterwards and had a little celebratory toast. And of course, I have a Pollyanna memory that just remembers the good. So if I characterize something as happy, maybe I should just say, well, people weren't clawing each other's eyes out. That could be, that could be happy in this body, comparatively. So again, we have all sorts of people that were quoted. Senator Linehan, of course, was quoted in the paper saying this is significant on a \$250,000 home, \$739 means something. And again, it's just, you know, how far do we go? And we all have priorities. You know, the people that voted against helping people eat and children eat, SNAP funding. These are children, say no, but, but we're paying way too much because last year it wasn't enough. It's, it's, it's the same thing about Linus running up to the ball and Lucy pulling the ball out as, as you're getting ready to kick it. We-- I believed that, that it was going to be sufficient. I voted for it because I was convinced the people were being truthful, that it was going to be significant and that we wouldn't have to deal with this again. Senator Stinner was upset yesterday and he was involved in the whole thing because he knows what was agreed to. Again, I won't say whether he was happy or not. I think people were satisfied because if they weren't satisfied, they wouldn't have voted for it. I only voted for it because I trusted people. I trusted people who are talking about people in need. When I talk about people in need, there's an immediate decision that, that I don't know what I'm talking about. I have people coming up against a fight against right to counsel for kids. But the minute the farmers or people that are in farming and rural areas speak, we're supposed to sit down, be quiet, and pass their bills. I don't think that's fair. I

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don't think it's right. I don't think it's right that SNAP funding, that aid to people who are evicted from their homes due to COVID should be dismissed as consequential to-- inconsequential to Nebraskans. I really don't. There's an NPR article that said farmers got a government bailout in 2020. Even those who didn't need it. Quote, Total U.S. farm income in 2020 would have been about average compared to the past 20 years even without the emergency aid. The massive government payments turned it into the fifth, the fifth most profitable year since 1975. And yet we have people who are out on the street. We have people that are worried about healthcare that can't feed their children, but we have to do more. Last year wasn't enough.

SLAMA: One minute.

PANSING BROOKS: The subsidies clearly aren't enough for people, although it is the fifth most productive and profitable year since 1975. Farmers that didn't have to prove that they needed help in order to qualify for those subsidies. I'll fight for the farmers every day, for the poor farmers, for the farmers that are in need, the farmers that are struggling. But if we have the fifth most profitable year since 1975 and I've got people in my district that can't take care of their children and can't get a roof over their houses, and I'm hearing things like, well, they deserve it. They need to pull themselves up by their bootstraps. This is twisted and wrong, my friends. Thank you, Madam President.

SLAMA: Thank you, Senator Pansing Brooks. Senator Hilkemann, you're recognized.

HILKEMANN: Thank you, Madam President. I have not weighed in on this issue as of yet. I-- we're talking about one of those topics that, that, that property tax relief fund. It's sacred around this place. And, you know, I want property tax relief. I also want motor vehicle taxes relief. We have the highest motor vehicle-- one of the highest motor vehicle taxes in the entire country. I have a bill that's still in committee. Hopefully, we'll get-- we'll be able to work on that. We may come up with an interim study on that. Our income tax rates are too high. Our sales tax-- well, we need to be working on that. We need to be making some decisions as to, as to broadening it. We exclude-- I think we're, we're one of those states that excludes more things than any other state or nearly any other state. And what we've done is we've taken these taxes, these income taxes, the excess, the amount that we're collecting, the sales tax extras, and any of our corporate income and we're putting it into the property tax relief fund and

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we're calling this a Band-Aid. We still have huge inequities in this state that we choose not to address. Our equalization aid is not equalized across this state. We have too many students in our schools that we're not getting any aid to. And I would challenge the Revenue and the Education Committees to find a way that we can get more aid, state aid, which is our responsibility to the public schools so that we have more equalized distribution. This will lead to real property tax relief in rural areas if we get some of our state aid to them. This property tax relief fund that we're talking about today, it'll never go away unless we have a whole comprehensive way of dealing with taxes. And that is why I have signed on to the consumption tax. I think it's important that we have a discussion of maybe doing something a little differently. We love putting on Band-Aids, and that's what I consider this property tax relief fund. Every year since I've been here, we've increased it. But you know what? It's not enough. And I can tell you from what, what-- with where the commodity prices are today, and with some of the real estate transactions that I'm aware of in the rural areas have been, if you think property tax or the, or the property values on rural land is high now or in comparison, it's going to be a lot higher when they do the new valuations, maybe as much as 20 percent, from what I understand. So at either rate, folks, I once again, I have, what, maybe 80 days left here in this body. And I would like to be-- one of the things I was hopeful of during coming down here in my years here, that we would come up with a real comprehensive overview--

SLAMA: One minute.

HILKEMANN: --and that we would change our, our tax structure and we just continue putting Band-Aids on it. And so, folks, I, I challenge our committees and I'll work with you as, as-- I'll give you every ounce of energy I can to help you, but we need to look outside of what-- the, the what, what-- the known is certainly the property tax relief fund. That's why that has become our sacred cow. But folks, we need property tax relief. We need income tax relief. We need sales tax revisions. And therefore, I would just encourage this body, let's look beyond what's here. And we're going to-- I'm not in favor of either of the amendments here. I haven't quite decided yet where I'm going to be on LB2. I may support that portion if I understand that one. But at either rate,--

SLAMA: That's time.

HILKEMANN: --we can do a better job. Thank you.

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SLAMA: Thank you, Senator Hilkemann. Senator Morfeld, you're recognized.

MORFELD: Thank you, Madam President. Colleagues, I rise in opposition to the amendment and the underlying bill for a few different reasons. First, I was one of those unexcited people about LB1107 last year for a few different reasons and I think my colleague, Senator Matt Hansen, hit on generally how I feel on that matter. First, those, those were three bills that, in my opinion, should have never been combined together. They were separate issues that should have stood on their own merits. Unfortunately, the Legislature and the Speaker in particular at that time decided to go a different direction and put three entirely separate bills together into one. And I would have voted for two of those three bills and probably not for one of those three. And so I was not pleased with being put in that position because there were two bills in there I felt very strongly about and I felt like were good policy, policy that benefited the state of Nebraska and my district. And in the end, I had to make a policy choice in terms of, I think in the words of Senator Hansen either to get out of the way or, or get ran over. And I decided to, to get out of the way and vote for the overall package because I thought 75 percent of that package was pretty good. I also heard from a lot of people that while this doesn't alleviate everybody's concerns about property taxes, that it was a big step in the right direction. And I heard from many people on the floor, including Senator Briese and some other folks, that they weren't going to come back with more things next year. And I remember very specifically saying to some of my colleagues, well, that's nonsense. I know exactly that they're going to come back next year because that's been the way it's always been. I'm a little bit of an amateur history buff, and so every once in a while when I'm in a bookstore, I pick up a book on the Nebraska Legislature and the Unicameral, and they're from various decades throughout our history. And every single book that I've ever read about the Nebraska Legislature or the Unicameral, depending on the period in history, it's talked about how the, the main issue before the body has been property taxes and balancing our tax system. It's an issue that's just simply not going to go away. In the 1960s, they said, well, listen, the problem with property taxes is the people down in Lincoln, they're making the decisions on what the property tax levies are. So then they introduced a, a ballot initiative. I don't know if it was by signature collection or by the-- initiated by the Legislature. And they took away the state's authority to be able to levy property taxes. And this was hailed, and I remember reading some

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of the articles after that happened, this was hailed as the solution. Well, now we'll be able to regulate property taxes because it'll be closer to the people. Their local elected officials will be the ones that are in charge of property taxes. Well, what happened? The local elected officials woke up the next day and realized they still needed to keep the schools open. They still needed to build roads. They still needed to fix the bridges. And that's the problem with these approaches, is that they're not comprehensive in nature or they take it to such a far extreme like Senator Erdman's proposal, which would just put everything on sales tax, as, as far as I know, I need to read it more fully. I just know what I've read from the committee statement and, and the news, but where it's so regressive that it has the opposite effect and it negatively impacts a whole group of people who, quite frankly, are having a hard time paying the bills as it is. So I'm all about some comprehensive solutions, but they have to be comprehensive solutions where everybody's paying their fair share. And what we're doing right now is we're simply coming up with Band-Aid solutions. We're not actually solving the problem. I'm not seeing any solutions coming out of the Revenue Committee, quite frankly,--

SLAMA: One minute.

MORFELD: --other than holes for us-- bigger holes for us to dig ourselves. And at the bottom, at the end of the day, we have a responsibility to ensure that we have strong infrastructure. We have strong K-12 education, affordable higher education, making sure that this is a state that people want to not only farm in, not only start a business in, but quite frankly, live in. It's not just about a race to the bottom to see who can be the cheapest state to start a business or to farm in. It's about making it so that there's a state where people actually want to live in. And in order to create a state where people actually want to live in, we have to make investments in other things. Not just tax cuts and piecemeal solutions. Thank you, Madam President.

SLAMA: Thank you, Senator Morfeld. Senator Hunt, you're recognized.

HUNT: Thank you, Madam President. I echo everything my colleague, Senator Morfeld, said because that was very well put. I rise in opposition to all this stuff because the Legislature is not serious about getting together around all of the things that we need to do to pass meaningful property tax relief. And there's a way to get me on board and there's a way to get all of those left of center on board. And those are the votes that you all are going to need to have in order to get some property tax relief. And the kinds of things that

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I'm asking for cost zero dollars and zero cents, but I can't get 25 votes on any of them. And when we're taking a comprehensive look at what we can do for tax relief, it includes some of the solutions that I and other colleagues are proposing. It just literally does. What some of you are trying to do is you're trying to bake a cake and all you have is flour and salt and baking powder. But you can't get a cake if that's the only ingredients you have. You got to put a little vanilla in there. You got to put sugar in there, some eggs and some milk. And you need other things in order to come out with something that works for everybody that everybody can enjoy and be happy with. These things are keeping our promises to our schools in our state to fund education and early childhood care and childcare and finding ways to increase the value of these programs without increasing the taxes on the people who use them. Senator DeBoer has a bill to do something like that. Senator Jen Day has a bill to do something like that. It's about keeping tax dollars in the public education system where they're most needed to improve schools that serve all the children, regardless of who they are, regardless of their zip code, regardless of what neighborhood they come from, and regardless of whether they're gay or straight. We've got bills in the, in the Legislature to do away with that. It's about expanding SNAP and making sure that everyone in Nebraska who is eligible to receive food assistance after a devastating pandemic is eligible to do that. I have a bill to do that. Can't get 25 votes on it, probably can't even get 17. It's about taking the first steps to reconcile our failed war on drugs and its negative effects on communities of color by legalizing medical and recreational cannabis and by allowing people with convictions to clear or modify their records. And that's going to decrease the burden on our Corrections system. We've got a bill to do that from Senator Wishart. And we've got a bill to do that, I think from at least one other member. It's about passing policies that emphasize support and equity for the LGBTQ community. I've got a few bills around that. Senator John Cavanaugh has a bill around that. It's about supporting our newest neighbors in the immigrant and refugee community. I've got bills around that. Senator Tony Vargas has bills around that. It's about raising the tipped minimum wage for the first time in the state since 1991. There are servers in the state who are earning the same wage that their grandparents earned. And that is not a way for tax equity in the state going forward. Over 70 percent of Nebraskans polled say that they support raising the tipped minimum wage. This is not a controversial thing that any of you are going to have a nasty political mailer sent out about you. It is smart to grow our state and grow our tax base so we can get all the ingredients for the cake that

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you're trying to make for property tax relief. It's about reforming policing. So black Nebraskans know that this is a place where they're going to be safe and a place where their lives matter. There are many bills on the floor and in committee to do that. So let's pass these things and see what happens.

SLAMA: One minute.

HUNT: Senator Hilkemann says that we need a comprehensive way to deal with taxes. And I'm telling you that this is the way. What I'm describing to you is not a Band-Aid. It's not a short-term solution like some of these other bills that we see for property tax relief. It is a systemic change that costs nothing that will pay off for every Nebraskan, because I promise that these policy changes will lead to population growth and then we will have more money to play with. We'll have more money to support our rural farmers and ag workers and ranchers. We'll have more money to grow our cities and towns in rural Nebraska. We'll have more money for people to start businesses and enter entrepreneurship and follow that American dream that we want everybody in Nebraska to have access to. But you have to have all the ingredients for that to work. These aren't even things that we could hypothetically do maybe. We literally have bills introduced this year that we can accomplish this. So if--

SLAMA: That's time.

HUNT: --I can get 25 votes for any of them,--

SLAMA: That's time.

HUNT: --I would be on board with this. Thank you, Madam President.

SLAMA: Thank you, Senator Hunt. Senator Wishart, you're recognized and this is your third opportunity.

WISHART: Thank you, Mr. President. And colleagues, I'm not going to-- well, I don't even think I can speak on this anymore. But I do think it's important that we get to a vote and move on to the underlying issue of LB2. You know, I think LB2 has a fighting chance. And from my understanding, this is a piece of policy that has been working its way through our body for several years and has failed to pass mainly because additional amendments are put on it that make it less palatable to the body. Again, colleagues, I rise with significant concerns about the two amendments on this legislation. To me, as a member who has been working on the Appropriations Committee and seeing

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our budget in times when we were-- when it was raining and in times when it's been better. I am concerned about the direction that we're going with these two amendments, and the main reason is we don't do this for any other budget item in our budget. And I want to be really clear when we're talking about provider rates, for example, they do sunset after two years. When we come back in two years, we make a decision as, as an Appropriations Committee and then as a body, whether we want to cut provider rates or whether we want to increase them or whether we want to hold them flat. And for, for, for several years, we held them flat when we were in tough times. And for other agencies, we have done across the board cuts when it was tough times. I have no expectation that moving forward, this Legislature and our Appropriations Committee will not continue to increase funding for property tax relief. The problem I have is us creating a precedent where we are trying to require future Legislatures and Appropriations Committees to make-- requiring them to make decisions that may not be contemporary for what we need moving forward. And, and that's just a fundamental concern of mine. Again, when we made decisions last year about LB1107, those weren't decisions where we were just talking about that year in our financial profile and how we were going to manage increasing property tax relief in two types of credit, 65 percent, while also making sure we got our rainy day fund, which we depleted back up and making sure we met our constitutional and statutory requirements for funding services in our state. These numbers, that \$275 million that we came to, that wasn't pulled out of the sky, that was looking out into the future and determining what we could do that was financially sustainable. In my mind, looking at the numbers, looking at our future, yes, we were able as an Appropriations Committee and as a body to increase the amount that we put into these property tax funds. Again, I anticipate we will continue to do that. But what we're about to do with AM638 and FA27, in my mind, is not financially responsible. I think we should-- and I encourage the body not to vote for those two amendments. And we can move forward on LB2 and try to help some of our rural community members address some of the issues with agriculture and property taxes. Thank you.

SLAMA: Thank you, Senator Wishart. Senator Morfeld, you're recognized.

MORFELD: Thank you, Madam President. Colleagues, I just want to talk a little bit more too. You know, I think Senator Wishart's points are well taken, particularly from an Appropriations Committee perspective, on some of the different investments that we have to make in our state. And the bottom line is, is that if we continue to erode and chip away at local governments' ability to be able to provide for some

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of the basic needs, quite frankly, in our state, then it creates other downward pressure and upward pressure on our budget and our ability to be able to make it so that Nebraska is a competitive state. Nebraska is a state that we want to live in and stay in. And quite frankly, to Senator Hunt's point, there's a ton of different bills and initiatives that many of us that are on the other side of this legislation or the amendments. I know some people are for the underlying bill, but have concerns about the amendments. There's plenty of initiatives of the opponents of this bill that we have brought that cost the state zero dollars. And in fact, would bring people to this state, would bring in taxpayer dollars and broaden the base. So, quite frankly, less people have to pay more. And that's the issue that I have with some of these proposals coming into my seventh year in the Legislature is that we're talking about cutting taxes so that we can be more competitive and that people can be more competitive in their businesses. But yet we're not also advancing policies that, quite frankly, would make it easier for us to not even have to cut taxes in the first place, but, quite frankly, would broaden the base. And these things cost nothing, making sure that LGBT Nebraskans aren't fired in their workplace for who they are and who they love, cost nothing. It costs absolutely nothing to the state, but what it does do is it makes it so that more people want to, number one, come here and, number two, stay here. If we quit putting people in jail simply because they can't afford their bail and then they lose their job and they can't pay their child support, then we would have a lot more people working and paying into the tax base, particularly those that are nonviolent. If we pass things like medical and adult-use marijuana, we would have a lot more people looking at coming here and staying in the state for medical reasons or just from pure I want to be able to do what I want to do, particularly when we all know that that substance isn't any more dangerous than alcohol. More people would want to stay in this state if we had more forward thinking policies that like quite literally cost us nothing. And so when colleagues come up to me and say, hey, listen, this is a big problem, people are thinking about leaving the state, like they can't get by, etcetera, etcetera, even though some of these industries, quite frankly, are the most profitable since 1975 to Senator Pansing Brooks's point, it rings hollow when you're not willing to support the initiatives that are priorities in our districts. And quite frankly, according to the polling of actual Nebraska registered voters, a priority not only in our districts, but across the state when it comes to LGBT equality and protections, when it comes to the legalization of marijuana, when it comes to being more sensible and thoughtful about people who are nonviolent, who have may have committed a crime and are

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sitting in jail for two or three months because they can't afford \$500 bail so they lose their job. These are all things, quite frankly, colleagues, that will grow the tax base, will make us more competitive, will make it easier for us to provide tax relief. But--

SLAMA: One minute.

MORFELD: --all of these things ring hollow to everyone, regardless of the logic, regardless of the science. And so when people come up to me and say, this is a huge problem, we got to address this, even though the industry is doing the best it's had and since 1975. The need for these types of things ring hollow to me. Particularly when they're half measures, particularly when they chip away at our local communities' ability to provide for the essential functions of government and the things that people expect from a state if they want to stay here. Thank you, Madam President.

SLAMA: Thank you, Senator Morfeld. Senator Hunt, you're recognized and this is your third opportunity.

HUNT: Thank you, Madam President. Now I've got Senator Morfeld on my wavelength. This is the conversation. This is the right stuff to be talking about if we want to talk about serious tax relief. How about we stop thinking just four years in advance, four years in the future or eight years in the future or these short-term, small-term solutions or stop thinking about tax relief is something that we can accomplish with one bill. Because every year we pass a bill to accomplish tax relief, and every year it ends up not being enough. And we all know that. We all know that we're going to come back year after year and say that property taxes are too high because they're-- they are. I agree that they are, because all we're doing is passing and thinking about short-term solutions, because people are more afraid of the political blowback that is completely fake and manufactured, because we know that a majority of Nebraskans support things like unemployment expansion, food assistance, LGBTQ equality, paid family leave, healthcare for low-income Nebraskans, legalizing cannabis. We know that most Nebraskans support that. You guys are in the clear, you're going to be fine, it's good. But we have to start thinking comprehensively about what we're going to do to address taxes. And to do that, we've got to expand the tax base. Let's broaden the tax base, because over the past decade, over the past 10 years, Nebraska saw a net loss of 16,000 college graduates age 25 and up. We have almost two jobs in Nebraska open for every worker. So, yes, we have very low unemployment in Nebraska, but we have very high poverty. We have

people struggling. And that's why we can't correlate unemployment to poverty when we say how well we're doing. People don't want to live here, folks. Young people don't want to live here. They tell us all the time. And a big reason for that is the racist and old fashioned and discriminatory policies that we pass in this state. Nebraska ranks 39th in the country among the states in the growth rate for people 25 to 29, 39th. Overall, we have a workforce deficit of 24,000 people a year, 24,000 people a year leaving the state. And we need to do more to attract and retain those people. And some colleagues have said to me that reducing property taxes is the way that we're going to attract those millennial and Generation Z people to live here. But most millennials and Generation Z people I know don't even own any property. I don't own any property. And that doesn't mean that I'm unsympathetic to people who do and that I understand the costs of that and that we have a crisis of that here in our state. But for many Nebraskans, the dream of homeownership is not even fathomable or within reach because they can't get ahead, because we don't pass policy in this body that says that we value them. It's very old fashioned for our Governor Pete Ricketts to get in front of the press cameras and say that if we legalize cannabis, we're going to kill our kids. That is ludicrous. Governor Ricketts is 56 years old. He was in college in 1991. Do you all know what was happening in 1991 in colleges? I don't know why he's so against these things. When he says stuff like that, he sounds like he's a thousand years old. Although that's not right, because they were using cannabis a thousand years ago. The medical use of cannabis is legal in 36 states. It's legal in four out of five U.S. territories. It's legal in D.C. And I don't even like pot. I don't like weed. I don't want it around me. I don't want to smell it. I don't want to see it. I have plenty of other vices of my own. I don't need that. But I'm a thinking person, so I understand that it's not going to harm people who want to use it.

SLAMA: One minute.

HUNT: We have a sub minimum wage of \$2.13 an hour. We haven't codified LGBTQ workplace equality. We still have the death penalty. The recent Medical Cannabis Initiative was blocked on the ballot, on and on. Why do we lose Nebraskans? Why do we have an outmigration and a workforce deficit of 24,000 people a year? Just listen to Nebraskans. They'll tell us. They'll tell us why they don't want to live here and don't want to pay taxes and don't want to put money in the pot for all of you to have your property tax relief. Our potential for Nebraska to be a great state has to include women. It has to include people of color. It has to include immigrants and refugees and migrants. It has to

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include our LGBTQ neighbors. It has to include black and brown people. It has to include children. It has to include people in poverty.

HILGERS: It's time, Senator.

HUNT: When they thrive in Nebraska, Nebraska will thrive, too. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President, and good morning again, colleagues. Apologize for being a few steps away from my desk. I rise to continue the discussion on LB2. And for those watching at home, kind of the logistics of what's happening here is you have two-- granted they are both attacking the issue of property taxes, but you have two pretty substantially different concepts being amended together and advanced forward. And that's not fundamentally a problem. That's something we do often. But what happens here is that just for context, that you have some opponents of each who might not line up 100 percent on both. And so I think we are being very kind of transparent among different supporters and different opponents of the bill in terms of where people stand and where people act. And I think we're at a point, at least I am at a point where I'm not 100 percent sure where we should advance next to the body. I'm not 100 percent sure if an amendment right now, a test vote right now, would be reflective of where the final vote of this bill is. I'm not 100 percent sure if we want to get to a vote before lunch or not, just being 100 percent transparent to everybody there that-- which is part of the reason I turned on my light. There are lots of moving parts. I'm going to be open, I am fundamentally opposed to the concept behind LB2. So some people have talked about, you know, we could just defeat the, the bad amendment and LB2 is fine. I will not be one of those folks. I actually personally think I dislike-- I, I, I would be inclined to go the other way and I might be alone in that stance. I fundamentally have an issue and if you want to dismiss this as a slippery slope argument, that's fine. To me, it's not even a slippery slope argument because this first step is already too far. Not worried that a future bill will go too far because I think this bill is going too far. But I'm fundamentally worried about detaching taxpayers from services they don't use without a good reason other than just that they don't like taxes because I don't like taxes either. And there'd be a whole host of services that I pay for that if I was given the option to, I would choose not to. If I could just, you know, pick a la

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carte what services I want to pick in the state of Nebraska. And that is not how we do this, that is not good public policy, that is not how we've structured our system. In some ways, I appreciate he keeps bringing it up and it keeps catching my attention at times. In some ways, I appreciate Senator Erdman and his consumption tax bill because that gets at the fundamental issue of just abolishing the concept of property taxes, which I think is what we've been dancing around the whole time. So I actually, I actually am looking forward to that debate because I'm interested in, in seeing what the perspectives and thoughts are on that. And I appreciate that, that, that bill, or at least that proposal seems to be at my mind, in my mind, hitting the fundamental issue, which is a lot of people seem to think property taxes are simply unjust. And I can appreciate that thought. I can appreciate that sentiment. And if that's something we want to look at to say eliminating them altogether, shifting state and local-- sorry, shifting political subdivisions all to either state funding. Frankly, we could probably abolish some political subdivisions if we're going that route or make some merge, which I know is never popular. But that's a way we can look at it, too. And this is kind of fundamentally why I have a problem with some of these piecemeal provisions. And I understand it's kind of a, a if you ask for too much you get problems, if you ask for too little it gets dismissed.

HILGERS: One minute.

M. HANSEN: And I appreciate that. I'm not trying to be insensitive here. But that's like why I have this fundamental problem with saying my ag land shouldn't have to pay for schools or shouldn't have to pay for schools at the rate of everybody else. And I understand it's been mentioned before that we have a constitutional amendment that does allow this. I get it. I get that it's not outright unconstitutional. That doesn't mean it's good public policy to start letting just kind of vocal constituents start detaching themselves from political subdivisions simply because they don't feel that they're getting the full benefit or they don't feel that voters are making good decisions. At the end of the day, elections have consequences. And in the case of a bond issue, the voters get to pick the particular tax itself. That is the epitome of elections have consequences. Thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. Well, I've been sitting here listening most of the morning and yesterday afternoon to this conversation, and I think I'm one of very few people who haven't spoken yet. But I couldn't miss the opportunity when Senator Hunt and Senator Morfeld were talking about what I-- kind of is one of my favorite topics, which is investing in the future. And I listened to the conversation. I've had a couple of conversations on the sides with folks about why this issue is important to people. And I appreciate it. And I kind of with Senator Hansen here, I appreciate people's concerns and their issues, but it is sort of a Band-Aid approach to one particular problem. And I stood up because Senator Hunt, I think, really hit it on the head with the idea of public policy is to create an environment where we're solving problems for the long term. And she listed off a whole litany of things that would not cost us any money, but will bring in more people and more money. And those are exactly the types of things we should be thinking about and talking about and trying to solve the problem going forward. There's a lot of things Senator Morfeld referenced as well that I think do achieve the same objective. And I, I think that's a great place to take this conversation. And I think when we're talking about how we want-- what we want the state to look like in the future, what we want the, the community to look like, but what we want the tax structure to look like, what we want the business community to look like. When we talk about how to bring businesses to Nebraska, we talk about creating a favorable environment. You passed the Incentive Act last year, which is designed to, to bring businesses and help foster businesses here. The things that, that Senator Hunt was talking about is the exact same idea as business tax incentives, creating a favorable environment to foster the types of people that we want to bring to the state in the future, which is all Americans. We want everybody in America, everyone everywhere to come-- to want to come and live in Nebraska and the people who live here to want to stay here. And so there are issues that people have pointed out and have identified that they would like that will make this place more welcoming and more favorable to them going forward. And as Senator Hunt pointed out, those things are free. Many of them are free or cheap, and those things would achieve a substantial tax benefit, business benefit for our state. And so when we're talking about really solving these problems, because this bill would address one small portion of the property tax problem that people have, and it will not solve the problem for everyone going forward. It will not actually increase our tax base, which will not give us more assets to be able to tap for future endeavors. I'd like to see us invest in all of those things that Senator Hunt talked

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about, but I'd like to see us invest in a lot of other things, too. I'd like to see us invest in people. I'd like to see us invest in education. I'd like to see us invest in startup businesses. And I think Senator Flood's actually brought a couple of those type of forward-looking bills, which is why I've supported some of Senator Flood's ideas on the floor here and in committee. I think those are the types of things we need to be talking about as tax reform and tax relief, not just some sort of trimming around the edges of what the tax rates are and not some sort of change to the base of bond initiatives in some parts of the state. Realistically, LB2 as written without the amendments, I don't think would have an effect in Omaha, probably some small corners of Douglas County it would have an effect, but really wouldn't, wouldn't affect people in, in my district. But I think a lot of the things that Senator Morfeld and Senator Hunt talked about would have a substantial impact on the people in my community.

HILGERS: One minute.

J. CAVANAUGH: It would bring more people to my community and would help people want to stay there. And I think that I like that this conversation is taking that turn, because I do think dollars and cents is not the only conversation to have when it comes to investment. Investment means people. It means ideas, it means infrastructure. And those are the types of things we should be thinking about. And those are the things that are really going to make a difference going forward. So I just wanted to not miss out on the opportunity to join in that conversation. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Cavanaugh. Senator Erdman, you're recognized.

ERDMAN: Question.

HILGERS: Question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

ASSISTANT CLERK: 30 ayes, 6 nays, on the call to question.

HILGERS: Debate does cease. Senator Briese, you're recognized to close on FA27.

BRIESE: Thank you, Mr. President. And so, just so we're clear here, FA27 eliminates the 3 percent escalator provision in AM638. And I

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think that's where most of the body wanted to go. That was causing the greatest problems, it seems. It take-- it also takes the current \$275 million statutory minimum to \$313 million in 2022 to simply match the budget and what we put in place with the budget. It guarantees a level of property tax relief for all Nebraskans. It's fairly straightforward and I would urge your support. Thank you, Mr. President.

HILGERS: Thank you, Senator Briese. The question before the body is the adoption of FA27. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

ASSISTANT CLERK: 25 ayes, 11 nays on the adoption of Senator Briese's amendment.

HILGERS: FA27 is adopted. Mr. Clerk for items.

ASSISTANT CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports and examines LB669 and LB291 and reports those to Select File, LB669 having E&R amendments. Your Committee on Enrollment and Review also reports LB58, LB63, LB181, LB343, LB372, LB466, and LB616 as correctly engrossed and placed on Final Reading. (LB496 placed on General File with amendments) Amendments to be printed: Senator Blood to LB408. LR99 introduced by Senator Walz. That'll be laid over. LR100 introduced by Senator Williams. That'll be referred to the Executive Board. And LR101 introduced by Senator Williams. That will also be referred to the Executive Board. Mr. President, next amendment, Senator Groene would offer AM1063.

HILGERS: Senator Groene, you're recognized to open on AM1063.

GROENE: Thank you, Mr. President. I don't think I have to explain the situation, we've talked about it two or three hours already. My position is that Section 2 and the AM1063 strikes Section 2 in Revenue AM638. And basically what that is, is all references to the property tax credit fund change over to 3 percent increase, annual increase. So it's-- what it does, the bill does one thing. If AM1063 is adopted, the bill will, will-- the amendment will raise-- this is confusing. Presently, it's 75 percent, the valuation of ag land in a bond election. LB2 took it down to 30 percent, which most in the committee agreed was too low. AM638 takes it to 50 percent, the valuation of farmland when calculating taxation on for bonds on schools, only schools. AM1063 just simply changes it to 50 percent, takes all references out to the property tax credit fund. I, I am to the point where I don't like gimmicks. I don't like credits funds, I don't like

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tax credits. I like good policy. I pushed it ever since I've been here. In fact, I'll probably bring some version of LB1106 back next year because that's all I heard about we have to fix TEEOSA. Maybe I'll be nice and actually work with the education establishment about the spending part, but I plan on bringing it back. Continuing to talk to-- on one hand, tell-- stand up and say this isn't the right way to do it, but by golly, I'm going to fight to the death to, to increase the credit fund and throw away a good opportunity to correct a wrong and how we tax in rural Nebraska for new school buildings. I want that done because that is good policy. That is good policy to take it to 50 percent. Let's take that victory and go home, because we've already had a victory in the, in the Appropriations Committee, an increase of two hundred and some million dollars for property tax relief. I'm happy with that. I'm happy with what the Revenue Committee did. I'm not happy with some of their spending. But that gives us a good nest egg into the future sitting there. I heard a billion dollars thrown around. So about \$500 million a year that we can use to correct how we fund our schools in the future. Let's just concentrate on one issue, the inequity in how we tax in rural Nebraska and how people are influenced on how to vote for new structures when they know their neighbor is going to pay to build it, or not even their neighbor, a landowner that-- the farmer who lives in the school district or two over, is getting taxed on his farmland or an investor's farmland or a family LLC, and they have no choice but to pay the tax and had no input. This is a good, LB2 raising it-- lowering it to 50 percent is a huge victory for rural Nebraska, a huge victory. I'll tell you what it really helps, it helps my people in, in North Platte Public School, 10 percent of the land-- the property is owned by farm. They're taxed at a \$1.05 already. We have a new school bond and it would help them. And it's not a huge shift to the people in the, in the community because they're 90-some percent. It's the opposite. They're of residential. But those are the people who are overtaxed and those are the ones I am trying to help first in everything I've done down here, those agriculture owners who live and property is in an equalized school district. They are the most heavily taxed people in the state of Nebraska when it comes to property, period. So I would appreciate support of AM1061 [SIC]. I understand exactly what Senator Briese wants to do and but I don't see the necessity of it. We have \$313 million. And what I've always said in the past is I want to see the Appropriations Committee and the makeup of that Appropriations Committee that would ever dare lower the property tax credit fund lower than what it is today because you are raising property taxes. It's a political issue. Once that floor has been set, I doubt very

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much you're going to be able to lower it, but there's always that exception to the rule when this economy turns around, turns around, everybody's going to have to give something and it might be lowering the property tax credit fund back down to \$275. That's a tool we have to leave the Appropriations Committee to have. We have to have it. If we cut taxes enough, there won't be money for the property tax credit fund, and that's fine. But that's another way of getting property tax relief. So anyway, one issue is what we should be focusing-- that's what LB2 originally was. That's all it was remember, nice, simple bill that came out of committee and with that amendment added. When I read the bill, it was-- remind everybody, about three years ago, we had this bill passed, we had it passed. Urban senators said that's an injustice, how bonds are taxed. We're willing to give you this. And then here came the ugly head of a property tax credit fund again that dumped into it and it died on the floor. This bill should have passed three years ago. There should have been tax relief already for rural, rural ag land, but we wanted it all. I don't think you're going to get it all. That's why I did this amendment. I want, I want, we all want. I want LB2 at 50 cents-- 50 percent to pass and become law and give tax relief and give a, a message to rural voters. You're going to have some skin in the game now if you just live in town, it's not all on the back of the farmer. You're going to have a little bit more skin in the game. So thank you and I'd appreciate a green vote on AM1063 to amend AM638. And then eventually LB2. Thank you.

HILGERS: Thank you, Senator Groene. Debate is now open on AM1063. Senator McKinney, you're recognized.

McKINNEY: Thank you, Mr. Speaker. I'm not sure where I'm at on this right now. I just wanted to stand up and, you know, talk about what happened yesterday. I know we'll probably talk about it later, but I think it should have been-- it should be brought up as well. Yesterday, finally, an officer was held accountable for the death of George Floyd. But also yesterday, a young black girl was killed by the police in a situation in Ohio. And I was-- I tried to avoid the video, but I ended up watching it. And the one thing that stuck out to me was the young lady was wearing a pair of crocs that my daughter wears all the time. And I just thought about as a father that could have been my daughter. I'm just curious of why, you know, the police talk about, you know, we have the training, we know how to de-escalate situations, but they never do in situations that involve black people. I don't know why it's rare, but then you have the guy, Cal Rittenhouse, who literally killed people, was able to go home. It makes no sense. This is why people were in the streets protesting for transparency and

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accountability. This is why we have LB51. This is why LB515 needs to come out of the Urban Affairs Committee, because we need accountability and transparency in this country and in this state. And I know a lot of people will stand up later today and say the police, the police are perfect and we support them and they do amazing job and we support our first responders. That's cool. But you don't live in North Omaha, so you don't know what that relationship is like. Yes, it might be peaches and cream in your community, but in my community, we feel under attack every day. You need to think about that. We're standing up here having a debate about property taxes and saying rural Nebraska needs help. My community needs help. And if you don't understand that, you're not my ally and it's hard for me to call you a colleague if you don't understand where I'm coming from. But you want me to give a green vote for property tax relief. We really need to have a hard discussion about this stuff later because it's sure a lot of people that'll stand up and say a lot of offensive things later. And I'm a hold you accountable to your words, but I just felt it was necessary to stand up and talk about this today. I don't need you to say, dang, it's good that finally something happened. We need action. Derek Chauvin being convicted doesn't change anything. We still need policy changes here. We need LB51 to pass. We need the municipal police oversight bill that's stuck in Urban Affairs to get out and pass on the floor this year. We need change now. We can't wait. I would appreciate if everyone would call the Omaha police and tell them to release the body cam footage for Kenneth Jones. It seems like every other city in America and every state can release body cam footage right away, but the city of Omaha refuses to. And a grand jury didn't even do anything anyway. So why can't you release the footage? What is there to hide? Why is it so complicated to get that footage? But when you stand up here and talk about property tax relief and why I need to vote green, I want you to think about that later when I need you to stand up for me and my community and I need you to vote green on LB51. So some of my--

HILGERS: One minute.

McKINNEY: --community members can feel a lot safer. Thank you.

HILGERS: Thank you, Senator McKinney. Senator Morfeld, you're recognized.

MORFELD: Thank you, Mr. President. Colleagues, I want to continue my discussion a little bit about priorities, and I think Senator McKinney, Senator McKinney said a lot of things that resonated with me

and that I discussed a little bit earlier, and I think it's important to look at the facts in terms of what people are looking for in the state of Nebraska and what's actually going to lead to us being more competitive. There was a recent statewide poll, a scientific one done by the Holland Children's Institute, that said that 70 percent of Nebraskans support raising the minimum wage or tip employees to \$9 an hour. And yet what has this body done on it other than Senator Hunt's efforts with the bill? We've done nothing with it. We've debated it, but nobody really took it seriously, even though that 70 percent of Nebraskans think that this is important. If these Nebraskans, which I can guarantee you, it's tens of thousands of Nebraskans, of Nebraskans that work in the service industry. If they were actually receiving a living wage, then we may not have to pass things that allow people to have, for instance, more subsidy from the federal government to be able to provide for childcare. Some of the concerns that I listened to Senator Linehan bring up on the floor yesterday about childcare subsidy and some of the other different subsidies that we're putting in place, particularly due to COVID, some of those concerns, quite frankly, would be addressed by just passing policies that make it so that people have a living wage and don't need those types of resources despite working full time. Senator Groene brought up some concerns with Senator McCollister's bill on SNAP. I think the words were rewarding bad behavior or something of that nature. Well, I'll tell you, colleagues, I grew up on SNAP for a while. I grew up in Section 8 housing and news flash, my mother was working full time during that whole time and she worked for a rather large company here in town, too, and had decent benefits and probably not the most decent wage. But that's another story for another day. So there are people in this state, the vast majority of people in this state who work full time and are unable to provide for their families. And so when I'm told that this should be our top priority, that this is an industry that needs relief, and then I'm also told from independent economists that this is-- this industry is having one of its best years in terms of profitability in the last 50 years, there's a little bit of a disconnect, particularly when I know that this is definitely not the best year in the last 50 years for the people in my district. And then the same people that want us to pass these proposals are the same people that are opposing basic relief and benefits for groups of people that we know for a fact are having some of their worst years in the last few decades. So it's tough for me to hear folks on the floor that are saying, hey, pass this legislation, this is targeted relief for people who need it, and then to hear in the news that, well, in fact, this is an industry that's doing the best they've been ever been

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doing in the last 50 years or so, and then to hear those same proponents of this legislation get up and question the need of people--

HILGERS: One minute.

MORFELD: --who we know are suffering, who we know are working hard, but still living sub living wages, questioning the need for us to be able to provide assistance to those folks. And they don't have land to sell to fall back onto if it goes badly, they don't have assets or resources in many cases to liquidate. And yet we're opposing basic supports for those individuals because it might be too much. Colleagues, I think when it comes to these types of proposals, we need a proposal that's more comprehensive. We need a proposal that rights the ship and doesn't do it in a piecemeal way. And we need proposals that generate revenue because in the end, we have some basic responsibilities--

HILGERS: Time, Senator.

MORFELD: --that we cannot fulfill if we keep going down this path.

HILGERS: It's time, Senator.

MORFELD: Thank you, Mr. President.

HILGERS: Thank you, Senator Morfeld. Senator DeBoer, you're recognized.

DeBOER: Thank you, Mr. President. I didn't think I was coming up quite that quickly in the queue, so sorry about that. Good morning for five more minutes still, colleagues, wanted to say that I am very pleased to be on the same side with Senator Groene on this fight. I think that this amendment that Senator Groene has is very good. What it does is it says we're going to take LB2, we're going to take the portion of the committee amendments that says that we are going to lower the ag valuations for bonding purposes to just 50 percent rather than 30 percent, which is in the green copy. And we're going to keep the property tax credit fund out of this fight because really it doesn't have anything to do with bonding. So I support AM1063, then AM638, and then LB2. So if we do that, what we have done is similar to what Senator Briese has tried to do in, in previous years, which is to change the valuation of ag land for purposes of determining-- or for purposes of, of bonding. And I think that makes a lot of sense, because if you look at it, this was an argument that was made a couple

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of years ago and it made, it made me change my mind, it made me understand the position, which is that there are a smaller number of folks who are in the ag producing, who have property that produce-- that is ag producer. And then there is a larger number of people who are in the cities. So for purposes of bonding only when you take that question before them, the people who have the most stake, i.e., the people who have the most land and pay the most taxes proportionately have the fewest votes. So for purposes of bonding, I understand the point. This is not necessarily going to be that favorable for, for all the education communities, because it does make bonding harder because it, it tries to balance out the stakes and who has, who has a stake here. So I appreciate Senator Briese bringing LB2. I appreciate the Revenue Committee for AM638, which moves that up to 50 percent. And I appreciate Senator Groene who says this is not an argument about the property tax credit fund. We shouldn't even be dealing with that question. We should be talking about bonding. I support the bonding position at 50 percent. Thank you, Mr. President.

HILGERS: Thank you, Senator DeBoer. Mr. Clerk for any items.

ASSISTANT CLERK: Mr. President, priority motion, Senator Linehan would move to recess the body until 1:30 p.m.

HILGERS: Colleagues, we're going to keep the queue, Senator Machaela Cavanaugh, Senator Wishart, Senator Day, and others. And we'll return to this when we come back from the recess. Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. We are in recess.

[RECESS]

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

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

HILGERS: Thank you, Mr. Clerk. Do you have any items for the record?

ASSISTANT CLERK: I do. Committee Report from the Natural Resources Committee concerning gubernatorial appointments to the Nebraska Ethanol Board. Additionally, amendments to be printed from Senator Hunt to LB364. Communication from the Governor stating that engrossed legislative bills LB83e, LB92, LB101e, LB197, LB371, LB390, LB400,

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LB497, and LB503 were received in my office on April 15, 2021. These bills were signed and delivered to the Secretary of State on April 21, 2021. Sincerely, Pete Ricketts, Governor. That's all I have at this time, Mr. President.

HILGERS: Thank you, Mr. Clerk. We will now turn to the afternoon's agenda.

ASSISTANT CLERK: Mr. President, LB2, when we left, Senator Groene had a pending amendment to the committee amendments which were also pending.

HILGERS: We'll continue to debate on AM1063. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. Good afternoon, colleagues. I hope everyone had a nice lunch break. I'm just sorry, I'm trying to readjust where I am on this. So I have a few different diverging issues with the bill and the amendments and I know that this has been a kind of a shifting ground underneath all of us, including the introducer this morning. And so right now, I'm just going to talk about the property taxes for the homeowners in the rural areas. And I had looked up, but I have been having some pretty significant problems with my Wi-Fi on my laptop this morning. I had looked up populations in some of these towns to see what exactly we're talking about and what exactly we're looking at. And this bill, it's my understanding that the underlying bill would take the ag valuations to 30 percent and that the amendment would take the ag valuation back up to 50 percent. And I know we've heard from people who supported LB1107 last time around and felt that there had been an agreement that this wouldn't be brought. I was not a part of any agreement on LB1107, so I can't speak to that. But I can speak to the fact that I-- I felt very strongly that it was communicated by several and I think Senator Erdman has stood up here this morning reiterating his position that he didn't vote for LB1107 because it didn't do enough. And I I had concerns when we passed LB1107, when the body passed LB1107, that that was going to be brought up this year, that we didn't do enough for ag. And as much as we have done for ag, we continue to not do enough for the people of Nebraska. And I've stated this repeatedly and I will continue to repeat this over and over and over again, if we are not investing our resources into serving the most vulnerable populations in this state, then I will not support any revenue shifts. And this is a shift. This isn't a tax cut. This is a tax cut for some and a tax increase for others. And I find myself in agreement with my colleague

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from Kearney, Senator Lowe, that I cannot vote for a tax increase, especially when it's a tax cut for some on the backs of others. This, whether it's a 30 percent or a 50 percent, is going to cost homeowners in rural areas more. They're going to have to pick up the price tag on this. And I just don't understand why that would be viewed as reasonable or fair for those representing those homeowners. I don't represent those homeowners, but I don't think it's reasonable and fair. I don't think it's reasonable and fair enough that I will stand up here and talk about it for as long as is necessary. And they're not my constituents, but I don't think that it is reasonable. I don't think that it is fair. And I don't agree with the premise. If we want to talk about eliminating property taxes for all Nebraskans, let's have that conversation. I am here for that. But if we're going to only cut taxes for some and put it on the backs of others, I am definitely not here for that. And as this conversation goes on--

HILGERS: One minute.

M. CAVANAUGH: Thank you-- I am going to continue to talk about homeownership in the missing middle, affordable housing in our rural communities, the fact that we don't have enough people moving to our rural communities because there isn't enough affordable housing and now we're going to levy higher taxes on houses versus agricultural land in those communities. I want to grow Nebraska's economy. I want to grow our rural communities. I don't see how this is anything other than disincentivised people to stay in those communities. If they already can't afford the housing in those communities, how is raising property taxes on those communities going to help build those communities? We need to start being smarter about our policies and taking a more strategic and long view. And this, in my mind, does not do that. I do appreciate Senator Groene's amendment.

HILGERS: Time, Senator.

M. CAVANAUGH: Thank you.

HILGERS: Thanks, Senator Cavanaugh. Senator Day, you're recognized.

DAY: Thank you, Mr. President. I am not sure how I feel about the amendment because I'm not sure how I feel about the underlying bill. I just had a couple of questions for Senator Briese if he would yield.

HILGERS: Senator Briese, would you yield?

BRIESE: Yes.

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DAY: Thank you, Senator Briese. So in a district like mine that's partially ag land and partially residential, suburban, urban, if LB2 were to pass, would it because it's decreasing property taxes for the portion of the district that belongs to the ag property owners, would it increase the property taxes on the residential property owners?

BRIESE: Only if they vote to approve a bond issue going forward.

DAY: OK, so if they voted to approve a bond issue going forward, it would increase-- the bond issue would then only apply to the residential areas?

BRIESE: No, it would apply to everyone.

DAY: But it would--

BRIESE: But-- but the residential folks would pay a slightly greater share.

DAY: OK.

BRIESE: And that data-- that information I handed out to you, shows you what percentage is ag land in your district versus other and you can kind of estimate from that what the impact would be.

DAY: OK, thank you, Senator Briese. I appreciate the clarification. I'm still thinking about where I'm at on this bill because I-- I-- I struggle to raise property taxes on anyone, especially because I know within my constituency in my district, the majority of the complaints that I get about property taxes come from the residential areas because they are paying a lot in property taxes right now. And so I definitely understand the desire and the need to provide some property tax relief to our ag land owners, but I am struggling with voting for something that I know will increase the property taxes on my residential land owners. So thank you, Senator Briese, and I yield the rest of my time.

HILGERS: Thanks, Senator Briese and Senator Day. Senator Matt Hansen, you're recognized. I don't see Senator Hansen on the floor. Senator Briese, you're next in the queue.

BRIESE: Thank you, Mr. President, and good afternoon, colleagues. Well, we've had a far ranging discussion on property taxes and in particular the Property Tax Credit Fund the last several hours and a couple of hours last night. And it's become apparent to me that the

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inclusion of the provisions regarding the Property Tax Credit Fund in AM638 is problematic. And I'm going to respect that. And out of respect for the concerns folks are having about the raising of the statutory minimum in the Property Tax Credit Fund, I am going to support Senator Groene's AM1063 and I would encourage your support also. Thank you, Mr. President.

HILGERS: Thank you, Senator Briese. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Sorry, I wasn't expecting to be up in the queue already. OK, so growing the good life is from Blueprint, Nebraska, the July 2019 report, working to create a new standard of sustainable economic prosperity for all Nebraskans. And this talks about housing, build an additional 30,000 to 50,000 achievable, livable housing units. With about 77,000 square miles of land, Nebraska ranks as the 15th largest state. The average acreage-- acre is valued at relatively low cost. In 2017, Nebraska boosted the number 21 lowest median price per square foot \$139, among states. But many Nebraskans experience housing challenges. Many communities across the state lack an adequate supply of housing. Nebraska has only 41 affordable units for every 100 households in extreme poverty. In recent years, employers have been unable to expand their businesses because housing shortages prevent recruiting additional employees and the lack of housing de-- deeter's new-- I think, deters new businesses from locating in our communities. This is not only the number one-- the-- this is-- the issue is not only the number of single family homes and rental units on the market, but also the condition, age and affordability of these structures. The cost of purchasing or renting a home has for many Nebraska-- many in Nebraska outpaced personal income. In Omaha, for example, nearly 50 percent of renters report spending more than the recommended 30 percent of their income on housing. The cost of new housing construction is prohibitive for most of the state's work force, particularly those just entering into the work force. Increased material costs and too few people engaged in building trades have stymied house-- housing production, increasing risk for those in the business of developing housing in the state. We propose building an additional 30 to 50,000 affordable, livable units, making Nebraska the national housing model for coordinated public private delivery of resources, community housing leadership and of housing affordability and sustainability. This initiative will scale current state and regional initiatives and help local communities become more knowledgeable about public private housing opportunities, housing incentives and innovative ways to improve housing affordability. More

specifically, this initiative will organize Nebraska into regions to coordinate and collaborate via the creation of build Nebraska organizations. This effort will address housing needs, in part by creating organizations with full-time professional staff and plans for new residences to serve as center points and testing grounds for coordinating efforts, particularly to develop new housing types. The effort will also recognize that regional collaboration can help to develop more housing units with balanced demographic targeting and create economies of scale that will enhance affordability across the state, develop formal community housing, intelligence training, offering incentives for participation and using digital delivery to enable communities to take the lead in planning the development and maintenance of their efforts. Housing stock and develop incentives to support payment for housing i.e. low interest loans and buyer-renter support for such vouchers or down payment assistance. Strengthen housing incentives and rural funding options such as neighborhood home incentives acts using optional auction, state credit, tax credits for specific subsidies and efforts like Rural Workforce Housing Investment Fund, the latter of which has been used to finance affordable housing.

HILGERS: One minute.

M. CAVANAUGH: One minute. OK, one minute?

HILGERS: Yes, one minute.

M. CAVANAUGH: Housing within the counties-- within counties of less than 100,000 residents, leverage opportunity zones to ensure that affordable housing in Nebraska gets more than its fair share of the new federal capital gains tax benefits. So, again, even with Senator Groene's amendment, which I appreciate what Senator Groene is trying to do here, this is a tax increase on some and a tax break for others. And voting for it is saying that you agree that we as a Legislature should be picking winners and losers in the taxes that we don't even levy that county's levy. And I don't agree with that. I don't agree with taking away local control and I don't agree with increasing taxes for citizens of Nebraska. Thank you.

HILGERS: Thanks, Senator Cavanaugh. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. Good afternoon, Nebraskans. Good afternoon, colleagues. I think that the right recipe to finding property tax relief is going to be a combination of comprehensive policy plans that do more to keep people in this state. Overall, we're

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not going to be able to build more revenue in the state until we build the tax base that we have here. And I don't think that that's a goal that proponents of LB2 and AM63 and AM1063 disagree with. I think that all of us want folks to live here. But I also from conversations and just anecdotally, it sounds like a lot of colleagues and a lot of people who are in state government think that in order for people to want to live in Nebraska, we have to make Nebraska the way they want it to be. When the young people in Nebraska, young professionals, folks who engage with us daily as constituents, they tell us that the kinds of policies that we're passing here in the Legislature are actually not conducive at all with the kind of culture and the kind of society that they want to be a part of. I love living in Nebraska. I live in Nebraska on purpose, and we have a very engaged and diverse young professional community that is doing more and dreaming more than I think that we've ever seen in my community in Omaha. But it's really silly to talk about why young people can't wait to move away from our state unless we talk about the fact that we have policy in our state that doesn't treat everybody equally. It just doesn't. In Nebraska, we don't treat everybody with equality before the law, even though that's our state motto. And it's sad but a lot of people won't do the right thing until we pass laws requiring them to. And that's where we 49 lawmakers have a responsibility. And the facts also show that Nebraska is consistently losing population and not able to attract and retain talent and not able to build a competitive work force that can meet the needs of the businesses that are looking to locate here. We've had many businesses. I know that all of us deal with the State Chamber of Commerce and the local Chambers of Commerce and the areas that-- that we represent. And I've had many conversations with the Chamber of Commerce about businesses that we really want to move here to Nebraska, businesses that are doing site selection right now, places that are looking for places where they're going to be able to grow their company and tap into a really good work force. We know that Midwestern people are hardworking, we're salt of the earth folks. We want to earn an honest living. But until we have these other cultural pieces to build a society that attracts people where they want to live, we're not going to be able to provide that work force for businesses. And that's why you see so many businesses that were looking at Nebraska didn't end up moving here. We lost those bids. We lost those businesses for site selections. And that work force piece, I think, is the number one problem we have in our state. Property tax is a problem, too, but that doesn't mean we don't have a multitude of problems that we need to address that all feeds into each other. And quite frankly, we could probably address the property tax problem if

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we address the work force problem, which we have to do by addressing the social problems that folks like me have been working on in the Legislature ever since we got here. So if you want to solve property taxes, well, let's bring more people here. I'm proposing a deal, colleagues. I-- I would like to kill this bill. I would like to filibuster it. And I think I would like you to have to get 33 votes. And while I do that, you can put together a group of people--

HILGERS: One minute.

HUNT: --who are willing to vote for the different bills that I think we need to grow Nebraska and build our work force. That research and data and polling shows that Nebraska's want to stay in Nebraska and grow our work force, including raising the tipped minimum wage, allowing everybody who's eligible to apply for SNAP benefits, which are federally funded to do so, and to pass LGBTQ equality and equity policies. These three things are free, whether it's business tax incentives or property tax relief or what have you. Conservative colleagues in the Legislature are constantly coming with a handout for subsidies for tax credits when the things that I think we need to do and others to build Nebraska, that costs no money to taxpayers, that we know are guaranteed to increase the quality of life and increase the population in our state fall flat. If you can bring me 25 votes around these issues--

HILGERS: Time, Senator.

HUNT: --that's the kind of deal that we're going to need to make. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Mr. Clerk, for a motion.

ASSISTANT CLERK: Mr. President, Senator Matt Hansen move to bracket the bill until June 10, 2021.

HILGERS: Senator Matt Hansen, you're recognized to open on your motion.

M. HANSEN: Hi. Good afternoon, colleagues, and-- and welcome back, everyone. Where we're at, I'm going to lay out the land-- give you a lay of the land. I fundamentally have some opposition to LB2. I've spoken on the microphone and I've been a little disappointed that so much of the focus has been on the Revenue Committee amendment and the LB79 that has been included and looped in. I understand that there's now maybe a compromise or an acceptance to pull something out. And for

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a minimum right now, right here, I wanted to give us an opportunity to just put the bill aside. Yes, this is-- this is a motion that will bracket the bill at the last day of session. It'll put it aside. It'll end the discussion on the bill for the year. I think had I filed this motion earlier or the end of the day yesterday because of the confusion and because of the frustration, I might have gotten 25 votes. But I did want to let some of the discussion and some of the amendments move forward. I really do think right now we're kind of at a weird, tenuous point where there are some of us who fundamentally oppose LB2. I actually like the portions that Senator Briese has agreed to pull out of his bill. I actually don't mind just pouring money into the Property Tax Credit Fund because that's something I guess we're used to, as opposed to this fundamental shift in how we view the policy of school bonding and for-- more specifically, the fundamental shift in how we view the policy in terms of societal obligations to one another. Some of the comments we've heard in terms of today and yesterday and in the past of, you know, my farm doesn't produce children. My ag land don't produce children. Why are we connected to that? We see that from time-- from over and over again. You know, there's-- there is-- is-- that's my fundamental frustration with LB2. I do think there's been some shifts. I do think there's been some groundswells and maybe Senator Briese has cut a deal making a compromise to save the provisions of his bill. But I do want to take some time to talk about it, including fundamentally, as we look forward, we are dealing with a series of packages, Christmas trees, whatever you want to call them, on revenue bills. There is a series of things coming up, and it is really hard to narrow down and nail down the specifics-- the specifics of any given bill. And that's something I've been trying to do because in part, there's so many moving parts, because in part that there's so many different things we have-- we have to do. Just looking at the amount of revenue bills coming out, if you look at all the revenue bills and all the A bills that are on General File or at least have been prioritized, we're way overspending or way overutilizing the amount of quote unquote, floor money we have. There are some things that are going to have to be left by the wayside. And I hope we're all prepared for that and hope we're all recognizing that because I think we are at this point not prioritizing and not categorizing. I understand that some of the compromises that are happening in LB2 are going to lessen the state's fiscal impact on this bill. But it is, in fact, still going to be a pretty harsh rebuke to a number of the school districts. And more specifically, it's a harsh rebuke to a number of school districts, especially in rural areas or areas in which there are higher amounts of farmland. And as

we talk about the fact that many of these districts already are at a lower levy limit, changing that and shifting the balance to urban areas, even urban areas within kind of the more rural areas, is not necessarily coherent and consistent tax policy that I think we should be supporting and should be promoting. Fundamentally, the provisions of LB2 are designed to shift taxes from agricultural land to other land, homeowners, commercial, other taxpaying land. And that could be something very well we decide and walk down towards, and that may be something we're going to be focusing on once we get to the Senator Groene amendment. I do think there's an opportunity to right here right now, say on my bracket motion, hey, we've tried to do too much too fast on this bill. We've asked for too much and this is a moment to step back and say and let us know whether or not this is an issue you agree with or not. So we have this opportunity now to discuss it. I'm going to-- happy to take-- take myself out of the queue and listen to see where some other people stay for the moment. But this is-- this is why I feel so fundamentally strong on the provisions of LB2. I would actually have preferred the opposite of the compromise that Senator Briese seems to have taken in terms of accepting the Groene amendment. I would have liked to strike the provisions of LB2 and kept LB79 rather. But alas, I know I'm just one voice and one vote, but that is why I'm rising. So with that, thank you, Mr. President.

HILGERS: Thanks, Senator Hansen. Debate is now open on the motion to bracket. Senator Hansen, your next in the queue. He waives the opportunity. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. I rise remaining in opposition to LB2 and I support Senator Hansen's motion to bracket until June 10. So, I know I'm not a part of any agreement. I wasn't a part of any agreement last session. I'm not part of any agreement this session. I'm not a part of an agreement on provider rates or tax shifts or tax incentives. The only agreement I would make is that we should be funding developmental disabilities above all else, and we should not be talking about cutting any taxes that we don't even levy until we are funding government at the state level adequately for not only developmental disabilities, but also county and municipal funding and education funding. And I don't think that we should be taking away local levels authority over levying the taxes that they level. That seems counterintuitive. And if we're going to do that, then we should be picking up that funding. And so this really is a funding shift. It's just we're not shifting it to our General Fund. We're shifting it to the homeowners in rural areas. So voting for LB2 in any iteration is a tax increase. So if you oppose increasing property taxes, you

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should not vote for LB2. It seems like it's lowering property taxes because it's lowering valuation for agricultural land, but that is a very specific thing. And any of my colleagues who live in rural areas, even if you live on agricultural land, knows that there are towns that help support the work around farming. And the people that live in those towns are who are being impacted by this. In a way, this is a tax to benefit the wealthy and hurt the poor in those communities, because if you are the farmer who is driving the economic business in the community and employing the people in the community, and then you are getting this tax credit or this tax cut and your employees are bearing the results of that, well, if I were one of your employees, I would be real upset with you right now. I would not like it if my employer was down in Lincoln advocating for a tax cut for themselves that puts the onus on me to pick up the difference. But I'm an urban Senator, so I guess that's not my problem. Doesn't make any sense to me. This is really difficult for me because I really fundamentally oppose this type of taxation and this type of shift. But at the same time, this isn't my constituents. This is your constituents. But they're still Nebraskans. I still care about them. And I'm very-- I'm very confused as to why senators that represent communities that have agricultural lands and towns in them would do this. Why would you vote for a tax increase? You're going to levy a tax--

HILGERS: One minute.

M. CAVANAUGH: --on the citizens of Syracuse so that the people that live on the farms around Syracuse pay less. That doesn't make any sense to me. But again, not my communities. Did you say one minute?

HILGERS: Yes, it's 45 seconds.

M. CAVANAUGH: Yeah. Thank you. So the effect on the ability of school districts, especially more rural school districts to address vital facility issues would be severely diminished if the proposed bill is adopted. A small study by the OpenSky Policy Institute helps to illustrate this. For purposes of comparison, OpenSky compared current bond issues to the Kenesaw and Kearney Public School Districts using the 2017 bond levy, Kenesaw's levy rate was .0799 cents. If-- this is from last year, so this was if it was LB183 similar--

HILGERS: Time, Senator.

M. CAVANAUGH: --bill for this. Thank you.

HILGERS: Thanks, Senator Cavanaugh. Senator Brandt, you're recognized.

BRANDT: Thank you, Mr. Speaker. Once again, thank you, Senator Briese, for bringing this bill. I guess there are several points I'd like to make. My small school is Shickley, Nebraska. And when you look at this handout that Senator Briese handed out, they're about six or seventh from the top, 87.9 percent of their school district is rural, is agriculture property. This bill helps a district like that. Virtually all of the Senators today speaking against this bill are Lincoln or Omaha Senators. Lincoln School District has .297 of 1 percent of ag land. This bill will not affect you. Omaha Public Schools has .187 of 1 percent of ag land. This bill will not affect you. The Property Tax Credit Relief Fund, the majority of the funds go to homes and businesses throughout the state of Nebraska. Ag land gets a minority of this money. These Senators are opposing property tax relief for people in urban areas. We talk a lot about people leaving the state. I'd like to talk about those of us that are still here. We need to address the people who are here. Let's quit making excuses for those that choose to leave. This discussion today is about property tax. To those constituents and the 160 rural school districts who do not get any part of the one billion, 40 million dollars that are state and sales taxes go to fund in TEEOSA, that money does not come back to rural Nebraska. That money goes to help urban school districts. Please note when we take our votes who does not vote to support this bill. These are the Senators who oppose rural kids getting meaningful state aid. I've been here three years. We're still waiting. LB2 is a very tiny change in tax policy. Once again, Senator Briese is asking that we vote for AM1063 and in the end support LB2. Thank you.

HILGERS: Thanks, Senator Brandt. Senator Briese, you're recognized.

BRIESE: Thank you. Thank you, Mr. President, and good afternoon again, colleagues. Section 1 of the bill which represents-- of the amendment which represents my original LB2 would lower the valuation of ag land for school bonds, but only those adopted and approved after the effective date of the act. It would have no impact on General Fund revenues. LB2 is introduced to lower the value-- originally introduced to lower the value to 30 percent. I had ag groups wanting me to introduce it at 1 percent. I knew that wasn't reasonable. So I introduced it at 30 and then after considerable discussion in the committee and with fellow Senators, I amended it to 50 percent, which I think is a very reasonable place to be. In LB2, what I'm doing here goes back to a common concern I've heard across Nebraska and really set forth by a farmer we've heard several times last year in the

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Revenue Committee, and that concern is that in many districts ag land comprises the bulk of the tax base, but yet only a small fraction of the voters have ag interests. And I get phone calls on this issue and I get phone calls from out of my district from farmers concerned about bond issues and potential bond issues and getting outvoted at the voting booth for things that they're going to-- they feel they're going to have to pay a disproportionately high share of and with a disproportionately small voice at the voting booth. And so in that disparity in tax burdens can serve to encourage excessive investment in K-12 facilities by unnecessary bond votes. And let's look at some examples. In one county in my district, ag property comprises roughly 80 percent of the property tax base, while only 40 percent of the population live on farms or outside of unincorporated areas or outside of incorporated areas. In another county, ag property comprises roughly 74 percent of the tax base, with only 32 percent of the population living on farms. And last year, I believe Senator Friesen gave the example of Hamilton County, where he suggested only 10 percent of the residents are farmers. And, you know, again, the above numbers aren't really definitive but you see the issue, a situation in which a minority of voters pay the majority of the cost makes it too easy to spend money and to pass bond issues. And yeah, you can say, yeah, this is ag friendly, but it's also sound tax policy. More importantly, it's sound tax policy giving everyone a little more skin at the game, at the voting booth. It will inject a little more accountability at the voting booth. It's simply good policy. And what's the impact? You can speculate and provide examples all you want, but from the handout that I distributed yesterday, you see the example of a \$1.6 billion tax base, one million in annual bond payments, 150,000 residents versus a 900 acre farm. And again, you can plug in any numbers you want, but those, I think, are fairly representative of situations out there. Under current law, the homeowner would pay \$94 per year towards that bond retirement and the ag operator would pay 27 times that much or \$2,531. And I use the examples with varying percentages of ag land, but the bottom line in those examples you see on the sheet, the homeowner would pay from \$23 to \$40 more per year under this proposal, and the ag person would still be paying 18 times as much. And so I would submit we're not imposing an onerous burden on our homeowners. I would say those are very manageable numbers. And note from the other handout that I provided you, in our urban districts, ag land comprises only a tiny fraction of the tax base. So this is clear, this bill, as Senator Brandt pointed out, would have very little, if any impact in Lincoln

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or Omaha. Somebody talked about the tax shift. Well, no, it's not a tax shift. The voters can vote no. And again--

HILGERS: One minute.

BRIESE: --it's only on bond issues going forward. Tax increase, no. Again, they can vote no. And again, it's not impacting the General Fund, but in our more rural areas, it gives everyone a little more skin in the game. Giving everyone a little more skin in the game can encourage fact-based voting, and it will encourage patrons to pay closer attention to bond proposals. And so with that said, I would again, I would encourage your support of AM1063. Obviously, I oppose the bracket motion, encourage your support of AM1063 and encourage your support of AM638 and LB2. Thank you, Mr. President.

HILGERS: Thanks, Senator Briese. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. President. The conversation that any conversation about property tax relief has to be about is about brain drain, because in order for us to provide any tax relief, whether it's property tax relief or sales tax relief or income tax relief or whatever it's going to be, we have to have the revenue in our state to be able to provide that and still keep our books balanced. There's a lot of people who choose to live here, who love living here, but that's not everybody. And brain drain is a really serious problem in Nebraska. We have a net outmigration of like 18,000 people a year, and most of them are college-aged. Most of them are the educated people that we want to have staying in our state, growing our state, filling the jobs in our state, and perhaps even more importantly and more impactful in the future of Nebraska, creating jobs in our state, being those entrepreneurs, starting the businesses, creating the jobs and putting skin in the game so that we can continue to grow our economy here. But even starting a small business in Nebraska is almost impossible for somebody who's just starting out with no capital of their own, no capital from their billionaire dad, for example, no good credit to get a bank loan. And while we're here in the Legislature saying things like, oh, we want to pass business tax incentives, we want to reduce property taxes, we want to make it easier for corporations to-- to create jobs and grow our communities, it's the small businesses in Nebraska that aren't having anything done for them. I've been a small business owner in Nebraska now for 16 years and at no point in that time have I had health care from my business. I've had to bring my child to work with me every day, which is like a great privilege, honestly, because I can't afford child care. I've

relied on food assistance at times. And that's not to say that I'm special or different, because that's the case for thousands, tens of thousands of Nebraskans, most of them women on whom the burden of caregiving always falls. Growing our tax base in Nebraska is going to be possible if we make it easier for these small businesses to do their jobs and a lot of that is going to be these better policies that we can pass. The Midwest is full of good people. We're hardworking people, we're generous with our time, we're generous with our financial resources. You see so many non-profits and NGOs in Nebraska. They're picking up the slack where the government is letting people fall through the cracks. Over the last year with the pandemic, do you think it was government that was helping people with their unemployment, that was helping people get fed, helping people find housing, helping people keep their lights on when they lost their jobs for months at a time? No, it was community aid. It was mutual aid. It was those nonprofits that were there for people because we in the Legislature couldn't get enough done to help people who were facing these dire circumstances. And it's really important for business leaders and political leaders to use the platforms that they have to make sure that we're giving equality of opportunity in states like Nebraska, where LGBTQ people continue to have an equal access to the law. Where we're repeatedly in the news for our discrimination-- discrimination against Latino and Latinx people in our state. Where Omaha appears in news magazines with headlines like, The Worst Places to Be Black. Omaha was called one of the worst places in the country to be black and this stuff doesn't make our state look attractive either to young professionals who want to stay here or to--

HILGERS: One minute.

HUNT: --the companies that we want to attract as a state. And the only-- the only way that we can combat this as policymakers is by electing people like, A, electing people who recognize how much social policy influences Nebraska and it influences our economic strength and sustainability, or B, by having the elected officials we have here make different choices so when we're talking about cutting taxes, property tax relief, reducing the revenue we have in Nebraska to provide these services, we balance that out with a deal saying that, OK, if we're going to be doing that, we also have to do something for people who are struggling, for people who are in poverty, for people who are targeted by police, by our justice system, who are continuously left behind. The deal has to be equal and we have to have people making choices on both sides. And I'm not making excuses for

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people who want to leave. I don't have to do anything for people to want to leave. They're doing that on their own--

HILGERS: That's time.

HUNT: --and they tell us all the time why they do it. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. I was just getting a property tax valuation lesson from the Chair of the Revenue Committee. Thank you very much, Chairwoman Linehan. I, and I'm-- I'm always very transparent about these things. I just don't support this way of doing things and I genuinely believe that property taxes are not indicative of ability to pay and we should be funding things in a very different way. And I would love to have that conversation with my colleagues. And I know that this is not an easy thing to do. And I recognize the problems that are being faced by our agricultural land owners in the state, but we're still making a tax cut for a specific population of people. And I am happy to stand for correction, but I believe the number of farmers in the state is somewhere around 10,000. And so we're making a tax cut for a very-- it's a significant industry, yes, but for the number of people that this is impacting, it is relatively small. And we should be looking broader at how we can solve the burden of property taxes, not just for agricultural land owners. And I just really struggle with this and I know that I am an urban Senator and I represent there is no farmland in my district. Some of my district might own farmland, but there is no farmland in my district. There's a golf course, there's Topgolf, there's two malls and a Costco. The Costco actually used to be a farm that I visited when I was younger, but there is no farmland currently in my district. And so I appreciate the position that that puts me in is different from those that are in support of this bill, but I remain steadfast in my opposition because I do not-- if we're going to make changes to our property taxes, I think we should be having a systemic conversation about change to our property taxes and how we can really do the most good for the most Nebraskans with the bills that we are passing here and not continue down this path of only supporting and cutting property taxes for a specific population. And with that, I'll yield the remainder of my time.

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SLAMA: Thank you, Senator Cavanaugh. Senator Matt Hansen, you are recognized.

M. HANSEN: Thank you, Madam President, and I won't belabor the point. I do want to address a few of the things that we've talked about and part of the reason that I find such frustration on this issue is that I feel so much of the time we are not comparing apples to apples or oranges to oranges. Just one of the handouts we've received has to explain the purpose of LB2-- to explain the purpose of LB2 compared a \$150,000 house to a 900-acre farm valued at a little over \$4 million. And so that's some of the comparisons we're seeing when we're comparing what the farm, what a farm pays versus what a house pays, is people need to keep in mind we're not talking about \$150,000 farm versus \$150,000 house. We're talking about a two-bedroom starter home versus one and a half square miles. It is not apples to apples. Now, I understand that in terms of ag property is not treated the same as commercial property, it's not treated the same as other kind of revenue generating, profit-motivated uses of land and I get that. I get the frustration. I get the goal of that. But when we're comparing it specifically to residential land, that's a problem I have. That's an issue I have is often the numbers and the comparisons and the valuations don't line up in an apples to apples kind of way. I don't mean to say it's misleading or anything, but it's-- it's-- it's not-- it's-- it's not an apples to apples. We're talking about people who have considerable financial investment versus people who do not, which is OK, but just like income tax, if you have considerable financial means, you're treated a little bit differently under our tax code for a variety of reasons. This is-- and it's not like versus like. Similarly, fundamentally, I mean, fundamentally, my issue with LB2 is that in-- and I suppose I've been operating under LB2 with the thought that bond issues are still going to stay as successful as they are right now. And if that's the case, that is fundamentally a tax increase on residential property owners and residential-- residential property owners in other nonagricultural landowners. That's fundamentally what that is. If you in the future bond issues, you cannot draw as much on agricultural land for the simple reason of agricultural land doesn't feel the obligation to schools. That is fundamentally a tax on my constituents. That is a thing of that. And yes, I know one Senator read off Lincoln Public Schools. Yes, fundamentally, this issue isn't huge for Lincoln Public Schools, but it is still an issue. It is still a tax increase on my constituents. And we've seen time and time again on this floor other people have made one and two and three dollar increments or barriers be a mountain

they're willing to die on. For me, fundamentally shifting this burden more on to residential, more on to homeowners is an issue that I have, even if it is only a few dollars per house. That's something that I think my constituents expect from me. And so when people are talking about how my view on taxes or how I views things, me being voting against this bill is going to keep my next door neighbor's taxes lower, and that's something I can look at them and tell them when I see him later today. So you can frame it how you want. I understand it impacts your district differently than it impacts my district, but that's where we're hanging out and that's where we're standing. I will say-- I did just say my remarks were tied upon the notion that school bonds would continue to pass the same rate they are.

SLAMA: One minute.

M. HANSEN: And now-- thank you. Thank you, Madam President. Sorry, apologize. Force of habit. I do realize that people now are expecting this bill to cause bond issues to fall-- to fail more often and to force changes in school behavior because of that, which I think helps me understand the logic more but I find about as concerning as what I initially was thinking. So with that, rise in continued opposition to LB2. Thank you, Madam President.

SLAMA: Thank you, Senator Hansen. Senator John Cavanaugh, you are recognized.

J. CAVANAUGH: Thank you, Madam President. Well, I just again, wanted to get and be part of the conversation that Senator Hunt was engaging in, which is about other ideas besides tax relief that we could do. Although one of the things I was going to talk about is other forms of tax relief. I brought a bill for the Earned Income Tax Credit this year that didn't make it out of committee. And that specific bill we're talking about, people who can't afford the taxes and overburdened by taxes, the Earned Income Tax Credit would be money that goes back to individuals who are at the lowest level and then they can take that money and reinvest it in their communities and those monies would be all across the state. Those are other types of tax changes that we could look at that help spread out more. I've heard the conversation, again listening to folks talk about tax cuts for rural Nebraskans. I guess, maybe, I have missed the part where we've talked about this would just be a tax shift from parts of school districts to another school district. That's not necessarily a deal breaker for me. I haven't really made up my mind on this bill and we've had a lot of great conversation on it, but I just-- that jumped

out of me when I think somebody said that and I thought that beared mentioning. But the other thing I want to talk about, I think Senator Hunt kind of addressed this, is the things we can invest in that will unlock people to allow them to invest in communities. The Earned Income Tax Credit is one of those things, but also we had the bill, Senator McCollister's bill last week about changing the gross rating income for food stamps, for SNAP benefits didn't change the net amount, just the gross amount and people were against that because they thought it would stop people from working or disincentive people from working. I disagree with that. I think that actually the current system disincentivizes people from working. And I think that actually the cliff effect is the bigger problem when it comes to that-- that disincentive. So I think if we're talking about creating a climate that's friendly to generating more tax revenue, those are types of things we should be talking about. Those, when we get more people to work, we take more federal funds. We should be making sure that we're capitalizing on every opportunity to bring that money into the state. So the-- the types of things like investing in SNAP benefits, I think will, 1, help families be more stable, which will help people maintain their jobs, which will help children perform better in schools. Those things have all of these sort of periphery effects, not just solving that food insecurity issue, but it helps our economy overall. Same thing goes for housing instability. I brought a couple of bills about housing instability this year and we've talked a lot about this, but when people become homeless, they're more likely to lose their job. They're more likely-- kids are more likely to-- to perform worse in school and they're more likely to become-- have other problems with law enforcement and things like that. And so when we're talking about ways to really invest in our economy, ways that we can actually make economy work for everyone, ways that we can make more money, tax revenue and spend less on things that we don't want to spend it on, like incarcerations, like policing, we need to invest in things like housing, security and housing stability, food security and stability. Those have the added benefit of improving all of the outcomes and all of the things that we want and decreasing the cost in the things that we don't want. And, you know, when you decrease policing costs and incarceration costs, that is a property tax savings. And when you improve school outcomes, that has the effect of requiring less-- extra attention, less-- more schooling, that will save property taxes as well as it pertains to school taxes. So we need--

SLAMA: One minute.

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J. CAVANAUGH: --we need to be smarter about where we're spending our money and where we're investing it. I think that nobody disagrees that we have a property tax problem in the state. The question is, how do you solve it? And I want to solve it and I think Senator Hunt wants to solve it and I think a lot of other folks are talking about by investing in other things and being smarter about how we do it. And so that's what I'd like to see us do. And I think I'll yield the remainder of thirty seconds of my time. Thank you.

SLAMA: Thank you, Senator Cavanaugh. Senator Day, you are recognized.

DAY: Thank you, Madam President. Would Senator Briese yield to a couple of questions?

SLAMA: Senator Briese, would you yield?

BRIESE: Sure.

DAY: Thank you, Senator Briese. So I don't want to take too much more time on this. I just-- I'm still a little unsure if we do go to a vote, I may have to be present, not voting, because I'm not sure where I'm at exactly on this. I told you, I do want to support you in this, but I feel like my district is fairly unique in particular. So on the sheet, it says Gretna Public Schools is 6.659 percent ag land. But when I look at the district-- school district map, it's about 75 square miles and appears to me as though it contains a lot more ag land than 6.7 percent. So my question is, how is it determined? Do you know how it was-- what-- what is considered ag land in this sheet here?

BRIESE: It should be any property taxed as ag-- agricultural property.

DAY: OK, OK.

BRIESE: Would be the best way I could--

DAY: OK.

BRIESE: --say it.

DAY: OK, thank you. Because Gretna is a very fast growing public school district and we do have a decent chunk of ag land, I have again just a few concerns about how this would affect the residential property owners in the district and how much dollar for dollar that would-- that would cost them on their property taxes. And I know that

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I talked to you a little bit off the mike and I think you had done some calculations for me. Do you have that calculation?

BRIESE: Yes, I use the same assumptions that are on this sheet here, 1.6 billion tax base and a million dollars per year servicing the bond debt. Again, those are examples that may or may not be applicable to your situation, but I thought they were fairly representative of, uh, a lot of bond issues anyway. But I didn't use a 6 percent ag land, I used a 10 percent ag land instead. And I calculated that the impact on this on the owner of a \$300,000 home, with these assumptions on my sheet here, would pay an extra \$6.30 per year under this proposal. And if we're talking a 6 percent portion of the tax base being ag land, it'd be even less than that. So again, and in the urban districts, it would be very insi-- I would suggest it would be very insignificant on typical homeowners, again, depending on the accuracy of the assumptions we're using here.

DAY: OK, thank you so much, Senator Briese. I appreciate you taking the time to to go through all of that with me. And that definitely helps with my support for the bill and I yield the rest of my time.

SLAMA: Thank you, Senators Day and Briese. Senator Hunt, you are recognized.

HUNT: Thank you, Madam President. I am concerned about property tax increases on residential homeowners. I'm concerned about the balance of funding for schools. I'm concerned that Nebraska remains one of the lowest in the country for state funding to schools and that we aren't doing anything in the state to grow the revenue that we need to pay for these things that we all say that we want. I got an email from a constituent in the-- in the meantime here since I've been speaking and I wanted to share it because this is like, firsthand from somebody, what I'm literally talking about. And this is something that young people reach out to me about all the time, even, you know, older people, people who are in their 40s and 50s and 60s and up, who have a future facing vision for this state, who see the potential that we have and share my frustration with lawmakers and state leaders who aren't taking the very easy steps that are free to put things in place to keep people in our state. So this constituent writes, Megan, it bothers me to hear conservatives discuss tax credits to attract more young workers or tax cuts without acknowledging how their conservative social views scare them off. None of my friends moved away because of taxes. None of my friends moved away because of property taxes. They left in large part because they couldn't stand remaining in a state so

full of racism, sexism, homophobia and transphobia. Why would an open minded young person want to stay if they don't feel safe and feel as though it'll never change? We're lucky to have so many advocates fighting the good fight and many people move back when they look at the low cost of living and high quality education system. But I understand why so many give up and leave. As a young person who goes out of Nebraska, who got out of Nebraska as soon as I could after college and then came back to enjoy our awesome, compared to other cities, cost of living. I left again not because of taxes. I left because the state tells young people repeatedly through regressive policy and discourse that they are not welcome to stay here and try to improve their communities. Any pushback, any hope for progress gets shut down. Young people want to live in places with good healthcare, affordable education and places that value LGBTQ equity and fight back against racism and push for equity across racial lines. Nebraska is not doing any of that. So, of course, we're leaving. That's an email that I received from a voter, from a constituent. And this is very representative of a lot of things that I hear all the time. And I've also had colleagues tell me, well, I never hear this. No one ever reaches out to me to say things like this to me, and colleagues, I would submit that maybe it's because of some of the things that you say on the microphone, some of the votes that you take that reflect positions that are very noninclusive, very discriminatory even, and maybe people don't feel comfortable coming to you. I get emails from Nebraskans all across the state sharing things like that. And sometimes folks say this isn't something that I felt like I could tell my Senator or I told my Senator and they never got back to me. Or in two cases, I told my Senator and they told me I should just leave. I would never tell a Nebraskan to just leave our state, especially if I'm going to then come here on the floor with my hand out and say we need tax relief for people who own property. We cannot keep cutting taxes at the expense of social services and we cannot keep cutting taxes when we refuse to make investments in social services with our votes, when all it costs is pushing your button on the green light. And it doesn't cost any dollars for taxpayers, for anybody--

SLAMA: One minute.

HUNT: --beyond that. It's just an ideological change that we're going need to need to make if we want to see systemic change. And tax relief is part of that. When people have the opportunity to build a strong foundation, which includes support for quality education, health care, fair wages, food security, cannabis legalization, fair housing, that's what makes our economy stronger because that's what makes families

stronger. And the family is what we all have to be doing this for. As a policy maker, we have to support prioritizing working families in our budget. It frustrates me to hear us talking about all of these great plans we have for economic growth when we're not doing the things that make families want to put down roots and stay here. The lack of support and political will for better work place policies like paid family leave, for example, like caregiver unemployment, like flexible schedules, it makes it so hard for workers, particularly women and people in poverty, to get ahead.

SLAMA: That's time, Senator.

HUNT: Thank you, Madam President.

SLAMA: Thank you, Senator Hunt. Seeing no one wishing to speak, Senator Matt Hansen, you are welcome to close on your motion.

M. HANSEN: Thank you, Madam President. Colleagues, all right, I've been very transparent today. I think where I'm at is, I'm going to close here. We'll have some votes and we'll see where the bill is at. I do want to say, fundamentally, I know some people feel different ways about the different parts. This bracket motion is still an option to say, hey, we're not 100 percent sure how the Groene amendment-- Senator Groene amendment is going to turn out, we're not 100 percent sure where all of the votes are going to lie. And we can just pause the bill for this year and work on more property tax solutions because we have no shortage of them in the front of the body. I understand where the votes are probably going to fall on this, but I will intend this as a sincere motion. I understand its stakes, but I intend this as a sincere motion and I will be voting for it. That being said, I want to remind people that I think over the course of the day and conversations I've had and what I've heard, I think some of the end purpose of LB2 is to cause more school bonds to fail. I think that's the intent, is for more school bonds to fail, especially in rural areas, especially in ag-heavy areas cause them to fail. I think that's the core of my heartburn right here. It is-- it is inherently an anti-investment in the school bill at a time when we know that that is important and we know that it is widely popular among Nebraskans. That's the goal. The goal there is to then punish some of the rural school districts to stop making spending decisions that currently a minority of voters disagree with, to try and shift the burden on to the majority of voters. It's inherently a bit anti-democratic. It's inherently problematic to people who care and want to invest in schools. At the end of the day, I'm not going to carry it to 8 hours

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on this round because the impact on Lincoln Public Schools is so minor. But this is a trend that I will be watching for should we start trying to claw back bond issues on other avenues in other areas. I have my continued opposition to LB2 and I know it's not an impact to my city. That's a couple of people have come up to me and said, this doesn't impact Lincoln, why do you care so much? I care because it impacts schools and because it impacts children and because it sets a tone for future policy debates and future tax debates in this body. And if we didn't let it go down without some scrutiny, if we didn't put up some issues on it, it's only going to be worse and worse in the future. I rise in continued opposition to LB2 and I would like my colleagues to support the bracket motion. And with that, I would like a call of the house, but we can do a machine vote.

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

ASSISTANT CLERK: 28 ayes, 3 nays to place the house under call.

SLAMA: The house is under call. Senators, please record your presence. Those unexcused Senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Blood, please check in. Senator Hansen. All unexcused members are now present. The question for the body is, shall the motion to bracket LB2 be adopted? All those in favor vote aye; those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 6 ayes, 34 nays on the motion to bracket.

SLAMA: The motion fails. Returning to debate on AM1063. I raise the call. Seeing no one wishing to speak, Senator Groene, you are recognized to close on your amendment to the committee amendments.

GROENE: Thank you. I look at this as an intervention for the property tax on Senator Briese that we really wanted to-- the property tax valuation to decrease and to be fair. Senator Day, I'd love to share with you some time, went back when I did some research on who was paying the highest property taxes, agricultural land in the state and it was Gretna, Nebraska. The farmers outside of Gretna, they had like \$128 an acre. And it's just a coincidence that you were asking that question. I would assume that was three years ago, but I'm assuming

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they're still the highest because of the growth. And this would help that for small segment of the property owners in your district, but all of the growth and all the new bond elections that are happening to build new schools, I'd say would give them a minor-- some property tax relief, which would be shared by a very large group of individuals who have the children. So, anybody in rural Nebraska where it really affects, it would just-- and no, nobody is trying to stop schools from being built. It's giving the opportunity to everybody to play a part in building those schools. And if you live in a town, you can be proud and you work at the school that you're doing your fair share of property taxes to help build that new school, because you probably don't like the idea that your neighbor is paying the biggest portion of it, but you're-- you're reaping the same benefits. It has no-- it would have no effect and I trust the taxpayers and the citizens of a community if they think they need a new school, they will vote to build it. It's just a fairness issue. And a minor correction is what this bill does in that injustice that's out there in rural Nebraska with a huge increase the valuations of ag land. So I would appreciate a green vote on AM1063, then a green vote on AM638 as amended by AM1063, and a green vote on LB2. At the end of the day, this bill which we pass with those three green votes, will lower the valuation in upcoming new bond elections from 75-- the valuation from 75 to 50. All present bonds, it stays the same. It will not be a tax increase to anybody or tax change to anybody who is presently paying a bond levy. So it's good legislation. It's not a tax increase. It's a fairness issue. Thank you.

SLAMA: Thank you, Senator Groene. The question is, shall the amendment, the committee amendment to LB2 be adopted? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 37 ayes, 1 nay on the adoption of amendment.

SLAMA: The amendment is adopted. Mr. Clerk.

ASSISTANT CLERK: Madam President, the next amendment, AM1007, offered by Senator Matt Hansen.

SLAMA: Senator Matt Hansen, you are recognized to open on your amendment to the committee amendments.

M. HANSEN: I'd like to withdraw that. Thank you.

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SLAMA: Without objection, so withdrawn. Returning to debate on AM638. Seeing no one wishing to speak, Senator Linehan, you are recognized to close on the committee amendments.

LINEHAN: I would just ask for your vote here so we can move on. Thank you very much.

SLAMA: Thank you, Senator Linehan. The question for the body is, shall the committee amendments to LB2 be adopted? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 37 ayes, 0 nays on the adoption of the committee amendments.

SLAMA: The amendment is adopted. Discussion on the advancement of LB2 to E&R Initial. Seeing no one wishing to speak, Senator Briese, you are recognized to close on LB2.

BRIESE: Thank you, Madam Chair, and I'd like to thank everyone for the really great discussion we had surrounding LB2 the last five or six hours. And we really covered a lot of ground and folks brought up a lot of great points on both sides here and-- but from my perspective, this does not impose an onerous burden on anyone. It simply injects more accountability at the-- into the voting decision and gives everyone a little more skin in the game. And I think it's simply sound tax policy and I would urge everyone's adoption of LB2. Thank you, Mr. President, or Madam President.

SLAMA: Thank you, Senator Briese. The question is the advancement of LB2 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 38 ayes, 0-- excuse me, 38 ayes, 3 nays on the advancement of the bill.

SLAMA: The bill advances. Mr. Clerk.

ASSISTANT CLERK: Madam President, next item, LB39, introduced by Senator Lindstrom. It's a bill for an act relating to the Sports Arena Facility Financing Assistance Act. Authorizes assistance for sports complexes as prescribed, defines and redefines terms, changes provisions relating to limitations on state assistance applications, notice and considerations for application approval. Harmonizes provisions, repeals the original section, declares an emergency. The

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bill was read for the first time on January 7 of this year. It was then referred to the Revenue Committee, Chaired by Senator Linehan. That committee placed the bill on General File with committee amendments.

SLAMA: Senator Lindstrom, you are recognized to open on LB39.

LINDSTROM: Thank you, Madam President, and colleagues. Today I bring for you LB39, a bill to amend the Sports Arena Facility Financing Assistance Act. This bill authorizes financial assistance through a 100 percent capture of state sales taxes to be used exclusively for sports complexes, construction and maintenance. The bill redefines terms previously defined to apply to any sports complexes that include concession areas, parking facilities and onsite administrative offices associated with operating sports complex. I have previously brought the bill during the 19-- or excuse me, 2019 legislative session and successfully advanced it from Revenue Committee last year. However, due to the COVID shutdown, the bill was never heard on the floor and we did not have a debate on that bill. So what does LB39 do? LB39 would allow the capture at 100 percent of the sales tax collected within 600 yards of the exterior perimeter of the sports complex from new businesses that are developed around the sports complex. The bill collects state sales tax revenue that is collected by new business that commenced collection during the period of time at the beginning on the date that project-- that the project commenced and ending 48 months preceding the project's completion. As outlined on page 5 of the bill, eligibility is determined by the size of the community in which the complex would be developed, making LB39 beneficial across the state. Those requirements are 12 separate sports venues for the city of metropolitan class, six separate sports venues for cities of primary class, four separate sports venues for city of the first or second class, village or a county. Also defined within the bill are definitions related to a sports venue and their uses. By incentivizing sports complex developments, our communities will see new business built to provide jobs, infrastructure and opportunities that otherwise would not have been there. Retail businesses such as hotels, restaurants, shops, convenience stores and gas stations, all to support incoming spectators and athletes alike. This is a massive opportunity for Nebraska to collect on sports tourism and an economic development tool for communities both large and small. Nebraska loses revenue each year to cities like Des Moines, Council Bluffs, Kansas City and Denver nearly every weekend for tournaments and regular season play. We have the potential to capitalize on this industry and keep our tax dollars here in the state. If we invest in these

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projects, we have the opportunity to host events right here at home instead of sending our dollars across the river or over our borders. Nationwide, sports tourism generates nearly \$15 billion annually and continues to grow. We need to take advantage of this growth and bring these dollars into our communities. LB39 was heard in the Revenue Committee with no opposition and was advanced unanimously to General File. There's a committee amendment that Chairwoman Linehan will be introducing and would be happy to ask for your support and believe this strengthens the bill. I encourage your green vote on AM582 and LB39 as a whole. Thank you.

HILGERS: Thank you for opening, Senator Lindstrom. As the Clerk-- as the Clerk indicated, there are committee amendments. Senator Linehan, as Chair of the Revenue Committee, you are recognized to open on AM582.

LINEHAN: Thank you. I'm sorry, I was talking to Senator Dorn about Beatrice. Good afternoon. Speaker, I'm introducing Committee Amendment AM582 to LB39. First, I would like to note that Senator Flood filed AM373 on February 26, which introduced a new subject matter. The new subject matter was to direct a portion of the turnback proceeds to the support of Arts Cash Fund. Therefore, the Revenue Committee held a special hearing on AM373 on March 9. We had three in-person proponents of the amendment. There was no opponent testimony, and one person in the neutral. AM373 was modified slightly after discussions with the Nebraska League of Municipalities and eventually became AM582. Senator Lindström also had two amendments to the bill. All of these amendments were adopted into the committee amendment on votes of 8-0 and the bill was advanced to General File on a vote of 8-0. The committee amendment-- committee amendment makes several changes to LB39. It adds a definition for applicant, which would include a public-private partnership between a public political subdivision and a nonprofit organization. In multiple places the amendment changes the phrase eligible sports arena facility to project. It clarifies the exterior boundaries of the sports complex. It creates separate sections for eligible sports arena facilities that are a sports complex or not a sports complex. It is very important-- this is a very important point, colleagues. The amendment provides that for any sports complex approved on or after the effective date of the act, 30 percent of the state's sales turn--excuse me, sales tax turnback shall be transferred to the support of the Arts Cash Fund. For any other existing eligible sports arena, 30 percent continues to be transferred to the Civic and Community Center Financing Fund. The funds transferred to the sports-- the funds transferred to the support of the Arts Cash Fund are to be

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used for competitive grant programs for cities of the first class that have a creative district within their boundaries. There are restrictions on the use of the grant funds and additional requirements for providing the grants. And a grant awarded must be at least equal to \$1.5 million. I want to thank the committee, especially Senators Lindström and Flood, for working to make this bill the best that it could be. I think they both can answer your questions, but I'm happy to take any questions. I would ask that you adopt AM582 and advance LB39 to Select File. Thank you.

HILGERS: Thank you for opening, Senator Linehan. Mr. Clerk, for an amendment, oh, I'm sorry. Debate is now open on the committee amendments. Senator Vargas, you're recognized.

VARGAS: Thank you very much. Colleagues, I ask your support for LB39 and AM582. The only thing I'm going to add here, Senator Wayne and I had a conversation with Senator Lindström about looking at this bill specifically from an equity lens and seeing if there is something that we can do between-- on the next-- on the next stage here on Select File that would provide an incentive for making-- making this a little bit easier to access for projects that are going to be done east of 72nd Street. Equity is still an issue, even with sports facilities or sports areas and we want to make sure that wherever you are in Omaha, wherever you are in any place and any municipality, that there's-- there's some equity and this is one conversation we're having. So we'll have that conversation between now and Select and see if there's something we can work on for that purpose. Thank you very much.

HILGERS: Thanks, Senator Vargas. Senator Groene, you're recognized.

GROENE: Thank you, Mr. Speaker. I'm not-- I told Senator Lindstrom I was against the bill just to get him riled up, but I have been reading more on it. I have a couple of questions from Senator Lindstrom.

HILGERS: Senator Lindstrom, would you yield?

LINDSTROM: Yes, I'll yield.

GROENE: I'm reading the amendment. The very first page, it says the applicant means a political subdivision or political subdivision, a nonprofit organization jointly submit an application under the act. So it's not a for-profit organization?

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LINDSTROM: No, it's non for profit. It would be a-- yeah, 501(c)(3) that could like a Millard United, something of that nature or pace, it is a-- yeah, non for profit.

GROENE: Maybe a softball organization or something gets together, I would assume, or the city wants to build parks, but then sells concession. The other question is, we're talking about \$51,000, is that it?

LINDSTROM: Correct. So one of the things going back to when I first brought the bill, the sales tax was on existing businesses. The reason why the fiscal note is lower and what it is, the 51,000 is from the Department of Economic Development for a .5 FTE. We are not doing anything with existing businesses. This would be all new business that would be built around a 600-yard perimeter of the facility. So technically, there's no business that could be collected from because it doesn't exist right now.

GROENE: All right. So correct me, if I'm wrong. Somebody builds them, just happens to build a McDonald's across the street or a Dairy Queen or something, and it's within 600-feet unrelated-- well, they might have built it there because of the use, that would qualify?

LINDSTROM: if it fits within the length of time of the commencement of the project. So the project's being commenced and it's built within that time frame then that would fall under that. And then based on the date of completion of the complex, it would be 48 months after that. So it is-- the business would have to be built within this time frame for--

GROENE: Within a 4-year period or so. Is there a sunset on this?

LINDSTROM: Well, there isn't a sunset per se other than when the 48 months after the date of completion of the project of the businesses being in there and whether, you know, the-- the facility is paid off and done, then any sales tax after the period of the facility getting done, all the sales tax would then come back to the state of Nebraska.

GROENE: So, if they had a 20-year bond on it or 20-year mortgage on it, it runs 20 years, or is it--

LINDSTROM: If it bonded, it could potentially run 20 years, but after that's all done, the sales tax then remitted back to the state like any other business.

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GROENE: It's up to the state or them to report to the state when it's paid off?

LINDSTROM: Correct.

GROENE: All right, thank you. One last question. This is only state sales tax, not the city sales tax?

LINDSTROM: It is not local. It's-- it's the state sales tax.

GROENE: All right. Thank you. And I'm assuming this is a fiscal note for one project. I got-- I have you on the mike and I don't have to read it all because I trust what your answers are. What-- is it statewide then?

LINDSTROM: This is statewide. So if you have-- called Omaha and Lincoln, 12, it'd be 12 multipurpose facilities. If you're in a primary city, it's 6. And then if anywhere, any town, village outside of that, it's 4.

GROENE: What do you mean, four?

LINDSTROM: Four fields and it can be--

GROENE: Four fields.

LINDSTROM: Right.

GROENE: So it would be at least four fields.

LINDSTROM: Four, right. So that's anywhere outside of first class city. So we staggered it based on what the population and what the-- the-- the population base could provide in the case of, you know, people coming there and traveling there.

GROENE: Thank you.

HILGERS: One minute.

GROENE: I probably won't say any more on the bill unless something comes up, but it's minor. And if it helps them build a field for \$51,000, I've seen-- I've seen the third comma after some of the numbers around here that was more than that. So, uh, thank you. I'll leave it at that. I'll listen to the debate and hopefully get-- garner more information.

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HILGERS: Thanks, Senator Groene and Senator Lindstrom. Senator Pahls, you're recognized.

PAHLS: Thank you, Mr. President. I need to come in to the Senator for staying with this bill because in the City of Omaha, this has a lot of merit, especially it's in the-- Aimee Melton who's on the city council, this has been one of her things in her bucket that she would like to have fulfilled and I hope we can do that today. So I do appreciate you're sticking with this, but I do have a question for Senator Flood.

HILGERS: Senator Flood, would you yield?

FLOOD: Yes.

PAHLS: Thank you, Senator Flood. I noticed lately your artist is coming out of you and what I'm interested in what-- in the amendment what-- what are you projecting here? Explain that to me.

FLOOD: So right now under the turnback tax for the CHI Center and for the Pinnacle Bank arena and for the Ralston arena, the 30 percent-- so, 70 percent of the money the sales tax created in these districts goes to the-- the city, actually in these cases, Ralston, Omaha and Lincoln, to go back to pay the bonds for the facilities, 30 percent goes to the CCCFF Fund. That does not change under the Ralston, under the CHI Center or the Pinnacle Bank arena. In this bill for the Sports Center, Convention Center, well, I shouldn't say Convention-- for these sports facilities, it's estimated that maybe at most 3.5 million will be generated by the 30 percent turnback tax. That does go to the Nebraska Arts Council and is available for creative districts in the state to be able to kind of balance out. You've got the sports, obviously, that we're supporting, and then you've got the other side, which we believe will help communities grow by-- for all the reasons that I talked about during the budget debate.

PAHLS: Right. Well, I want to thank you because it's nice to see us expanding beyond the concept of sports. Getting the arts involved to me is very, very positive. I appreciate your work on that. And also, Senator Lindstrom, I thoroughly endorse this bill. Thank you.

HILGERS: Thanks, Senator Flood and Senator Pahls. Seeing no one else in the queue, Senator Linehan, you're recognized to close. Senator Linehan waives closing. The question for the body is the adoption of

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AM582. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

ASSISTANT CLERK: 43 ayes, 0 nays on the adoption of the committee amendments.

HILGERS: Committee amendments are adopted. Returning to debate on LB39. Mr. Clerk, for an amendment.

ASSISTANT CLERK: Mr. President, I have an amendment from Senator Flood with a note he wishes to withdraw. In that case, Senator, or Mr. President, there is nothing further on the bill.

HILGERS: Returning to debate on LB39. Seeing no one in the queue, Senator Lindstrom, you're recognized to close.

LINDSTROM: Thank you, Mr. President, and thank you, colleagues, for your attention on LB39 today. I appreciate the questions. And based on what Senator Vargas had mentioned, I'd spoken with him and Senator Wayne about looking at a couple other provisions to-- that we can look at between General and Select. I want to thank Chairwoman Linehan, the members of the committee, and then Senator Flood on his portion of this bill. I think when you look at the bill as a whole and we talk about kids and not only being competitive with the economic development portion of this, but the outlet that kids can have, whether it's through athletics or through the arts, and not every kid play sports. So I felt that it was a really good bill to bring together Senator Flood's amendment to-- to round out, you know, having a well-rounded student or community. It also involves having athletics and also the arts program attached. So I appreciated him bringing that portion of it and with that being said, I would encourage your green vote on LB39. Thank you, Mr. President.

HILGERS: Thank you, Senator Lindstrom. The question for the body is the advancement of LB39 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

ASSISTANT CLERK: 40 ayes, 0 nays on the advancement of the bill.

HILGERS: LB39 is advanced. Mr. Clerk, for items.

ASSISTANT CLERK: Thank you, Mr. President. Your Committee on Enrollment and Review reports LB81, LB156, LB156A, and LB451 as correctly engrossed, will be placed on Final Reading. Amendments to be

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printed: Senator Briese to LB408. LR102 introduced by Senator Wishart. Pursuant to that, a letter from the Speaker's Office referring LR102 to the Reference Committee for referral to the appropriate standing committee for the purpose of a public hearing. LR104 [SIC LR103] introduced by Senator Flood. That will be laid over. And LR104 introduced by Senator Pahls. That will be referred to the Executive Board. That's all I have at this time, Mr. President.

HILGERS: Thank you, Mr. Clerk. Next bill on our agenda.

ASSISTANT CLERK: Next item, Mr President. LB51 introduced by Senator Lathrop. It's a bill for an act-- a bill for an act relating to law enforcement. Defines and redefines terms, change provisions relating to annual and initial training for law enforcement officers, changes membership to the Nebraska Police Standards Advisory Council, provides for certification of person certified as law enforcement officers in other states, change provisions relating to law enforcement officer certification, provides for policies requirements from investigating law enforcement, officer misconduct, provides duties to the Nebraska Commission of Law Enforcement and Criminal Justice, prohibits chokeholds as prescribed, requires policies on excessive force and a duty to intervene, requires accreditation to law enforcement agencies, creates a fund, eliminates provisions regarding law enforcement, reserve forces, harmonize provisions, repeals the original section, outright repeals several sections. The bill was read first time on January 7 of this year and referred to the Judiciary Committee. That committee placed the bill on General File with committee amendments.

HILGERS: Senator Lathrop, you're recognized to open on LB51.

LATHROP: Thank you, Mr. President, and colleagues, good afternoon. I'm pleased to present for your consideration today, LB51, which is a Judiciary Committee priority bill. I'd like to thank the committee members who have been involved in the process of crafting this legislation. I'd also like to thank the many people who appeared before the committee during our two days of listening hearings that we did this summer to share their experiences with law enforcement. Their testimony gave voice to the many protests that were taking place across the country and in our own communities here in Nebraska this summer. I'd also like to thank the men and women of law enforcement. You might imagine that law enforcement were resistant to reform. They were not. They came to the table and worked to develop LB51 because they, too, are invested in improving the professionalism of their calling. A little history on this bill would be in order. After the

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death of George Floyd, as protests took place across the country, the Judiciary Committee held listening sessions in Omaha and Lincoln. For two days the committee heard members-- committee members heard testimony from nearly 200 Nebraskans who came forward to share their experiences with law enforcement and their thoughts on reform. Most of the testifiers were individuals of color who shared concerning accounts of their interactions with law enforcement. Some accounts went back many years. Others reflected more recent experiences. It is hard to imagine that anyone who listened to the two days of testimony would not fully appreciate the sincerity of those who appeared and the fact that communities of color, even in this state, have vastly different relationship with law enforcement than do those of us who are born outside of that demographic. The listening sessions were followed by an interim study this last fall. To be sure, attendance was affected by the pandemic. The purpose of a hearing was to inform the committee on policy changes to effect reforms testifiers called for during the summer hearings. The hearing room was filled. Many were law enforcement. Those law enforcement officers who appeared before our committee during that interim study were not opposed to reform, but in fact supported change. Not every agency is comfortable with reform, but the majority of testifiers recognized that improving professionalism of law enforcement is in everyone inter-- is in everyone's interest. As you can expect, an officer who responds to a call needs to be able to trust that the colleague or the officer from another agency has a base level of training to handle any one of the myriad of situations that may develop. I hope you'll take a moment to look at the committee statement and the list of proponents to this bill. They include La Vista and the United Cities of Sarpy County, the Omaha Police Officers Association, the Omaha Police Force, the FOP, the Wahoo Police, the police chiefs, and colleagues, the ACLU of Nebraska. That does not happen very often in the Judiciary Committee when those groups agree on a bill. Opponents included the Nebraska Sheriffs Association, the League of Municipalities and the Greater Nebraska Cities. I will introduce a committee amendment that resulted in the League of Municipalities and the Nebraska Sheriffs Association voting to support LB51, and the committee amendment. LB51 seeks to improve policing across the state through a series of changes designed to improve law enforcement professionalism by establishing important standards. Some of the standards relate to agencies, and others relate to individual members of the law enforcement community. To improve professionalism of agencies, the bill requires that all law enforcement agencies be accredited by January 1, 2023. They may elect to be accredited by national accredited organizations approved by the

Crime Commission. For those agencies that don't wish to participate in an accreditation process with a national organization, the Crime Commission will establish an accreditation process. Accreditation will require agencies to develop and update policies and adopt best practices to ensure that their officers are prepared to handle difficult and potentially dangerous situations. While the Crime Commission has some latitude with respect to those policies which must be in place to secure accreditation status, the bill requires a couple of things specifically. For accreditation they must have policies that include a process for accepting and investigation complaints of officer misconduct. They must also have a policy requiring law enforcement to intervene when they reasonably believe another officer is engaged in the use of excessive force. The accreditation of-- the accreditation requirement will allow the Crime Commission a process to ensure on an ongoing basis that law enforcement agencies maintain a degree of professionalism that we all expect. LB51 also sets standards of professionalism for the individual law officers. All law enforcement officers are required to be certified. To be certified, a law enforcement officer must complete a base level of training at the police academy, at an approved facility or use the reciprocity process set out in the bill to come into Nebraska and be certified. The curriculum for this basic level of training is set out in Section 12 of AM745, but includes training for de-escalation-- de-escalation, mental health, substance abuse, anti-bias and communication with others, or someone in a crisis, among other requirements. Brand new officers will undergo a psychological assessment to-- to determine their fitness to serve as a law enforcement officer. One who was previously a law enforcement officer wants to be employed as an officer, must sign a waiver to allow the agency to secure records of an officer from another jurisdiction where they may have been employed. Perspective employer must provide the information or that individual may not be hired. And nothing in the information secured must show, or it must not show that a person was suspended or their certification revoked. This is a process that stops bad cops from hopping from one job to the next. Serious misconduct is defined in Section 9. It's the improper, illegal conduct that has a rational connection to fitness to serve, including convictions for a felony, misdemeanor, domestic violence, fabrication of evidence, repeated substantial allegations of excessive force, accepting a bribe, fraud, perjury and sexual assault. The bill also clarifies that an officer's certificate may be revoked or suspended for serious misconduct. The bill does a number of things as well. In Section 19 there is a process for filing complaints and how they are investigated. Section 20

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requires that agencies maintain an law enforcement officers personnel file for as long as they are employed and then an additional 10 years. In Section 18 sets out a continuing education requirement. Currently, that requirement is 20 hours a year. It will go in the first year to 28 hours and in the second year and thereafter to 32 hours. The continuing education is set out in Section 18, but includes the requirement for implicit bias that Senator Chambers passed last year. And I would note for your attention on the subject of continuing education and training that Senator Wishart will speak to money placed into our budget to provide for the ability to do the training online and the requirement that that training be done in person has been waived in favor of online training. Finally, the bill prohibits chokeholds and carotid restraints, except in very, very narrow--

HILGERS: One minute.

LATHROP: --circumstances. And when it is used, a report is required. Did you say one minute, Mr. Speaker?

HILGERS: Yes, one minute.

LATHROP: OK, thank you. In closing, I'd like to suggest one way to think about this bill is that it will increase the professionalism of our police force and raise public trust in law enforcement. Strategies similar to these are used in nearly every profession. Professionalism and public trust are created through robust standards for education, universal certification and accreditation practices, ethical standards that dictate who can serve within the profession, clear and transparent processes regarding how misconduct is defined and handled, and sufficient continuing education to ensure that practices continuously improve and adjust to changes across the industry. We expect these of our professions and organizations that hire them and only makes sense that we do the same--

HILGERS: Time, Senator.

LATHROP: --with those people. Did you say time?

HILGERS: Yeah, that's time, Senator.

LATHROP: OK.

HILGERS: Although the Clerk noted there are amendments from the Judiciary Committee and, Senator Lathrop, as Chair of that committee, you are welcome to open on those amendments.

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LATHROP: Thank you, Mr. President. AM745, colleagues, is a white copy amendment. It makes a few cleanup clarifications and improvements, but it has two primary changes from the original LB51. The first deals with a database and the second deals with something called a conditional training officer. With respect to the database, Senator McKinney introduced LB601 regarding a public database. A similar provision was found in Senator Wayne's LB551. LB601 was amended to reflect negotiations that Senators McKinney and Wayne had with law enforcement officials. The amendment would require that the Crime Commission establish a publicly available online database of law enforcement officers. Included on the database will be those who-- will-- will be those who have surrendered their certification, those that have had their certification revoked, those convicted of a felony or a Class 1 misdemeanor, and those adjudicated with serious misconduct. The second piece of this, and this is kind of an important part of this introduction, colleagues, is the conditional training officer. And a little background on that is appropriate. When we held an interim study hearing this fall, we had a number of law enforcement come in to the committee and talk about the reserve officer program. It was my understanding, I think the committee's take from that discussion that an individual could become a reserve officer with literally no training, given a gun, a badge, and beginning the law enforcement duties. These are primarily done in smaller communities. That, the committee chose to end the reserve officer program by requiring that all law enforcement be certified. That caused a problem for the cities and the sheriffs, as you might imagine, and so we developed the conditional training officer program that would require that officers who are employed by a city, before they go into the academy, undergo a certain amount of training and then they can do what-- what amounts to a ride-along and co-police with a training officer. That was agreed to by the League of Municipalities and the Sheriffs Associations, both of which voted to approve or support LB51, as amended. It has come to my attention in a variety of conversations I've had with Senator Brewer that many of the sheriffs from outside of metropolitan areas have concern with eliminating the reserve program and establishing the conditional training officer. Senator Brewer and I have had many conversations today, over the last couple of days about the similarities between the reserve program and what we tried to establish or stand up as a conditional training officer. I have agreed with Senator Brewer that we will, as I've looked at the reserve officer training program, there are many similarities between that and the conditional officer training, so we will between General and Select work to resolve those differences and either provide for a

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process in the conditional training officer program that satisfies those that are concerned about the elimination of the reserve officer program or vice versa. So we have some work to do between General and Select. I've assured Senator Brewer that I'm-- we will bring the people to the table and if you're interested in that, you are welcome to join us in that conversation. Colleagues, this is an important piece of legislation. I would encourage you to support not only the Judiciary Committee amendment, but LB51 as well, with my assurance that I will continue to work with Senator Brewer and other interested parties on the topic of the conditional training officer or the reserve officer. And with that, Mr. President, I would encourage the body's support of the amendment and the bill. Thank you.

HILGERS: Thank you, Senator Lathrop. Mr. Clerk, for an amendment.

ASSISTANT CLERK: Mr. President, Senator Flood would move to amend with AM872.

HILGERS: Senator Flood, you're recognized to open on AM872.

FLOOD: Thank you, Mr. President. Good afternoon, members. This amendment is one that I worked on with Senator Lathrop, the Police Chiefs Association of Nebraska, and specifically the Chief of the Norfolk Police Division, and I visited about this. In the Judiciary Committee amendment, which, as Senator Lathrop says, becomes the bill, the issue is with a probationary officer, one that is working, copolicing, as Senator Lathrop said, with a field training officer in the field before they go to the academy. The amendment that came out of an agreement with the League of Municipalities provided that that officer in a probationary status could wear a gun, could have a firearm, and then also had the right to arrest but could not display a badge of authority. And one of the concerns that was raised to me is that if you're going to be out there and you're going to be serving in a police function, imagine being pulled over, you look out the window and you see somebody that's got a gun on their waist and they are purporting to stop you and have the authority to stop you, but they're not displaying a badge of authority. And I worked with Senator Lathrop on this and he agreed that this was a reasonable step to take. And so what this amendment does, it simply says that the officer prior to the training academy can wear the badge that you see on the uniform to communicate that he or she is working and has the authority to arrest, which is already granted and has, obviously, is a police officer for purposes of that stop. I think this will lead to less confusion for a motorist or somebody that comes in contact with one of these

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individuals prior to going to the academy. You know, clearly what you're dealing with, they're not there just to be there. They're there because they are acting under color of the law, subject to the provisions of the Judiciary Committee's other stipulations that are found at AM745. That's what this does. I will give the rest of my time to Senator Lathrop if he wants to add anything to what I said or correct anything I said, that may not be entirely accurate.

HILGERS: Senator Lathrop, 7:45.

LATHROP: Sure. I do want to say this, I don't have a problem with the Flood amendment. The practical matter is that it involves the same subject matter that I'm going to take up with Senator Brewer and others interested in the conditional training officer/reserve officer problem. I will say that one of the reasons why we did this, when we had-- when we held the interim hearing, colleagues, we heard stories about people that became reserve officers with literally no training. And under the current statute, while many of them have had training and Senator Brewer and I've talked about that, some could literally under current statute be framing houses one day and carrying a gun and a badge and trying to enforce the law the next day. And that-- that is the reason we were concerned, the reason we wanted officers to be certified and to undergo a certain amount of training or have basic training before they began enforcing the laws. The reality is and the-- think about it. If you have a high school degree, which is all you need to be a law enforcement officer, if you have a high school degree, you don't know about search and seizure and the people's constitutional rights, when you can pull somebody over, when you can search their car, when you can search their house, how to secure a warrant. To be a law enforcement officer, even-- even at that basic level, the beginner, if you will, you need a certain amount of training. And that's what Senator Brewer and I will work through before we get to Select File. And that was the reason for our concerns. Thank you.

HILGERS: Thank you, Senator Lathrop and Senator Flood. Debate is now open on AM872. Senator Wishart, you are recognized.

WISHART: Thank you, Mr. President. I rise in support of the underlying bill and the accompanying amendments. I think this is a very timely piece of legislation in the wake of the murder of George Floyd and the verdict and the feedback that we heard last summer from many Nebraskans. And I'm very glad to see that this was a collaboration between law enforcement and the Judiciary Committee and racial justice

advocates and the ACLU to come to this piece of legislation. Senator-- Chairman Lathrop asked me to speak to a specific portion of our budget that accompanies the overall goal with LB51. This last fall, I was approached by the Fraternal Order of Police, who was working with Senator Lathrop on-- on this bill and asked that I bring an appropriation to our committee was-- which was incorporated in our budget and our Legislature has voted it through. That bill, if anybody is interested, was LB192. And what that bill does is it has created an ongoing funding through the Crime Commission of \$140,000 for fiscal year '21-22 and '22-23 and thereafter for in-person and online training for law enforcement officers to be certified through an accreditation agency approved by the commission. The goal of this is, you know, when we're asking for improvements and we're putting in more processes that communities need to go through, we want to make sure that the funding is attached to that, especially for rural communities that may not have the same level of training centers as Omaha and Lincoln. And so this specific bill and the budget that we passed will allow for law enforcement officers and teams from across the state to access videos and online training that will allow them to meet the requirements of LB51. And with that, I'll yield the rest of my time to Chairman Lathrop if he wants to add anything to that.

HILGERS: Senator Lathrop, 2:35.

LATHROP: Oh, thank you. Colleagues, what Senator Wishart just testified to is consequential. It comes from or through the budget process, but a number of you have heard from your police chiefs or your local city or your sheriffs about the cost of compliance with LB51. So currently, there are 20 hours of continuing education. There's a limit on how much of that can be done online. LB51 would take those limitations on online training and allow an officer to do their continuing education through, I'll call them Internet classes. And what will happen is the money that's been appropriated, the Crime Commission will get a subscription to a service-- as you can expect, they have these services out there-- that will allow you to take a class online on de-escalation or antibias training, those kinds of things that would be in the continuing education requirement. They will keep track of the officers that have taken the classes, keep track of their hours, and it will not result in expenses to the cities and counties as a consequence of the cost of that in terms of tuition or they no longer have to go to Grand Island to take these classes. The exception to that would be if they are required to take anything dealing with a vehicle. Right? You can't do--

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HILGERS: One minute.

LATHROP: --that online or the gun proficiency testing or training. So I think that's an important consideration as you look at LB51 and as you respond to those who call. Because I think in talking to my colleagues, that's been maybe one of the biggest concerns that I've heard is you're giving us an unfunded mandate with this. And the reality is we've made it possible for you to do almost all of the training online. And with the money set aside in the budget, there will be online training available without expense. Thank you.

HILGERS: Thank you, Senator Lathrop and Senator Wishart. Senator Brewer, you're recognized.

BREWER: Thank you, Mr. President. Well, I approach this from a little bit different angle, I guess, because I've been a reserve officer and I've been to the academy in Grand Island. So I think as far as understanding why there's maybe a disconnect with some of this, I can help clarify. But so you understand with the reserve officer program is those are individuals in the community. Think of it much like you have a volunteer fire department. What we require of that volunteer fire department would be much different than what we require of a professional fire department. They don't have to worry about understanding how to use foam or giant ladder trucks or anything like that, but they do need to know the basics. It's no different with a reserve officer program. A community designates them. And as time allows, I will go through some of the regulations specific to the-- to the reserves officer program. But you're brought in. The police chief or the sheriff, whoever is the-- the trainer, would then go you-- go through the rules. They would have a policy where you are assigned to an officer and you're with that officer at all times. Your responsibilities will vary. In some cases, you function in support of court actions to help at the courthouse. Sometimes you can do things as mundane as helping at the county fair to park cars. But you may also function in capacities, the department chaplains are reserve officers and they help with the notification of next of kin. So they're very specific duties. It's up to the town. It's up to the sheriff to decide what those duties are. Now, are you trained as well as a certified officer that goes through the 16 or 18 weeks of the academy? No, but the reserve officer program was never designed to do that. What's happened over the years is that program just has not had the care that the other programs have. When we consolidated the State Patrol training in Grand Island with the Nebraska Law Enforcement Academy, they were overwhelmed with the amount of requirements. And

it's hard to-- to keep up with the classes that we currently have in Grand Island. So the reserve officer program sort of kind of slowly faded in its ability to be as effective as it was 10, 15 years ago. Doesn't mean it's not needed, doesn't mean it doesn't do a lot of value. But we need to reset it with a new program instruction, and that needs to be different than the full-blown academy. Obviously, if you go to the full-blown academy, then you're probably going to be a full-time officer. You're not going to be that volunteer. So understand that about the reserve program first off. Now, originally, when I saw LB51, all 13 of my sheriffs and all four of my police chiefs came to me and said, this-- this is not going to work. This is-- this is a bad bill. It's going to hurt us and they went through a number of reasons why. Most of them, I thought they had a valid reason. If we got to make a lot of trips to Grand Island and that's 10 hours round trip, depending on where you're at in my district, you're going to lose a day going; you're going to lose a day coming, plus the time there. Most of the departments are on skeleton crews because it's hard to hire for what they pay in western Nebraska. So it was even a bigger burden to add more time. It wasn't that they didn't think they needed it. It's just the time away was going to impact with overtime and the fact that you just were not going to be able to patrol the areas that-- that normally you would-- you would have as part of that area of responsibility. And, you know, the Nebraska State Patrol from 10 years ago is down about 70 officers. That's 70 less troopers out on the highway. Now, add to that, that the sheriff's offices are smaller than they have been. And many of the sheriff's officers are concerned because what they have become are people that-- that deliver paper, warrants, what have you, and run jails. Well, that means, again, you don't have people out on the roads. So the State Patrol has less, the sheriffs have less. What it means is there's less of an ability--

HILGERS: One minute.

BREWER: --to take care and provide that-- that purpose that you have as either a sheriff or a state trooper out on the roads. So when the bill came up and we had all this additional training, we had to come up with ways to-- to figure out how to do this. And what I want to say is that Senator Lathrop has been very good about helping to figure out what right looks like, how do we get to the middle. And we're working that. And I think we're going to get there and I'll punch in again and we'll talk more about that. But we're on a path to figure out how to do that. The only other thing is on the provisional officer. Remember, that's someone who's been hired and is waiting to go to the academy, which is really a different beast than a reserve officer you hire for

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a specific purpose. So just understand that. And with that, I'll just punch in again for the next time.

HILGERS: Thank you, Senator Brewer. Senator McKinney, you're recognized.

McKINNEY: Thank you, Mr. Speaker. I rise in support of LB51, AM745. I don't know where I'm at on AM872 because I think if you're not a certified cop, you don't need a badge. I don't think we need reserve officers anywhere, whether that's urban or western Nebraska. This bill is definitely needed. It's a step in the right direction. It's not fully what the people want, but it's a-- it's a definite step in the right direction for our state. And it's needed because when I'm driving and a cop get behind me, I don't feel safe, and it's not just me. It's a lot of people in my community. What's been going on across the nation over the past year is nothing new. It was going on prior to my birth in 1990. This type of legislation is overdue. And if you stand up here and oppose it, you just oppose keeping Nebraskans safe, in my opinion. We talk about public safety, but what about the public when they have to deal with rogue officers who don't care about them and that do anything to oppress them? A lot of your communities may not be overpoliced, but mine's is. This is why this is needed. Again, I said earlier, you guys stand up and say that western Nebraska needs property tax relief. Well, north Omaha needs relief from oppression and racism and white supremacy and death at the hands of police in our state. That's what we need. So think about that when you vote for this bill. It's needed because I'm tired of getting on my phone and scrolling on social media and seeing another black man or woman killed or a black kid. And it's sad that we have to see it all the time. It's traumatic. We're not getting over any posttraumatic stress because we live in stress every day and it's traumatic to see it every day. It makes it hard to walk outside every day because we don't know if we're going to return home. Some of you might not have to think about that, but we do. There's individuals from my community that drive across the state, so I would hate to see them drive across this state and end up getting pulled over by a reserve officer and dying because this officer had no training and didn't go through the academy. I don't think that should ever be allowed for there ever to be a reserve officer program. It makes no sense. The A-- the AM745 has a public database that was definitely needed as well, because we always hear it's only a few bad apples. So let's establish this public database to see who those few bad apples are since, you know, majority of the police are doing a great job. Let's see it. I don't know. I'm really at a loss for words. You know, I'm interested in the conversation

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today to see what people say. I'm sure a lot of people might stand up and say some offensive things or some things that are triggering, but I'm prepared for it. It should be a fun conversation and debate, but we definitely need legislation like this. And I repeat again that we also need LB515 to come out of Urban Affairs so we can have municipal police oversight with subpoena power and the ability to investigate independently in Omaha and Lincoln. And I also will stand up here again and say that we all, every senator in this building, need to call senator [SIC], what is his name, Todd Schmaderer and tell him to release the body cam footage of the death of Kenneth-- Kenneth Jones as well. Every other city and state can release body cam footage, but it seems like the city of Omaha can't.

HILGERS: One minute.

McKINNEY: But they would like to release statements about the Derek Chauvin situation, what they can do right. So I don't know what makes them think they're looking good. They're-- they're hypocrites as well. But this is needed. I would advise you all to vote green on LB51, AM745. And I'll have to hear more about, you know, officers who are not officers having badges on AM872. But thank you.

HILGERS: Thank you, Senator McKinney. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you, Mr. Speaker. I rise in wholehearted support of LB51 and AM745. I, too, am still deciding on AM872, Senator Flood's amendment. We-- there's so much that I wish the whole Legislature was able to hear this, that we have heard this past year. The over 200 testifiers, over 200 people came in June risking COVID to be able to come and tell us about what was happening and how difficult it was in the African-American communities and communities for people of color. We heard stories that were-- were gut-wrenching. We heard grievances that someone drove over two girls, that a girl's body was slammed and pulled by the hair and made them sleep on the floor, that they needed mental health counseling. We heard stories about girls not being heard, but they kept prosecuting them. They want-- they wanted accountability and publicly-- people to publicly acknowledge what they're going through. They, these people are our constituents. They are us. I want you to remember that. These aren't people that are just, oh, off in a different district. They are Nebraskans. They are us. And we heard story after story after story, I could repeat that 210 times, about what people are experiencing all over our state. Then we had a study in October, this past October 2020. It was LR-- I don't

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have the number of the LR, but I have the transcript in front of me. Oh, LR417, October 15, 2020. And at that hearing we had an officer come forward to speak to us. And at that hearing, I heard the most amazing information that I think I've ever heard. It was-- it was Officer Brandon Lorenson. I'm trying to go back to get his-- his title. He is from Fremont and he oh, he was the past off-- the past head of PCAN [SIC], the Police Chiefs Association of Nebraska. As he talked and was questioned by some, Senator Lathrop said, "Somebody testified earlier about certification of law enforcement. Does every law enforcement officer, even in...towns, have to be certified before they are a sworn officer?" Chief Lorenson said, "No. You can become a sworn officer and within one year trend-- attend the academy-- police academy." So Senator Lathrop said: OK, so I can carry a gun, wear a badge, and enforce the law in small town Nebraska. I'm not talking about the municipalities with not going through the training academy. That's correct. And they can-- they can have-- have me on the job enforcing the law in whatever community I'm hired to, to protect without ever having been through the Academy. Chief Lorenson: True. Is there any way, any educational requirement? Can I come from-- I don't mean this sounds trite, but can I come from Burger King to flipping burgers to being a sworn officer--

HILGERS: One minute.

PANSING BROOKS: --in a small community-- in a small community for a year before I go to the academy and then become certified? Chief Lorenson: As long as you have a high school education or a GED equivalent, yes. I'll continue this on my next time on the mike, if that's-- one minute did you say?

HILGERS: 35 seconds.

PANSING BROOKS: OK, thank you.

HILGERS: Thank you, Senator Pansing Brooks. Senator Lowe, you're recognized.

LOWE: Thank you, Speaker Hilgers. And first of all, I want to say thank you to all of our law enforcement officers across the state of Nebraska. You're doing a great job, very commendable and we are proud of you, each and every one of you. What has happened across our country is shameful. And what has happened with a few of the law enforcement officers is expected. We are people, we are human. But we do need to continue education. And I want to thank Senator Lathrop for

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working with us, who had serious doubts about this bill, had serious doubts and wanted to stop it immediately as soon as it came across. But Senator Lathrop has been working with us and I appreciate that. Because our law enforcement senators [SIC] across this state vary drastically, vary drastically. You have the Lincoln law enforcement department and the sheriff's department here in Lancaster County. You have-- you have large contingency of law enforcement in Omaha. But then you get out in western Nebraska and you have a sheriff and maybe one or two deputies for a huge county or your small cities have a police chief or-- and maybe just one or two officers. To have one down with COVID and have another one going to a training center, you are seriously handicapped. You are seriously handicapped. To make these training lessons online will help immensely; and I appreciate that, Senator Lathrop. We have to work with a very wide law enforcement population in Nebraska, and so we have to think what is good for Omaha and Lincoln because they can absorb all these costs and they can absorb officer, five officers down for training courses, but we can't in western Nebraska. If Senator Brewer would like the rest of my time, I'd like to yield the rest of my time to Senator Brewer.

HILGERS: Senator Brewer, 2:17.

BREWER: Thank you, Senator. All right. I think in order to stop this rumor that reserve officer can just go in, grab a gun, grab a badge and roam anywhere by himself, let's go to the law, 81-1440. It establishes local control. It is the sheriff, the mayor, or the police chief. 81-1411 [SIC], pay: reserve officer will receive no more than one dollar a year. 1442 specifically says they are not eligible to participate in the pension or retirement program. Again, remember, they're volunteers that are trying to help with some of the menial tasks that would take an officer away from their ability to do their job day in and day out. 1443 simply says that they are subordinate and must work under a certified supervisor, a certified officer. 1444 is bonding. They are bonded by their--

HILGERS: One minute.

BREWER: --community that they represent. 1445 simply says again that they have to work in, with or for a certified officer. So understand, there are rules that have been established for reserve program. In addition to that, we have standards that are established by the Law Enforcement Academy. I have those available for anyone that wants to go through and read the pages of what those requirements are. So just for a second, take away the-- the explanation, as some have said, and

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just be truthful about what a reserve officer is. What we need to do, and that's what Senator Lathrop and I are working on, is define that reserve officer as far as what they can and can't do, what their limitations are, because, again, I think we might need to tweak some of this so it's even more clear. But the provisional officer is one that's been hired--

HILGERS: That's time, Senator.

BREWER: --and is waiting to go to the academy. Did you say time?

HILGERS: Yeah, that's time, Senator.

BREWER: Thank you.

HILGERS: Thank you, Senator Brewer and Senator Lowe. Senator Vargas, you're recognized.

VARGAS: Thank you very much. President. I stand in support of LB51. I commend Senator Lathrop and the members of the Judiciary Committee for their work on this. I also support AM745. I particularly appreciate Senator McKinney's comments. The only thing I really wanted to add here is that sometimes progress and the form of legislation or policy is extremely difficult. I know that there have been many stakeholders involved on this, and I appreciate that work because it's not easy, especially on topics having to do with police accountability and, well, underlying racial justice. At the end of the day, justice and moving forward as a country only happens as a result of understanding different perspectives and being better. I know a lot of people look at the decisions that were made or at least the verdict that was made as the end-all, be-all or justice. It's incumbent upon us as lawmakers to continue to be educated about the perspectives of those that are facing much of this exposure and over-- over intent. Black and brown communities all across the country and specifically even in Nebraska, I've said this on the mike before, and it's just true. There is an overrepresentation of black and brown individuals within our justice system. That overrepresentation has made the lives of communities of color extremely difficult. And it has for centuries, has for decades. And here in Omaha, we need to continue to do better. This is an example of what it means to do better. And we're clearly not done yet because this work is much more complex than simply only the legislation that we pass. It's also how we view it, how we internalize it, how we operationalize it, how we change our behaviors and actions and training and-- and collective work. And we need to do more of

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that, because I think what divides us right now is not on whether or not we think this is necessary, but more on whether or not there continues to be a problem. And there clearly still is. We have more work to do as lawmakers and policymakers. We have more work to do as neighbors because the experiences that people of color continue to face does not go unnoticed. But it feels like it goes unnoticed when we as lawmakers don't do this work. I say that as a person of color. I also say that as somebody that represents a community that has a large percentage of individuals of color. But I also say it as a lawmaker that has had many individuals that I care about and friends and loved that have had touch points, more so because of the color of their skin than anything else with the justice system. And we can and do better. We can and need to do better. And so this is an example of that, and I really appreciate this committee for their work. I appreciate Senator Lathrop and the stakeholders on all sides, including all the police officer associations and all, the ACLU included, for doing this work, because that's how honestly, that's how things get better, how things improve. Dialog and communication are the only way that we can move forward. And we clearly have to do more of that, because I think what we saw even after this verdict, there are still instances of-- there's still instances that are affecting people of color all across this country, and we're not--

HILGERS: One minute.

VARGAS: --we're not done yet. So with that, I ask for your support for LB51. I ask for your support for AM745. And I appreciate the committee and the chair for this work. Thank you.

HILGERS: Thank you, Senator Vargas. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. I rise in support of LB51 and AM745. I, too, don't know where I'm at on AM872, but I trust that the interested parties can work out a solution on this, that issue. I-- would Senator Lathrop yield to a question?

HILGERS: Senator Lathrop, would you yield?

LATHROP: Yes, I'd be happy to.

J. CAVANAUGH: Senator, I just wanted to clarify in part there's on Section 19 of the bill is the-- of the-- of, I'm sorry, of AM745 has the: Each law enforcement agency or agency employing a law enforcement

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officer shall have a policy and standard operating procedure regarding accepting and investigating complaints of law enforcement or similar misconduct. And then it goes on to kind of set out some standards there about how that should be conducted by law enforcement officers. I just want to make sure that's not intended to preempt any civilian oversight that cities like Omaha or Lincoln already have.

LATHROP: No, it's not. This is not a preemption. It basically is setting a minimum standard.

J. CAVANAUGH: That-- that was-- answers my question. Thank you, Senator. Lathrop. And I just had a few other comments, I guess. I wanted to say I appreciate the work that the committee did on this and I appreciate all the work that's gone in and will continue to go in to solve some of the issues going forward. But this bill is important for a lot of reasons. And I think we've had a lot of people hit on those issues. But one of the things that kind of jumps out to me about it is the reporting. Obviously, the training, I think is very important. I think making sure that our law enforcement are professionally trained and know what they're doing and know how to do it and deal in these situations is important and has demonstrated the importance every single day. But I think the big part is the transparency and oversight function. So one of the things that's kind of been trending since last night was the original police press release regarding the death of George Floyd. And that press release, you can go find it yourself if you want, but it basically completely minimizes any role or conduct of the officers involved in that death. And a lot of people, I think rightly, are talking positively about the outcome of that trial. And I do think that that was the right outcome. And I think that that is a step in the right direction. But the thing to me that sticks out is this is not a demonstration of the strength of our systems. It is actually demonstrating one of the flaws because but for a civilian individual standing on the side videotaping this, we would not have been to this point. The police immediately obfuscated what happened. And-- and it was-- it took that release of that video to push this issue into the public consciousness and to push it further, to get to the point that we got to yesterday. And the number of times that sort of thing has happened, I'm sure is mind boggling. Can't even wrap my mind around it. But the other issue that Senator McKinney raised is the release of these body camera videos. And that press release indicates to me one of the other things, problems we have is control of the narrative and control of the information. To have true trust in the system, we need to have transparency and oversight. And when the police get to pick and choose which part is being overseen and which

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part is being looked at and-- and criticized and critiqued by the public, that's a problem. The-- the life that was lost in Ohio, that city released that-- that video about that incident almost immediately. But we have in Omaha--

HILGERS: One minute.

J. CAVANAUGH: --this video that has yet to be released, even after they released still frames of it that kind of fit the narrative that-- that was being pursued. And now we're past the grand jury part and we're still not releasing that video. So I think that is an important part. I just wanted to, one other thing. We had another shooting in Omaha last night where law enforcement was involved. And I was just reading the press release there. A fugitive task force officer from outside of Douglas County shot five times at a car that was driving away from them when they were attempting to execute a possession of a controlled substance and a theft warrant, nonviolent offenses. And they're firing at people when they're fleeing. That's not good judgment exercised by that individual, but that is not the standard that we should be holding our law enforcement to. So the training is important. But I just go back to the point that I raised last week. The police are acting in a way that we're asking them to act. They are responding to our stimulus. Senator Lowe is correct. Law enforcement officers are good people--

HILGERS: Time, Senator.

J. CAVANAUGH: --and they do, try to do a good job. We need to make sure we're--

HILGERS: That's time, Senator.

J. CAVANAUGH: --helping them.

HILGERS: Thank you, Senator Cavanaugh and Senator Lathrop. Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. First, I want to qualify that none of the sheriff's or the police departments in rural Nebraska that I've talked to are complaining about the training. They understand training. Where rural small districts are concerned about is 32 hours of training every year, even though some of it can be taken online. They're off, they're being paid and they are not working in the community. Yes, it saves the man-hours, but you're going to pay them to sit in a room and take hours of training every year, basically a

week off, besides their vacation time, besides their sick leave, a week of training. It's redundant. A lot of it is redundant. I would like to bring an amendment that says you have a two-year period to do-- to do the 32 hours. A lot of licenses give you a timespan of two to three years, a cycle-- and a cycle to create the-- to do the training. That would be more reasonable. Reserve officers, we had a great man named Kevin Kennedy out in North Platte, ex-Marine, patriot, moved from New York to North Platte, volunteered. You'd always see him out. He was a reserve officer because of his training. He was a police officer, I believe, at one time. Every parade he was there directing traffic. In the courthouse, you would see him filling in. That's where the reserves are used in counties, rural counties. They are one of the officers in the courtroom. They are stationed with a-- with a regular officer and watching over the courtrooms during cases. One dollar is what they get paid because they have to be paid at least a dollar and considered an employee to be on workmen's comp and to receive, if they died, as we talked about the other day, the federal benefits and now the \$50,000 that Senator Matt Hansen passed. So these are citizens volunteering their time, good people. And you have to trust the sheriff or the coun-- it's mostly sheriff's department, that they're going to hire good people, people that were in the military working in the military police. And they're not out stopping people on the interstate, Senator McKinney. They do not allowed to do that. They can't pull anybody over. They fill in, in those positions managing traffic in situations where large crowds are and working in the courthouse. That's what they do. They-- they go along with other officers when they serve summons, which normally aren't violent situations, but they're always with somebody. That's what they do. And telling them they have to work for 16 weeks and then they can't work, they fill in, they help like a volunteer fireman does. None of them brag about what they do. They're good people. I would ask Senator, I don't know, I might get a surprise answer, Senator Lathrop, could I have a question? Have you heard of any in rural Nebraska, any complaints of racial bias or anybody being abused by a police officer and a complaint in the last couple of three years?

HILGERS: Senator Lathrop, would you yield?

LATHROP: Senator Groene, when we held our two days of hearings during the summer and we invited people to come in and talk about their experiences, all-- I think almost everybody, I'm going to say everybody was from Omaha or Lincoln.

GROENE: All right. Thank you.

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LATHROP: So we didn't go and take our show on the road out to Kearney---

HILGERS: One minute.

GROENE: Thank you.

LATHROP: --or western Nebraska.

GROENE: Thank you, sir. And another thing that I guess I hear in their voices is I'm getting painted with the same brush as somebody I never met, never knew in Minnesota, an officer in Minnesota. I haven't heard or seen this kind of behavior in Nebraska. I didn't see it during the unrest this summer. I am going to defend our police officers. We are good people in Nebraska. We are well-trained. We train them well. I sympathize with Senator McKinney. I know nothing about that neighborhood, although my brother does live it. He's-- Senator McKinney is his senator and I visited him in north Omaha. And I don't feel unsafe there, mainly because my brother is well respected in the neighborhood. He's done a lot of volunteer work. But I sympathized with young people. I thought I was harassed and I probably deserved in rural--

HILGERS: Time, Senator.

GROENE: --Dodge, Colfax County.

HILGERS: Thank you, Senator Groene and Senator Lathrop. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. Speaker. I wanted to-- to address or talk a little bit on the mike here this afternoon about the-- the funding for the-- the additional training and what that actually covers and what that really is speaking to. So I let Senator Wishart know that I'd asked some questions about this on the mike and I wondered if she would yield.

HILGERS: Senator Wishart, would you yield?

WISHART: Yes.

BOSTELMAN: Thank you, Senator Wishart. LB192 was a bill that you had that provides \$140,000 for-- for certain training for our law enforcement officers across the state. Since that bill was, did not come to the floor for debate, it was in Appropriations, could you

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explain a little bit more as to what those funds and also Senator Lathrop spoke on it a little bit, could you tell me a little bit more really what those funds are targeted for and how those will be applied?

WISHART: Yes, absolutely. So, again, this-- this bill was brought to me by the Fraternal Order of Police to go in sort of collaboration with LB51. There are vendors across the country, an example of one is PoliceOne, that provide training, online training videos for police officers to access in order to-- to be certified. And so the reason we're doing \$140,000 is that is enough for us to purchase a subscription with a vendor to allow for every single law enforcement officer in the state to have access to this training.

BOSTELMAN: So will that include-- now, this is just for the training. This wouldn't include for, cover the costs for an additional officer for those times to cover. When one person's in training, you still need to have perhaps another officer out in the field, it doesn't cover for those type of costs or that person's time.

WISHART: So actually, I spoke with the Fraternal Order of Police about this question. And what they said is most officers will be able to access and complete their training while they're on duty. When you're in a vehicle, when you're stalled and waiting for a call, you're able to pull this up on your computer and you're able to go through the videos in the training online. So there will not need to be a lot of officers off duty doing this training. They will be able to do this while they're on duty.

BOSTELMAN: And I appreciate that, especially for those who are in areas where you have connectivity. My concern would be those who are in the outstate, I'll call it, more rural areas or when there's maybe one or two that are actually on duty. Do they have that time to actually take, you know, if it's a smaller force, you know, smaller sheriff's department? I'm not for sure right now exactly how those would conduct their training. So my concern there would be are they able to take the training and/or if they are, are they able to take it as what you're mentioning or speaking to? Or is it they're going to have to come back to-- back to town and, you know, be in the office and do the training there? Because that's just a comment I guess I'd have with that, that would be a concern that some of our departments may not be able to do that, that type of training. The other question I would have is part of this, I know not all of the training is going to be able to be completed online just because a function of what that

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training is. There is going to be some in-person training required. Do you know how much the difference of that? I mean, there's 32 hours or almost double in training. How much of that would have to be in person that would not be covered by that \$140,000?

WISHART: So that is more of a question for Senator Lathrop since that's part of LB51. But my understanding with the \$140,000 is that the Fraternal Order of Police, which is a statewide entity, felt that this and access to this--

HILGERS: One minute.

WISHART: --online vendor would allow for officers to receive the training that they needed that is required in LB51.

BOSTELMAN: OK, thank you, Senator Wishart. Appreciate her willingness to provide that information to us and share that with us on the mke. I do have a concern a little bit about our, more of our rural forces, our departments and stuff that are out there, the additional training-- training, if they actually have access to the Internet to be able to broadband and able to stream the information as they are out patrolling, or do they actually have to come back to town so it actually takes them off the road during that time so we have less law enforcement on the road during-- during the time of their training. There is a lot of mandates that are required for this additional training, that 32 hours of additional training. I do have some questions with that that I think I can speak to Senator Lathrop off the mike on.

HILGERS: Time, Senator.

BOSTELMAN: But-- thank you, Mr. Speaker.

HILGERS: Thank you, Senator Bostelman and Senator Wishart. Senator Brewer, you're recognized.

BREWER: Thank you, Mr. President. All right. Going back to the bill and the issues that we had, keep in mind, as has been explained here before, we did not, as far as the training, have a problem. Understanding that the challenges that we have with the training are that the distance we have to travel. And Sarah Lathrop's trying to help with that by trying to do more of it online, but some of it has to-- has to be done in person. So that's going to require travel time and cost that an Omaha or Lincoln wouldn't have because they're going to be able to do it in-house. So the cost to implement LB51 is an

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issue that we have to look at, but it's not insurmountable. One of the things that I was going to do, but because Senator Lathrop has been very cooperative in trying to work through issues, I did not drop the amendment because, quite frankly, in fairness to him and the work he's put in, he deserves a chance to try and figure out what right looks like and get us there. But AM745 would have done two things. One, restore again, we don't have to restore if we don't do away with the reserve officer program. Now, part of that was it would eliminate reserve officer from Sarpy County. Keep in mind, Douglas and Lancaster are-- by-- are currently prohibited from having them. So it would just kind of top out the top three. And then we would agree to have an interim study where we would look at reforming the reserve officer program. By doing that, we come up with a new POI, a program of instruction, that would allow them to cover the subjects that they need to cover, but not to necessarily have to go through some of the more advanced, difficult things that they wouldn't be doing anyway, It'd be a waste of time and money. The other part that we were concerned about that was in the AM is a guarantee that the small departments would be able to have an opportunity at the training grants. So the grants are part of LB51. And the concern is if you have a Lincoln or an Omaha department that has a staffing that can do grants at the drop of a hat as opposed to a McPherson or Thomas County that may have a sheriff, a deputy sheriff, and a dispatcher, it's hard to be able to keep up with that. So if we can at least earmark funds so that it isn't all consolidated in the big cities, then-- then there's a way to pay for that additional cost that we have in the remote areas. So that's what the amendment was. Again, I did not drop the amendment. I don't think even as we work forward that's going to be necessary because we're finding that middle ground. And as we-- as we do that, one of the challenges that I'm trying to work through here is, is not to let some of the other things distract us from the end goal of being able to push LB51 through and get it so that we can make those tweaks and have a product that maybe not everyone is going to be happy with. But I think we're in a position now to where we're not far from being able to have it to where everyone can say, you know what, we can make it work. We'll find a way to-- to have the time to set aside for the training, that we'll have the resources necessary, and that we understand the true ground truth of what a reserve officer is or a provisional officer is and how we make sure that they don't take on roles that they shouldn't have with qualifications that they don't have and-- and then we're where we need to be. But we can't just kill an entire program. If we were to do away the reserve program, I would

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lose 19 officers out of my 13 counties. I can't do that. I don't want to fight this in a filibuster the next round. But obviously,--

HILGERS: One minute.

BREWER: --if I have to have that big of a loss of talent, I can't walk away from that. It's devastating to an area of 17,000 miles when you have to respond and it takes you 45 minutes to an hour one way to get there, being short-handed is life or death. And I understand Lincoln and Omaha have problems and issues and I understand the things that happened last summer. But we can't neglect the rest of the state over those incidents. We need to look at how do we make this bill right? How do we do it so that we take care of those that need to be protected and serve? Thank you, Mr. President.

HILGERS: Thank you, Senator Brewer. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. I stand in strong support of our law enforcement community. And it's a-- it's a shame how they've been treated across this country and the disrespect that they've been shown. But I-- I want to talk a little bit about how rural areas of the state have law enforcement. And talking about my community and growing up, our law enforcement officer, the single officer, wasn't even allowed to carry a gun until the mid '70s. Finally, they did give him a gun and I think they gave him some bullets. But now you still have communities out there who have only one officer, maybe two. Most towns now have a contract with the sheriff's department. And I think they can work some of the training and stuff out. But when it comes to at least one of the communities near my district, they currently have one officer. And so I'd like to ask Senator Lathrop a couple of questions.

HILGERS: Senator Lathrop, would you yield?

LATHROP: Yes, I would.

FRIESEN: So I know in here there's-- there's a lot of training and again, 32 hours of training. And if they get two weeks' paid vacation, now we have a community that has no law enforcement for about three weeks out of the year. So it makes it a little bit difficult. But again, we have a certified officer. But is there-- are there any exemptions where you can not take that officer out for a whole week

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and training every year? Can they-- could we work on something to where maybe they do certain sections every other year?

LATHROP: Well, I'm glad you asked the question. So currently, your law-- your certified law enforcement officer has 20 hours of training. Right? There is a limit on how much of that can be done online, so they do have to run back and forth to Grand Island to-- to complete their required training hours every year. The bill takes that limitation out so they don't have to run to Grand Island anymore to get their training and they don't have to do all of their training in one setting. There are modules in these programs. You would check in with the Crime Commission. I'm not really positive about the process, but I-- I can tell you I'm telling you the pro-- the-- maybe the overview or the big picture, which is the Crime Commission will set up a subscription to a service that will provide these modules. Your guy can watch these things, for example, if he's sitting in a cruiser waiting for something to happen or if he wants to do it in the evening, but he doesn't have to do it all at once. He doesn't have to do it all in one week. He can watch a module. The program will keep track of the fact that he has and then he can take care of it that way. So while there is 8 or 12 hours more of training, it-- we've made it easier to get the training because now these modules that are online are better. They're informative. They're standardized. And so there's a trade-off there.

FRIESEN: All right. And I appreciate that. You have-- you have taken a lot of things into consideration. One of the other things here that if there is a complaint about your police department, it says the agency shall investigate the matter. So if you have a one-person department, who investigates? Just curious.

LATHROP: Well, that's a great question. We'll have to figure out who investigates the one, the one individual department, because it wouldn't be much of an investigation if we don't have somebody else responsible for it.

FRIESEN: So let me ask. I mean, cities are-- police departments are usually under the city council control or city control. And like the city of Omaha, if they want to implement all these things, could they be doing them already?

LATHROP: Most of them are. A lot of the things that are in here are sort of best practices, if you will.

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HILGERS: One minute.

LATHROP: But going back to your investigation question, I'm sure that some other law enforcement agency would have to come in and investigate somebody. Let's say that there's a question about whether he took a bribe or told somebody they'd get rid of a ticket in exchange for something.

FRIESEN: One of my points is that cities do control their police departments. Now, when we're talking about State Patrol, that's-- that's our-- our perspective to do that or our-- our job. But as far as the cities, I mean, each one can do things as they see fit, depending on what they see, too. So I sometimes worry when we do mandatory things across the state that we are sometimes doing something more or different that we maybe can do doing a better job based on those community experiences versus what we're seeing.

LATHROP: Yeah, we'll put this on the list of things to look at, Senator. But I will say this, that I think we need to have a fair--

HILGERS: Time, Senators.

LATHROP: Did you say time?

HILGERS: That's time. Thank you, Senator Lathrop and Senator Friesen. Mr. Clerk for a motion.

ASSISTANT CLERK: Mr. President, Senator Hunt would move to bracket the bill.

HILGERS: Senator Hunt, you're recognized to open on your motion.

HUNT: Thank you, Mr. President. I'm not going to take all the time I-- and then I'm going to pull this motion. I wanted to jump the line to say a few things. I was in my office and I came upstairs because I could not let Senator Groene get away with saying that what happened in Minneapolis to George Floyd could never happen here in Nebraska. Things like this have happened in Nebraska and continue to happen in Nebraska, whether it's in Omaha or Lincoln or in western Nebraska. Talk about Zachary Bear Heels, who in 2017 was tased to death by Omaha police officers who were then reinstated, and three of the four police officers who are responsible for his death were reinstated on the force. Zachary Bear Heels was a mentally ill 29-year-old man with schizophrenia who was tased 12 times and died in police custody, and there was no justice for him. There was no accountability for him.

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Justice would have been if that had never happened to him and he and his family never had to be afraid of that happening to him. Stories like this happen all the time in Omaha and Lincoln. I have a friend who is black in Nebraska, and I won't tell you what he does because there are so few black people in positions of political power in this state. You would know exactly who it was if I told you what he did. But he had an incident in western Nebraska with a police officer who pulled him over, who roughed him up, and he decided never to say anything because he thought that nobody would believe him and he thought that everybody would side with the police officer, that nobody would believe his story and that he could lose his job if he came out and said what happened to him at the hands of police. This happened in western Nebraska. So we can't get up here and say that this isn't something that could happen in Nebraska. What's more likely is that it's not something that would be reported in Nebraska or it's not something that anything-- anybody would be accountable for in Nebraska, because we don't have things in place like a registry of officers who have been violent or other measures to keep violent officers off the force. Many people in Nebraska have followed over the last day since Derek Chauvin was found guilty on all charges of murdering George Floyd, a popular Omaha conservative talk show host, Chris Baker posted a very racist tweet where he posted a picture of like four African natives dancing with spears and then he wrote guilty above it. And the image, you know, you can take what you want from it. It seems to suggest that, you know, that this is some kind of riot or something or something savage or some kind of other racist stereotype that he shared. He deleted the tweet, but then he lost his job. Chris, Chris Baker was fired from his job this afternoon. Instead on the show today, since Chris Baker wasn't on the show, Omaha Police Officers Association, the police union president, Anthony Conner, was on there instead. And he made a statement that I would like to get on the record that blew my mind. Tony Conner said the past year has led to a deterioration in police department's ability to recruit and train officers. That's affecting the ability of existing officers to do their jobs. And he said the result will be more, not fewer, police shootings, quote, get ready to see more of these, he said. So this is the president of the Police Officers Association on the radio show of a racist who just got fired saying we're having trouble recruiting officers so you can get ready to see more police shootings. So don't tell me that what happened to George Floyd or to Breonna Taylor or to that sweet little girl in Columbus, Ohio, yesterday can't happen here in Nebraska because it has happened and it will continue to happen. And I rise in support of LB51. Anything incremental that we can do to

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roll back the plague of violence that has come down on black and brown people in this country, any step forward we can make from that is something that all of us should be lining up to do. Thank you, and I'll withdraw that motion.

HILGERS: Without objection, the motion is withdrawn. Returning to debate on AM872, Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you, Mr. Speaker. I'm going on with some of the information that I have from that hearing this past October. First off, I said that Fremont Detective Brandon Lorensen was president of PCAN. He was actually past president of the Police Officers' Association of Nebraska. So Senator DeBoer asked what kind of training would be helpful, like what kind of topic? And Detective Lorensen said that he thinks de-escalation or mental health, more mental health training is always going to be needed. He went on later to add that under question, a question from Senator Slama that she asked, you know, what-- what is happening? And let's see, she-- she just wanted to give him an open-ended chance to talk. So as he was talking, he said-- he talked about the fact that officers are-- that there are some communities and agencies where they're not required to pay overtime. I think that's terrible. So officers are working 60, 70, 80 hours a week and not making any overtime. And they're making that money at a lower rate wage. They're not getting time off with their families, which leads to maybe after six months or a year, an officer going to-- over to another county so that they can make overtime or a better wage or to get a vacation so they're not burned out. We have to do better for our law enforcement. If we are expecting to be better than Minneapolis, to be better than what's going on across this country, we have to do better. We have to make sure that law enforcement gets the training that they need. I'm so grateful for LB51. When-- when we had all of those hearings this summer, people expected us and plead with us to do something immediately. Everybody did not understand the full legislative process and that it would take us until January and then we'd have to have some more hearings on the bills. It is a slow process and we have been slow to react. I had two bills that have not come out of committee yet on de-escalation practices, use of excessive force and duty for an officer to intervene. All of those things we heard about in the George-- George Floyd catastrophe in Minneapolis, also the ability for people to videotape as long as they're not obstructing law officers. But this is important. When we heard that law enforcement was not getting training, that it could be up to a year, and we're talking about different officers. Senator Brewer is talking about reserve officers.

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And then the other officers that I'm-- that we're most concerned about are those who will get certified. And we heard some of them take up to a year to get that certification. I'm not criticizing the law enforcement. I'm criticizing the state. What the heck are we doing? Why has this never come up to us before that law enforcement, law enforcement keeps asking for money to militarize themselves, but not money to train themselves? What the heck? How reasonable is that? That is not reasonable. We can't sit and say that, sit around and say that small communities just don't have the money. They just, they don't have the money to train people. Well, if that's true, the state better hop in there, because these laws that they-- that they enforce, they are passed by us, the state.

HILGERS: One minute.

PANSING BROOKS: So I'd just like to go on, because Senator Lathrop had an ongoing discussion with Corey O'Brien from the Attorney General's Office and he talked about the-- Senator Lathrop said, if we give someone a badge and a gun and they don't know the Constitution and they don't know what probable causes or-- or-- or maybe how to shoot a gun straight. Their training consists probably of shooting some beer cans off a fence. Corey O'Brien, I don't know how I can put them on the witness stand. I mean, I agree with you. Corey O'Brien agrees. We need to pay for more training. We need to get officers certified as quickly as possible and help rural communities. I can think of almost no more important issue for our state. Thank you, Mr. President.

HILGERS: Thank you, Senator Pansing Brooks. Senator McKinney, you're recognized.

McKINNEY: Thank you, Mr. Speaker. I rise again in support of LB51, AM745. And Senator Flood kind of clarified my concerns with AM872. Still thinking about it though. Also, you know, I'm not a fan of the Omaha Police Officers Association. They probably don't like me either. They did a whole mail campaign on me saying I would like to defund the police in which I'm support of because I think we need to give more resources to a community. So if they don't like that, they can continue-- they can continue to not like that. The police actions during a protest last year, well, Senator Groene, I was there. I was tear gassed and I wasn't doing anything. So you-- don't stand up here and say they acted responsibly or reasonably or whatever you want to think or perfect. They agitated that whole situation last year. I was there. I still don't think there's a need for reserve officers or any conditional officers. Unless you go through the academy, you should

not be on the streets. I don't care where you live. Also, Senator Groene, I'm glad you have the white privilege to feel safe in north Omaha. Congrats (claps). I'm-- I'm glad you feel safe. I really am. And Senator Hunt also mentioned that, you know, we have similar-- similar situations here in Nebraska: Zachary Bear Heels, Kenneth Jones. There's been others in the past, people being shot at by the police all year. We just don't necessarily talk about it like we should, but these things have been going on and it's not just going on in Minnesota or Columbus, Ohio, or Virginia or anywhere else across this nation. It goes on in our state and it needs to be addressed, which is why LB51 is definitely needed. I don't think 32 hours is enough either. It's, you know, it's going to get passed. But I personally believe they should be-- they should have way more training than 32 hours. The officer that shot Daunte Wright, was a 26-year veteran and she didn't know how to not pull her gun instead of the Taser and killed him. I don't know if there is enough training in the world to erase racism and oppression and the way of thinking. But it definitely should not be limited to less than 32 hours, Senator Groene. What are we trying to do here? Are we trying to create two forms of policing in our state? Omaha and Lincoln gets policed one way and western Nebraska gets policed another way because supposedly we don't have the resources? I personally think we do have the resources. Ask for it. We ask for property tax relief. Ask for resources for training for-- for police in western Nebraska, or is that not important? We have to do more as a state. And I'll stand up here any time for police accountability and transparency because it's needed. And I don't care if you live in Chadron or north Omaha, you need police accountability and transparency. It is-- I don't even know why we're having this conversation so long and we're having this debate. What world are we living in that we're still having this conversation--

HILGERS: One minute.

McKINNEY: --about police accountability and abuse and things like this, which has gone on since the first slave patrols in this country? Why are we still having this conversation? And we hear the comments, oh, it's better. It's we-- we progressed a lot. We obviously haven't progressed anywhere if we're still having this conversation. There's millions of people in this nation that do not feel safe when the police are behind them and when they're interacting with them. And to totally-- and to disregard that is disrespectful. It shouldn't matter where you live. There's people of color in western Nebraska. I bet if we took a poll and asked them if they feel safe when pulled over by a

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sheriff or police, I bet you would get a great response of no. But, you know, some think that is not happening in our state and this isn't needed and we should have--

HILGERS: It's time, Senator.

McKINNEY: Thank you.

HILGERS: Thank you, Senator McKinney. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President. Good afternoon, members. This is my amendment, AM872. Basically, just to remind you, because there have been some questions, people say, well, what does this do? Well, the Judiciary Committee amendment, AM745, does give one of these conditional or probationary officers the right to arrest and to have a firearm. What my amendment says is that if you-- if that's the case, then you have to be able to-- they also should be able to wear a badge and that's currently prohibited in AM745. The Police Chiefs Association of Nebraska brought this to me. And I guess I just offer this to you. If you were stopped on the side of the highway or the side of the street in a city and somebody came up to your car with everything in the uniform except for the badge, you know, things can de-escalate very quickly. And this basically says that if you've got the right to arrest and a sidearm, you know, on the side of your body, then you have the badge so that you communicate that authority even if you're in the presence of a field training officer. Two stories here. One is Lynch, Nebraska, 2002. There was an earthquake early on a Sunday morning. And I went to Lynch to go do the story about the earthquake in Boyd County. So I went there to meet up with the police chief, whose name was Albert Lee. Senator Gragert probably knows Albert. And I went to the police. He said, come to my house. So I went to his house and he lived right there in town. He's chopping wood when I get there and he's not wearing a uniform. And he said-- I said, oh, I'm looking for the police chief. He said, I'm the police chief. And I said, oh, OK, nice to meet you, Mike Flood, Albert Lee. OK, he said, get in my patrol car. And I looked around and there was no patrol car. There was a Grand Marquis with-- with Boyd County plates, no county government plates, no city government plates. And we got in his Grand Marquis, which he had a portable radio in, no lights, no siren, no markings, no badge, nothing; and we went around town and looked at the damage from the earthquake, which was pretty minor. And while I don't think this is the way policing works everywhere, and I'm not saying it's the best way to do it, but what I liked about that was that he

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didn't need a badge to communicate his authority. He wasn't out doing traffic or running radar or stopping cars. He was there in a situation to provide the protection the community wanted based on what the community signed up for as essentially a citizen police officer. Now, I offer you that because I was caught off guard by all of it being from a community that has it. But it made me think about all of the things that we automatically judge when we see somebody that's a police officer. And if you look at the handout I gave you, this is the statute for what's required of a sheriff's deputy. And you can see how strict the uniform is. We make thousands of judgments a second every day when we see someone. And my point with this amendment is, if you're in a situation where you see an officer, you expect to see the badge. And if you're going to give that conditional officer the right to arrest and to carry a sidearm, you better give them the badge or things can de-escalate when they shouldn't very quickly. There are enough people out there that aren't going to respect the authority unless they see the badge of authority. And that could lead to additional charges like resisting arrest or-- and we don't want this to devolve into a situation where things get worse. And as long as we're going to give them those-- that authority in AM745, that's why I am asking for-- to-- to remove the prohibition on the badge in AM745 and to include it. And the other thing I'll say is if this is something better dealt with on Select File with Senator Brewer and Senator Lathrop, I'm happy to withdraw-- withdraw this and then allow it to come back on Select. If it's OK, we'll take it for a vote. The other thing I'd say, and I believe this, we have talked about training, we've talked about everything. But if you want perfection, you've got to pay for it. And if you are in a city police department, a village police department,--

HILGERS: One minute.

FLOOD: --if you're a village mashal or you're a county sheriff, you know, you're getting 6 percent on your retirement. We've tried to take that in the past to 9 percent. We've got to pay these people more if we want the kind of perfection that everybody in America is demanding. And I think that's something that's been left out of the conversation when it comes to law enforcement. If you want perfection, you've got to pay for it. And no one's perfect. But for all the things that we're talking about, all the training, all the other stuff that's out there, and I know resources aren't flush, but that's a conversation I'd like to have because we're asking these people to be social workers, to be jailers, to be law enforcers, to be, you know, essentially broker domestic disputes and put marriages, you know, put people in a safe

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place. We have a lot of work to do when it comes to making sure they're paid appropriately. Thank you, Mr. President.

HILGERS: Thank you, Senator. Flood. Senator Groene, you're recognized.

GROENE: Thank you. Senator McKinney, I hadn't finished my comment. I'm not going to get a debate and I'm not going to be the straw man, the evil white guy. I'm on your side, Senator Hunt. I was giving a compliment to your community. As a white man, I did not feel that somebody-- that I was in danger in north Omaha. I don't know how that's white privilege. Not because-- not because of the police, it's because of the perception in some parts of white Nebraska that that's a bad area to be in. I don't see it that way. It was a compliment that I didn't get to finish. So please don't make me your straw man to attack. I'm trying to be helpful here. I'm looking after the police in my district, in my area. Here's a question for you that the Judiciary Committee can fix. After investigating that there's three academies, one in Omaha, one in Lincoln, and one in Grand Island, I was talking to the people in Lincoln. They have open seats for training. They used to work with the counties around there and the small police departments that they'd go in there and train, train them, not charge them anything. I don't know about Omaha. I haven't checked into it. But the state of Nebraska stepped in and the training center out there and said, no, we get all the rural ones. Does that sound like asinine? They don't have the seats. They don't have the slots for training. Omaha and Lincoln sitting there with empty seats. Senator Lathrop, please fix that so-- so we can spread that training out, less mileage for the people in-- in southeast Nebraska. They could go up there and be trained, but you might discuss that with them. That's-- that's a thing we can fix. And let me tell you what, I wouldn't trust anybody with a gun with 32 hours of training. But in life, training happens on the job. A lawyer coming out of law school learns on the job. Anybody who's been through a college in a training, they learn most of what they do on the job. Do you think these sheriffs just turn people loose? They learn more from seasoned veterans and the Lincoln Police Department and Omaha Police Department than they do in 32 hours in a classroom. They go out with them. They learn the demeanor to use, how to-- how to visit with the citizens. They don't learn that in 32 hours in a classroom. They learn it on the job like every occupation. So don't just think, boy, in 32 hours and that's it. And that person's roaming around out there, not learning, not continuing education, not learning from his failures or her failures. I'd like to talk also about the choke, the cardiac cardio choke. That isn't what I believe happened in Minnesota. This is this pressure on the neck. I talked to

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a police chief and he said we hire officers no more because they're bulky and big and strong. We have officers of slight frame. You take the ability away that they can use that slight pressure on the neck when they're under-- under danger, all they have left is the gun. All they have left is the gun. I understand the language, Senator Lathrop. I just don't understand the one part about, maybe you can explain it to me when you get on the mike, "except when the use of deadly force is authorized." How-- how does an officer get authorization when their life is in danger or a--

HILGERS: One minute.

GROENE: --fellow citizen's life is in danger? The rest of it I understand. "A law enforcement officer shall not intentionally use a" restraint, carotid, that's the word, "carotid restraint control hold on any person unless: (a) Either; (i) The officer reasonably believes that the" I don't understand one, except when a deadly force is authorized. When-- maybe you have a chance to answer it right now, Senator Lathrop,-- about how can they get authorizations when their life is in danger at that moment in time?

HILGERS: Senator Lathrop, would you yield?

LATHROP: Yes. The authorization it talks about is when it's appropriate, not when you check in with somebody. OK?

GROENE: It was authorized [INAUDIBLE]

LATHROP: Deadly force is authorized to prevent death or serious harm of another person. Right? So that's the authorization we talk about, not calling in to [INAUDIBLE]

HILGERS: That's time, Senators.

GROENE: During the training they were authorized. All right. Thank you.

HILGERS: Thank you, Senator Groene and Senator Lathrop. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker, and good afternoon. Senator Brewer passed out a couple of documents from the Chadron Police Department and also another from the Chief Clay-- Chief Clay Health Center [SIC]. Senator Brewer sent this. I appreciated that. I read through those. And I understand the consequences that can happen in these small

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departments. I think Senator Brewer has a-- has a very good grasp on what we're trying to do here and what this will impact rural Nebraska. His district is similar to mine. And was saying that, have said that, I will yield the rest of my time to Senator Brewer.

HILGERS: Senator Brewer, 4:20.

BREWER: Thank you and thank you, Senator Erdman. All right, in case everybody didn't pick up on the discussion that we've had here, we've got multiple academies. So the Nebraska State Patrol is trained at Grand Island. They used to be trained here in Lincoln, but they have a different program of instruction there for them compared to the regular Nebraska State Law Enforcement Academy, which is where everyone else goes except for Lincoln and Omaha. All right. So that's how all of our law enforcement are trained. Now, when we had a break there, I went and text some of the departments to kind of find out a little more about the reserve officer program. And, Senator McKinney, I understand this is a bone that you're not going to let go of, but understand many of the ones that are hired have been police officers, went to a different line of work, come back and help as a reserve officer. Some of them are military police. Some of them are security police from the Air Force. So they have experience. It doesn't change the fact they're still required to go through the training and meet all the standards. So, again, please don't think of them as someone who is throwing a gun and a badge and they just go out and raise Cain. They are legitimate. They are hired by a sheriff or a chief of police for a specific function. Again, it's the chaplains. It's the ones that help with some of the requirements with the courts. Some of them help with those annual events that you always have, whether it be a county fair or concert or whatever it is, managing traffic. And some of them are just a ride along to have someone to talk to, but they have a specific purpose. And I guess what I would ask anyone who happens to know, has there ever, ever been an incident where a reserve officer has been involved in some type of misconduct, misdeed? They're normally very supervised. And it's a role that, again, if we lose this, it devastates some of these departments. I've got two counties that have one officer, period. The thing that I guess we're kind of losing sight of here, we can talk about the national situation, the state situation, all that. Let's focus on the bill, what the bill says, how we get the bill shaped into a form that we feel comfortable enough to-- to vote on here today and get moving forward because it is a good bill. It's doing some, some really good things. We just, we're going to smooth some corners up and get it to where everyone feels that they can live with this and it makes us better. It's not going to

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make us perfect. It's not a perfect world, but we're going to get closer. So with that, thank you, Mr. President.

HILGERS: Thank you, Senator Lowe [SIC] and Senator Erdman. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. I have a few more thoughts on this bill. But first, I want to put Senator Murman on notice. He just filed minutes before, while we're dealing with a very controversial bill or a bill that has a lot of people who want to speak on it, a consequential bill, an amendment on Senator Walz's bill, LB529, the child restraint amendment, to authorize schools and teachers and staff to use force against children. And he just filed that, yet he's had the amendment since April 15, which is the date you can see on the amendment that was filed. And also the amendment is essentially a bill that's already been killed by the Education Committee. And I'm hearing that the Speaker is saying that it's different enough from the bill that was killed so we'll be able to debate it and hear it. But if that's the case, the amendment hasn't had a hearing and therefore it's flawed. And so I hope that we will not be seriously debating that amendment on LB529. And what we're not going to do, what I'm not going to do is support an amendment to LB529 that allows teachers to use physical force against children that we know is disproportionately put upon black and brown children, especially given the conversation that we're having around racial violence. Back to this bill, LB51, the worst counties for the percentage of black people who have been arrested in Nebraska, it isn't Douglas and Lancaster County. It's Lincoln County, which is 27.5 percent of black people in Lincoln County have been arrested. That's Senator Groene's county. Seward County at 35.1 percent, that's Senator Kolterman's county. And Buffalo County at nearly 34 percent, that's Senator Lowe's county. And that's data according to the University of Nebraska at Omaha. Senator Groene also says that people learn on the job, that law enforcement officers learn on the job and that's all the training they need. When this bill is fully implemented, LB51, police will be required to have 32 hours of continuing training. Let's compare that to other professions that require continuing training. Doctors in Nebraska have to have 50 hours per year of continuing training. OK, that makes sense. Doctors have a very consequential job. Accountants in Nebraska have to have 80 hours over two years for continuing training. They're doing math and they have to have 80 hours of continuing training. Realtors in Nebraska have to get 66 hours of training. And real-- realtors don't carry a gun. They carry yard signs. So the requirement of 32 hours for continuing training once this bill is fully implemented makes a lot of

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sense to me. I think it's something that we should agree makes sense and it will help the police make better decisions. Once again, the former chair of our Education Committee is saying that you can't learn anything in a classroom. We know that continuing education is something that if it doesn't help them do their job better, it will take away the excuse when violence happens, if violence happens, that they can't say that that was something that was part of their training. And with that, I'll yield my time back. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President. And good afternoon, colleagues. I rise just a few minutes to compliment Senator Lathrop, Chairman Lathrop and members of the Judiciary Committee for their work on LB51. I had one of the-- although I haven't been too involved with this bill, I had one of the interim studies that we heard on some of these issues. And when some of the issues we've talked about today in terms of the training or the reserve officers, I remember kind of the shock and surprise at the state of the room, the hearing room, when we heard that news and when that was testified. I believe Senator Pansing Brooks shared-- shared some of the testimony earlier. In that sense, I do 100 percent support the direction in and where we're heading with LB 51. And I appreciate Senator Lathrop and the Judiciary Committee working on it. I just wanted to say and put on the record, I know Senator Brewer has talked about working with Senator Lathrop and others. I'm excited to see where that-- where that goes as we advance this bill. Relatedly, Senator Brewer has been very courteous to work with me on a bill of my own about body camera footage and whether or not we decide to attach that to LB51 at a future time or whether or not that stands on its own. I just wanted to say I really appreciated his efforts and his sincere work to make sure that we have the appropriate accountability and transparency. Just because we haven't necessarily been in the national news doesn't mean there aren't still incidents that kind of shake community trust and need a level of transparency and accountability from us at the state level. So with that, I do support all of the amendments up on the board and support LB51 and thank the Judiciary Committee for their efforts. Thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator Bostelman, you're recognized.

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BOSTELMAN: Thank you, Mr. Speaker. I do support AM872 and I wholeheartedly support what Senator Brewer's trying to do with our reserve officers. I think that's very important for us in rural Nebraska. If we don't have those available, it's going to significantly impact what we are able to do when law enforcement across a lot of our rural counties. I wanted to read something to you, an email that I got from a retired police officer who is in opposition to LB51. There's some information here I think is-- is very important that we need to consider as we're talking about this-- this bill and this working with law enforcement. Says, I believe it will hamstring us in so many ways that I'm sure you've heard about, even with the proposed amendments, by those of us in law enforcement. I fear it will open a can of worms with a pol-- with politicizing of law enforcement training and this area of division. As a retired officer from Omaha Police Department who spent his entire career working in northeast precinct, I understand the complaints being levied against law enforcement community. However, I am certain this type of, he says, knee-jerk reaction and legislation to those complaints being levied against law enforcement community will have no impact on addressing their concerns and only served to negatively impact to law enforcement and public safety. LB51 seeks to improve standards of policing statewide, especially regarding the use of force, thereby improving public safety and the effectiveness of law enforcement. Currently, there is nothing wrong with the standards that are currently in place, especially in the regards to the use of force. The problems occur when officers don't follow those standards and guidelines. Different standards and legislation will not change the community's attitude-- attitudes who currently upset with law enforcement and they will not be satisfied with this legislation. I'm all in favor with community policing and tactics-- tactics to better improve relations, especially in minority communities and those who feel oppressed by others. I understand it. I am also in favor of more out-of-the-box thinking that will work to improve the situation rather than tried and failed policies of the past. This legislation, in my opinion, is more of the same tried and failed policies of the past. The problems-- the problem is, though, it will negatively impact public safety and effectiveness, especially in small agencies. Long story short, I just wanted to express my concerns to you over this matter. And I just wanted to share that because I think that's a law enforcement officer, a police officer's view, OPD officer's view who actually served northeast precinct. And I think there's a lot of valuable insights what he has and it's a community thing that we also need to be involved with. And it's we-- we cannot legislate people from doing bad things. And I

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think that community policing and some other ideas we have there are well worth it. And hopefully that will be a part of what we see come out of LB51 or other activities, other legislation that we may have. But I fully support what Senator Brewer is trying to do, is requesting. And I hope that we'll be able to see that. I also still have a concern with the amount of hours. I'm just wondering if 32 hours is the right number or if 28 hours is sufficient. I'm a little concerned with our rural areas as far as cost. I understand how much, you know, I don't know how much of this is-- could be done online versus in person. We went from 20 hours to 28 to 32. So is that 18 hours-plus all-- can that all be done online or not? And how effective is that? So again, or come back to effective training, effective work, working with law enforcement and working with the community. And I think that's the direction we need to move in. So with that, I yield the rest of my time back to the Chair.

HILGERS: Thank you, Senator Bostelman. Senator Clements, you're recognized.

CLEMENTS: Thank you, Mr. Chairman. Mr. President, I hadn't spoken on this before. I do support AM872. I think that's common sense. But I also would like to see the reserve officer program protected. And the reading the letter from Chadron was the degree of training and time that they go through to make sure a reserve officer is trained and also is supervised by a full-time officer gives me a lot of confidence that they are well trained and they're serving a purpose. I have one of the cities in my district. It was mentioned that they should just ask for more money to-- for more training. I know that I have a city with a police force. The city is at their maximum levy. They can't just pay for more training or more officers. In fact, they've told me if they get cut on some funding that the state takes away from them, they'll probably have to reduce their law enforcement. And so it's not as simple as just saying, just ask for more money because there are places where they're at their maximum levy and they can't raise any easily anyway. Also, I heard Senator Groene saying that on-the-job training was important, but that's not all he said. He said training is important. It was-- he was accused of saying all you need is on-the-job training, and he didn't say that. I wanted to correct that record, that he was supporting training, but also talking about how important riding along with a full-time officer is for on-the-job training for new officers. He's not here, but you want any time? And I would yield the rest of my time to Senator Brewer if he wants it.

HUGHES: Senator Brewer, 2:30.

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BREWER: Thank you, Mr. President, and Senator Clements. All right. So that, again, everyone understands we're talking about 20 hours, we're talking about 32 hours. If you go through the Nebraska Law Enforcement Training Academy in Grand Island, that's 16 weeks. So you figure five days a week, eight hours a day. You're looking at 640 hours roughly. So that's-- that's the entire package that they're going to have when they come out. So don't get too focused on these numbers and think that's the only training they have. Now where we're-- where we're trying to work through the challenge is you're Valentine, Nebraska, and you hire a police officer and you-- you-- you get him through all of that requirement to get him on board. And then you get with the academy and you find out it is probably going to be six to nine months before you can get him in there. Well, you've hired him. Now, what do you do with him for nine months? If we make that too restrictive, he-- he is probably going to do some administrative tasks that there might not even be administrative task to do. So you're going to be paying for it. You're not going to have anything in return. So we're trying to figure out how to do this provisional period. How do we do this? How do we make it so that they're not doing things they shouldn't do, that they can get some training without just totally wasting their time and making it more difficult for the department to make ends meet? Because I think in the end, we need to take a hard look at changing Grand Island and the academy. When I say by that is, is maybe just like our problems with the prison--

HUGHES: One minute.

BREWER: --and what we need to do there with programming. We need to have more classrooms, more instructors, more facilities so that we can train more officers and-- and we don't have these delays. We can-- we can-- we can have officers hired, trained, and on the street as soon as reasonably possible. But that's-- that's something that maybe we can look at as part of this interim study when we look at reserve program. Because one way or the other, we got to figure out how do we-- we can get them trained and back out on the street as quickly as possible once they're hired. Thank you, Mr. President.

HUGHES: Thank you, Senator Clements and Senator Brewer. Seeing no one else in the queue, Senator Flood, you're welcome to close on AM872.

FLOOD: Thank you, Mr. President. Members, this is an amendment that basically says, hey, if you're going to give these probationary officers a gun and the right to arrest, you, got to remove the prohibition to let the agency grant them a badge to wear so that

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somebody doesn't get into a bad situation or make a situation that's already tense worse by thinking you're not dealing with someone that has the authority to act under the law. And that's all this does. I did work with Senator Lathrop on this amendment, and I would give him the balance of my close to say anything he thinks needs to be said.

HUGHES: Senator Lathrop, 4:25.

LATHROP: Thanks. I'll just-- I'll just say this. I don't think this is a problem amendment. I don't consider it a hostile amendment. I'm OK. I'll probably vote for the amendment, so I'm looking forward to moving on. And so with that, I'd have you vote on AM872 and let's keep moving forward. Thank you.

HUGHES: Thank you, Senator Flood and Senator Lathrop. Colleagues, the question before us is the adoption of LB-- AM872. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 37 ayes, 0 nays on the adoption of Senator Flood's amendment.

HUGHES: The amendment is adopted. Debate is now open on committee-- Judiciary Committee amendment, AM745. Seeing no one in the queue, Senator Lathrop, you're welcome to close on AM745.

LATHROP: Thank you, Mr. President. Colleagues, I appreciate the debate. I think this is an important topic. We have heard the perspective. I think Senator McKinney actually was one of the 200 or so people that testified in front of the Judiciary Committee this summer. So we have had an opportunity to-- to hear a number of perspectives today on this bill. I do want to-- I do want to say that this amendment, the committee amendment and I'm, of course, asking you to support AM745, it does something consequential, colleagues. This sets a standard for agencies. It sets a standard for law enforcement officers. That's important. And I will tell you, it's important from two different perspectives. It's important from the perspective of those who live in Senator McKinney's community and from northeast Omaha. We heard a lot of testimony in two days this summer about their concerns and their level of trust with law enforcement. LB51 will help develop community trust in law enforcement and an appreciation for taking them to another level in terms of professionalism. But it's not just the people in Senator McKinney's district or people of color who are concerned when they're pulled over by law enforcement that this is

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intended to address, because you'll remember from my opening that law enforcement came in in support of this bill as well. And why would that be? Why would that be? I will tell you that if you are a sworn officer and you are going to go and respond to a burglar alarm in a small town, and now you're going to accompany the small town law enforcement officer into a building or into a back alley or respond to any 911 kind of a call, you want to know the person you're going in there with knows what they're doing. That's what this is about, making sure that they have been trained, making sure that they are performing according to procedures, policies, and protocols. That's what this bill will help us do. And I believe along the way, as we provide for these standards, provide for this training, it will engender hopefully more community trust in law enforcement and everyone will be winners under this bill. And with that, I would encourage your support of AM745, along with my assurance that I will continue to visit with and work with Senator Brewer and others who are concerned about the reserve officer program. Thank you.

HUGHES: Thank you, Senator Lathrop. Colleagues, the question before us is the advancement of AM745 to LB51. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record Mr. Clerk.

ASSISTANT CLERK: 41 ayes, 0 nays on the adoption of committee amendment.

HUGHES: The amendment is adopted. Turning now to LB51. Seeing no one in the queue, Senator Lathrop, you're welcome to close on LB51.

LATHROP: I will. Thank you, Mr. President. Colleagues, I want to end my remarks where I began by thanking members of the committee for their work on this subject and in particular thanking the committee members who attended the hearings this summer. For two days, at the same time as protests were taking place in the middle of a pandemic, we held two days of hearings where we allowed, there was no questions from any of the committee members. We simply had an open mike and allowed people and invited citizens in the state to come in and talk to us about their concerns, about their experiences with law enforcement, as well as their ideas for improving law enforcement in their community. I very much appreciate the sincerity and the respect those people showed when they came before the Judiciary Committee. They have been important in informing the way forward on LB51. I also very much appreciate the willingness of law enforcement to come to the table and talk to us about improving the professionalism of agencies

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and officers across the state. So with that, I would once again ask you to support LB51. And thank you, Mr. President.

HUGHES: Thank you, Senator Lathrop. Colleagues, the question before us is the advancement of LB51 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 39 ayes, 0 nays on the advancement of the bill.

HUGHES: LB51 advances. Next item.

ASSISTANT CLERK: Mr. President, LB51A introduced by Senator Lathrop is a bill for an act relating to appropriations. Appropriates funds to aid in the carrying out of provisional LB51.

HUGHES: Senator Lathrop, you're welcome to open on LB51A.

LATHROP: Thank you, Mr. President. Colleagues, this is simply an appropriation to the Crime Commission for the cost of putting together the things that-- the-- the additional tasks placed upon the Crime Commission, and I would appreciate your support of LB51A. Thank you.

HUGHES: Colleagues, discussion is now open on LB51A. Seeing no one in the queue, Senator Lathrop is welcome-- you're welcome to close. Senator Lathrop waives closing. Colleagues, the question before us is the advancement of LB51A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record Mr. Clerk.

ASSISTANT CLERK: 39 ayes, 0 nays on the advancement of the bill.

HUGHES: LB51A advances. Mr. Clerk for items.

ASSISTANT CLERK: Amendments to be printed: Senator Morfeld to LB408; Senator Pansing Brooks to LB408 as well; Senator Morfeld to LB271; Senator Walz to LB529; Senator Murman to LB529; and Senator Matt Hansen to LB529. Additionally, Senator Bostar to LB408. LR105 introduced by Senator Kolterman, that will be referred to the Executive Board. And LR106 by Senator Kolterman, that will also be referred to the Executive Board. Senator McCollister would add his name to LB366. Finally, Mr. President, priority motion. Senator Hilgers would move to adjourn the body until Thursday, April 22, 2021, at 9:00 a.m.

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